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BRIEFING

The future of financing for development: what role for the UN?

Monitoring, review, norm setting and coordination

by Jens Martens

The 4th International Conference on Financing for Development (FfD4) is due to take place in Seville, Spain from 30 June to 3 July 2025. According to the United Nations (UN) Member States, the conference is designed to assess progress and obstacles in implementing the outcomes of the three previous FfD conferences in Monterrey (2002), Doha (2008) and Addis Ababa (2015), as well as agreeing on measures and initiatives to overcome obstacles and address new challenges in the face of global crises. The main aim is to accelerate implementation of the 2030 Agenda and its Sustainable Development Goals (SDGs) and to support the reform of the international financial architecture.

Two factors are crucial for the success of the FfD4 conference: first, governments must agree on verifiable steps to mobilize urgently needed additional financial resources and initiate overdue structural reforms; and second, they must agree on procedures and governance arrangements to monitor and review the implementation of the decisions in the follow-up process.

The UN has a key role to play in the governance arrangements. However, the UN's role is not limited to the area of monitoring and review. For years, governments from the Global South and civil society organizations (CSOs) have consistently called for a stronger role for the UN in setting global norms and coordinating international economic governance. This applies in particular to tax policy, the management of debt crises, international development cooperation and the regulation of transnational corporations.

This briefing describes the institutional framework through which the outcomes of previous FfD conferences have been monitored and further developed at the UN level. It also examines current proposals for the monitoring and follow-up of the forthcoming FfD4 conference, highlights good practices from other policy areas and explores which UN bodies and processes could play a role in shaping the international financial architecture following the Seville conference.

1. Decades of debate: The UN's role in global economic and financial policy

For decades, the UN only played a minor role in international economic and financial policy. One of the reasons for this was a design flaw in the UN Charter. In 1945, the founders of the UN defined "international cooperation in economic and social matters" as one of the core tasks of the global organization and established the UN Economic and Social Council (ECOSOC) as one of the UN's six main bodies (alongside the General Assembly, Security Council, Trusteeship Council, International Court of Justice and UN Secretariat). However, unlike the Security Council, ECOSOC was placed under the authority of the General Assembly (Article 60 of the Charter) and was therefore only a second-class body from the outset. Although

ECOSOC can make recommendations, it cannot take any authoritative decisions.

Another problem with the Council is its size. With 54 members, ECOSOC is too small to function as a representative forum for dialogue on economic and social issues. Many countries in the Global South do not feel adequately represented by it. As a coordination and decision-making body, on the other hand, it is too large. Governments of the Global North, in particular, have long regarded it as cumbersome and ineffective.

In recent decades, important economic and financial policy decisions at a global level have not been made at the UN level. Instead, they have primarily been made at the International Monetary Fund (IMF), the World Bank, the World Trade Organization (WTO) and at G20 meetings.

The hopes of Global South countries – organized through the G77 – that this situation would change after the first International Conference on Financing for Development (FfD) in 2002 were only partially fulfilled. The Monterrey Consensus adopted at that meeting only included a few general appeals to strengthen the UN, in particular the General Assembly and ECOSOC. These appeals were made concrete in the final chapter under the programmatic heading "Staying engaged". According to this, coordination between international development, finance and trade policy should take place in two different forums:

- An **annual meeting of ECOSOC, Bretton Woods institutions (BWI) and the WTO** at the UN following the spring meetings of the IMF and World Bank. This meeting has been held regularly since 1998.
- A biennial **High-level Dialogue on Financing for Development (FfD)** of the General Assembly, which is supposed to address the coherence and consistency of the international monetary, financial and trade system.

This was seen by the G77 as an upgrading of the UN vis-à-vis the IMF, World Bank and WTO. However, it remained largely symbolic, as the two forums were conceived as pure dialogue events without a monitoring or even decision-making function.

This did not change at the second FfD conference in 2008. In the final chapter of the Doha Declaration adopted there, the governments acknowledged the role of the UN as a focal point for FfD follow-up (para. 87, again under the heading "Staying engaged"). It emphasized "the need for a strengthened and more effective intergovernmental inclusive process" (para. 89). However, they deferred any decisions on this to the ECOSOC and General Assembly meetings the following year. At that time, at the height of the global economic and financial crisis, there was a historic opportunity to upgrade the UN. In June 2009, an international conference was held that dealt specifically with the global economic and financial crisis. The central sentence in its final document (para. 16) reads:

"While recognizing the decisions taken in the G-20, we are resolved to strengthen the role of the United Nations and its Member States in economic and financial affairs, including its coordinating role."

The discussions at this conference were largely inspired by the report of an **international commission of experts** appointed by the then President of the UN General Assembly, Nicaraguan Miguel d'Escoto Brockmann. Headed by Nobel Prize-winning economist Joseph Stiglitz, the commission was made up of 18 internationally renowned financial experts and politicians. In its report, the commission formulated recommendations for short-term measures in the area of financial market regulation and economic policy, as well as making proposals for far-reaching reforms to the international financial architecture. These recommendations included the establishment of a *Global Economic Coordination Council* under the umbrella of the UN at the same level as the General Assembly and the Security Council.

However, hopes for such far-reaching structural reforms were not put into practice. In the years that followed, the G20 and the Bretton Woods institutions continued to play the main role. The proposals of the Stiglitz Commission ended up in a drawer. The FfD forums remained limited to their role as non-binding dialogue events, while ECOSOC continued to lead a "miserable shadowy existence" (according to then German Chancellor Angela Merkel in December 2008).

At the third FfD conference in July 2015 in the Ethiopian capital Addis Ababa, the governments expanded the thematic focus of the FfD agenda, as this conference was directly linked to the negotiations on the 2030 Agenda and the SDGs. Accordingly, the Addis Ababa Action Agenda (AAAA) not only provided a review of the decisions made there, but also of the means of implementation targets enshrined in the 2030 Agenda. The AAAA dedicated a detailed chapter to the topic of "Data, Monitoring and Follow-up". This included recommending three bodies for the future process:

- The **ECOSOC Forum on Financing for Development Follow-up:** This has met for one week every year in April since 2016. One day is set aside for the high-level meeting with the Bretton Woods institutions, WTO and the UN Trade and Development (UNCTAD). The meeting is preceded each year by a consultation in Washington, D.C. between the ECOSOC Bureau and the Executive Directors of the IMF and World Bank. The FfD Forum is to submit intergovernmentally negotiated conclusions and recommendations to the High-level Political Forum (HLPF), which monitors the implementation of the 2030 Agenda and its goals.

- The **General Assembly High-level Dialogue on Financing for Development:** This is held every four years for one day immediately after the SDG Summit (previously held in 2019 and 2023). It is intended to mobilize commitment to the FfD process at the highest political level, including through the announcement of concrete financing pledges.

- The **Inter-Agency Task Force on Financing for Development (IATF):** This was convened by the UN Secretary-General in 2016 to provide UN Member States with the latest data and analyses on financing for development. This takes the form of the annual Financing for Sustainable Development Report, among other things. The FfD office within UN Department of Economic and Social Affairs (DESA) acts as the coordinator of the IATF. It works closely with the leading institutional actors in the FfD process – the World Bank Group, IMF, WTO, UNCTAD and the UN Development Programme (UNDP) – as well as more than 60 UN programmes and funds, regional economic commissions and other international institutions.

According to the UN Secretariat, the follow-up process agreed in Addis Ababa has improved the monitoring and review of FfD commitments. The FfD Forum has strengthened the participation of finance ministers and central bank governors in UN financial discussions. It has also helped to deepen the dialogue and cooperation between the governing bodies of the UN and the Bretton Woods institutions (BWI). However, the UN Secretariat also sees room for improvement – for example, with regard to the level of government participation in the FfD Forum and the timetable for negotiations on its conclusions and recommendations.

The CSOs working together in the CSO FfD Mechanism are more critical of the bodies responsible for the FfD follow-up, in particular the Interagency Task Force on Financing for Development (IATF) and its annual FfD report. The CSOs state that:

"We are deeply concerned with the role of the IATF and with its reports in particular as they represent politically negotiated documents between Secretariats of different agencies and institutions, largely dominated by interests of the Global North and primarily concerned with maintaining the current institutional status quo. The reports have been particularly weak on governance reforms and institutional re-architecture, which are critical dimensions for Global South countries in the FfD process."

In principle, the ECOSOC Forum on Financing for Development Follow-up certainly represents progress compared to its weak predecessor bodies. It has taken up crucial topics and paved the way for negotiations in important areas such as international tax cooperation. However, in its current format, it is unsuitable for taking on effective monitoring and review functions. It is also clear that the forum does not yet have a mandate to take on the stronger coordinating role in international financial architecture that the UN has consistently called for.

2. Proposals for monitoring, review and governance reforms

The majority of UN Member States agree that more, not less, multilateral cooperation is needed in the face of growing geopolitical tensions, systemic risks and a lack of progress towards implementing the 2030 Agenda and its goals. In this sense, the FfD4 conference in Seville comes at just the right time. A renewed global financing framework for sustainable development could be agreed at the conference, leading to a strengthening of multilateral cooperation. Ideally, the agreement should consist of two main components:

- First, a set of concrete **commitments**, in particular to mobilize additional financial resources, which contain time-bound, quantitative and therefore verifiable targets.

» Second, a **monitoring and review system** to check the implementation of the resolutions and to hold governments accountable.

In particular, Global South countries are calling for further steps to be taken to strengthen the UN in the area of norm setting and the coordination of global economic governance.

Monitoring and review

In the negotiations on the Seville outcome document, many countries have emphasized the importance of an effective follow-up mechanism: "Effective monitoring of FfD commitments requires a strong accountability framework," states the African Group, for example.

As host of the FfD4 conference, Spain is calling "[to] strengthen accountability, transparency and compliance with commitments with a new monitoring and follow-up mechanism".

Zambia and Mexico, both co-facilitators of the negotiations on the FfD4 outcome document, are also in favour of a robust monitoring and accountability mechanism. This type of mechanism would consist of three components:

i. **Set of FfD indicators** to measure progress in the implementation of the Seville resolutions. Para. 58 (a) of the first draft of the FfD4 Outcome Document calls on the IATF to propose "a concise set of financing indicators". This should be done in consultation with the UN Statistical Commission and its members and, where possible, should use existing data and SDG indicators. Countries such as Brazil and South Africa support this proposal. In this context, South Africa is also calling for the definition of official development assistance (ODA) to be reviewed and to prevent ODA from being replaced by the controversial Organisation for Economic Co-operation and Development (OECD) concept of Total Official Support for Sustainable Development (TOSSD). In its statement, Mexico listed 15 SDG indicators that could be relevant for measuring the progress of the FfD resolutions. The Global Indicator Framework for the SDGs comprises a total of 234 indicators, 50 of which relate to the means of implementation and 24 to the targets of SDG 17 (strengthen means of implementation and global partnership). Around 30 of these indicators are directly related to the topics on the FfD agenda. However, they can only form the basis, as the range of topics covered by the FfD agenda extends far beyond the SDGs. The new FfD indicator framework is to be adopted by the UN General Assembly at its 81st session (i.e. between September 2026 and September 2027).

ii. **FfD progress reports at national and international level:** At a global level, the IATF has produced an annual Financing for Sustainable Development Report since 2016. This examines progress in the seven fields of action of the Addis Ababa Action Agenda. Many governments want this to continue after the FfD4 conference, with an expanded remit to include the FfD indicator framework. However, there is also some criticism of the IATF reports – for example, from the CSO FfD Mechanism (see above). Many see reporting at a national level as an essential component of a future monitoring and review mechanism. In this context, the African Group has proposed a *Universal Financing Accountability Framework*, which is based on the review mechanism that has been in place since 2006 in the form of Universal Periodic Reviews (UPR) in the area of human rights. These require all 193 members of the UN to undergo a peer review of their human rights records every 4.5 years. This model could also be used to introduce a regular review mechanism in the area of sustainable development financing.

This UPR could also be used to assess how much funding a country needs to achieve the SDGs. Is a country using its maximum available resources? Is there a financing gap? How great is the need for external ODA funding? Taken globally, these figures would form a demand-based orientation framework for bilateral and multilateral financial transfers. It could replace the supply-oriented approach of ODA with the 0.7 percent target as a reference framework. This would in now way imply a reduction in funds available for public development financing. All estimates of external financing needs – including the additional funding required for climate change mitigation and adaptation – suggest that the required financial transfers will exceed the volume defined by the 0.7 percent target. However, this could finally bring about a change in perspective, away from an aid-based approach and towards a rights-based approach to development financing.

However, many governments see the establishment of binding accountability obligations as an intrusion into their internal affairs and national sovereignty. As early as 2015, the proposal to introduce such a mechanism in the implementation process of the 2030 Agenda as a kind of UPR for the SDGs did not stand a chance. In order to review the progress made by individual countries in implementing the 2030 Agenda and its goals, governments are only required to submit implementation reports to the High-level Political Forum (HLPF) on a voluntary basis. These are referred to as Voluntary National Reviews (VNRs) so as not to give the impression that they could be binding accountability reports.

Nevertheless, the group pressure to produce these reports has grown over the years. Between 2016 and 2024, 190 countries (including Palestine) presented a total of 366 VNRs. Some of them already produced four reports, including Azerbaijan, Colombia, Mexico and Sierra Leone. Germany is due to present its third VNR in July 2025. The only countries that have not reported so far are Haiti, Iran, Myanmar and the USA. Some governments are now addressing the difficulties and challenges of SDG implementation more strongly in their VNRs than they did in the early years. This is certainly also due to the guidelines set out by the UN Secretariat in its detailed manual for the preparation of VNRs.

Nevertheless, the reports remain predominantly self-assessments by governments, although some governments, such as Denmark and Finland, also provided substantial space for civil society positions in their reports.

The VNRs could now serve as a model for so-called Financing Action Reviews, which the governments are to produce in the follow-up to the Seville Conference. The first draft of the FfD4 Outcome Document states this (para. 58 (e)):

"To strengthen peer review and further enhance participation from capitals, we will invite countries to present Financing Action Reviews on progress and challenges in implementing the Financing for Development outcomes at the ECOSOC FFD Forum, building on INFFs [Integrated National Financing Frameworks] where appropriate, in a similar format to voluntary national reviews on SDG implementation."

iii. **ECOSOC Forum on Financing for Development Follow-up** as the central body for monitoring and review. According to many governments, ECOSOC should be upgraded in the follow-up to the Seville Conference. For example, under the heading "Enhancing the FfD Forum", Germany proposes:

"[to] complement the FfD Forum with intersessional, member-state-led preparations on selected topics, to be discussed in depth during plenary sessions. Intersessional work would enable more substantive discussions and solutions to critical financing issues, which are often only briefly addressed during the Forum itself."

In a joint statement, Pakistan, Egypt and Nigeria also advocate "[to] reaffirm and strengthen the role of ECOSOC FFD Forum".

In the first draft of the FfD4 Outcome Document, these requirements were reflected in the following commitment (para. 58 (b)):

"We commit to deepen substantive discussions at the ECOSOC FFD Forum through an in-depth review and reporting on national and global commitments of the action areas of the financing for development outcomes in a biennial cycle."

In order to strengthen the follow-up process, there is a proposal to hold a network of thematic special sessions within ECOSOC or the FfD Forum itself. These include special ECOSOC meetings on the topics of financial integrity and tax cooperation as well as rating agencies and a special meeting of the FfD Forum with the WTO and UNCTAD on international trade issues. Furthermore, in the area of international development cooperation, the UN's Development Cooperation Forum (DCF), which has been held every two years since 2007, should be integrated into the FfD Forum's meeting cycle, take place before the FfD Forum and report to it. However, this would also require the role of the DCF, which has been politically weak to date, to be substantially strengthened. There are also proposals for this from civil society.

If the FfD Forum is also to incorporate the proposed national implementation reports – the Financing Action Reviews – into its ministerial segment, the current five-day annual format is woefully inadequate. A significant extension of the timeframe would be required.

Additionally, as suggested by Germany and others, holding thematic intersessional meetings would be valuable to help prepare for the Forum's discussions and decisions.

Global norm setting

The FfD Forum is not the only place at UN level where issues on the FfD agenda are discussed. Many countries are convinced that binding agreements and the associated institutions must be created in key areas of the FfD agenda in order to close the enormous financing and regulatory gaps in the area of global economic governance.

This applies to international tax cooperation, among other things. A broad majority of UN members now support a **UN Framework Convention on International Tax Cooperation**. Official negotiations on this are due to begin in August 2025 and should be completed by the end of 2027.

A similar instrument is also being proposed for the debt sector. Pakistan, Egypt and Nigeria, for example, are calling for negotiations to be initiated on a **"multilateral legal framework for debt restructuring"**. They are also in favour of a "multilateral sovereign debt workout mechanism" and the establishment of a "global debt authority" to oversee this mechanism. The demands are also supported by the African Group and the LDC (Least Developed Country) Group, among others.

In **international development cooperation**, too, some are calling for a binding agreement, hoping it will translate the current lip service to the 0.7 percent target into a stronger degree of commitment. For example, Zambia is proposing this:

"Agree on a UN Convention on International Development Cooperation, including establishing a mechanism for the fulfillment of the trillions in unmet 'aid debt' owed to the Global South through decades."

Numerous CSOs have also spoken out in favour of such a convention in the run-up to the Seville conference, including Eurodad, for example.

The initiative for a binding treaty that regulates the activities of **transnationally operating companies** under human rights law also fits into this context. Negotiations on such a binding treaty have been taking place for ten years in an intergovernmental working group of the UN Human Rights Council chaired by Ecuador. Although not part of the FfD process, they are directly linked to efforts to bring private investment into line with the goals of sustainable development.

Coordination and political leadership

In order to strengthen the UN's role in global economic governance, it also needs to play a greater role in coordination and actual decision-making on global economic and financial policy. Organizing a one-day High-level Dialogue on Financing for Development every four years under the umbrella of the General Assembly is completely inadequate for this purpose.

With this in mind, Pakistan, Egypt and Nigeria are among the countries that are calling for the establishment of:

"an inclusive and legitimate global coordination mechanism at United Nations Economic and Social Council (ECOSOC) to address financial integrity on a systemic level and exchange best practices, technologies for effectively tracking and curbing IFFs [Illicit Financial Flows]."

In doing so, they took up a recommendation (14A) from the report of the High Level Panel on International Financial Accountability, Transparency and Integrity (FACTI Panel). In an implementation note, the economist and former Colombian Finance Minister José Antonio Ocampo described various options for the design of such a mechanism under the umbrella of ECOSOC.

In addition, countries such as Pakistan, Egypt and Nigeria are calling for the UN to play a central role in ensuring the coherence of the international trade, monetary and financial systems in support of development: "Due to its universality, the UN must play a central role in pursuit of this aim." To this end, they propose "[to] establish an institutional arrangement between UN General Assembly, WTO, Bretton Woods Institutions and other International Financial Institutions and entities to strengthen consultation, coordination and coherence".

Governments became more specific in the UN Pact for the Future in September 2024, when they took up the UN Secretary-General's proposal to organize a **Biennial Summit** at the level of heads of state and government. The aim was to strengthen existing links and create more systematic coordination between the UN and international financial institutions.

Brazil emphasized its support for this proposal during the preparatory process for the FfD4 conference – but not unconditionally:

"We call for strengthening the leadership role of the UN in global economic governance, and the reform of the IFA [international financial architecture]. We welcome the initiative to convene a Biennial Summit at the level of Heads of State and Government to strengthen existing links and coordination between the UN and the International Financial Institutions (IFIs). However, we must ensure that the convening of this Summit does not result in multistakeholder initiatives that risk undermining existing UN member state-led negotiations of the UNGA [General Assembly] Second Committee and the ECOSOC FfD processes."

Such a Biennial Summit would make sense if it became an integral part of the FfD implementation process and was merged with the High-level Dialogue on Financing for Development as an intergovernmental summit under the umbrella of the UN General Assembly.

3. Concluding remarks

Preparations for the FfD4 conference are taking place against the backdrop of heightened geopolitical tensions and growing resistance to multilateralism from right-wing nationalist governments. However, many governments and CSOs agree that stronger multilateral cooperation and a bolstered FfD architecture under the umbrella of the UN are more urgently needed than ever before. This is especially true when it comes to establishing effective mechanisms for monitoring and follow-up, as well as advancing norm setting and coordination in key areas such as international tax policy, debt crisis management, international development cooperation and the regulation of transnational corporations.

What is urgently needed now are bold, cross-regional coalitions of like-minded countries that are willing to lead by example – proving that policies based on the principles of solidarity, human rights and an inclusive multilateralism under the auspices of the UN will be the only viable route to success in the long term. The Seville conference must become a turning point: a moment where coalitions for a fair and democratic multilateral order rise to challenge the tide of nationalist chauvinism and narrow self-interest. The stakes are high – and the world is watching.

Further Informationen

Financing for Sustainable Development UN website:
https://financing.desa.un.org/

Website for the FfD4 conference in Seville:
https://financing.desa.un.org/ffd4

Website of the Civil Society Financing for Development Mechanism:
https://csoforffd.org/

Information from the Global Policy Forum Europe on development finance and tax justice:
https://www.globalpolicy.org/de/entwicklungsfinanzierung_und_steuergerechtigkeit (German)
https://www.globalpolicy.org/en/issues/development_finance_and_tax_justice (English)

Platform Transformative Finance Policy:
https://ptf.forumue.de/

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