



2025/2004(INI)

30.1.2025

DRAFT COMPROMISE AMENDMENTS (COMP)

DRAFT REPORT

on financing for development – ahead of the Fourth International Conference
on Financing for Development in Seville
(2025/2004(INI))

Committee on Development

Rapporteur: Charles Goerens

CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
ANNEX: ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT.....	9

Agence Europe

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on financing for development – ahead of the Fourth International Conference on Financing for Development in Seville (2025/2004(INI))

The European Parliament,

► [COMP 1 - citations: AMs 4, 5, 6, 8, 9, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26]

- having regard to UN General Assembly Resolution 70/1 of 25 September 2015 entitled ‘Transforming our world: the 2030 Agenda for Sustainable Development’, adopted at the UN Sustainable Development Summit in New York and establishing the Sustainable Development Goals (SDGs),
- having regard to the Addis Ababa Action Agenda of the Third International Conference on Financing for Development held in Addis Ababa from 13 to 16 July 2015,
- having regard to the Paris Agreement of 12 December 2015, adopted at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change,
- *having regard to the United Nations Declaration on the Rights of Indigenous People (UNDRIP), [AM 17, S&D]*
- *Having regard to UNCTAD, ‘Principles on Promoting Responsible Sovereign Lending and Borrowing’, January 2012 [AM 4; Greens]*
- *having regard to the United Nations Framework Classification for Resources (UNFC), [AM 16; S&D]*
- *Having regard to the Resolution 68/304 of the UN General Assembly, ‘Towards the Establishment of a Multilateral Legal Framework for Sovereign Debt Restructuring Processes’, of 2014 [AM 5; Greens]*
- *Having regard to the Resolution of the UN General Assembly of 2015 on the ‘Basic Principles on Sovereign Debt Restructuring Processes’ [AM 6; Greens]*
- having regard to the report of the Organisation for Economic Co-operation and Development of 10 November 2022 entitled ‘Global Outlook on Financing for Sustainable Development 2023: No Sustainability Without Equity’,
- having regard to the report of the Organisation for Economic Co-operation and Development of 5 September 2024 entitled ‘Multilateral Development Finance 2024’,
- having regard to the UN Secretary-General’s SDG stimulus to deliver Agenda 2030 of February 2023,

- having regard to UN General Assembly Resolution 79/1 of 22 September 2024 entitled ‘The Pact for the Future’, adopted at the Summit of the Future in New York,
- ***having regard to the partnership agreement between the EU and its Member States, of the one part, and the Members of the Organisation of African, Caribbean and Pacific States, of the other part (the Samoa Agreement), [AM 8, S&D]***
- having regard to the joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission of 30 June 2017 entitled ‘The new European consensus on development: Our world, our dignity, our future’¹,
- having regard to the Council conclusions of 10 June 2021 on enhancing the European financial architecture for development,
- ***Having regard to its resolution of 17 April 2018 on enhancing developing countries’ debt sustainability, [AM 14, Greens]***
- having regard to its resolution of 24 November 2022 on the future European Financial Architecture for Development²,
- ***having regard to its resolution of 14 March 2023 on Policy Coherence for Development, [AM 22, S&D]***
- having regard to its resolution of 15 June 2023 on the implementation and delivery of the Sustainable Development Goals³,
- ***having regard to the EU Gender Action Plan (GAP III), [AM 23, S&D]***
- ***having regard to the Youth Action Plan (YAP) in European Union external action for 2022-2027; [AM 24, S&D]***
- having regard to Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009⁴,
- having regard to the Climate Bank Roadmap of the European Investment Bank (EIB) of 14 December 2020,
- having regard to the joint communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 1 December 2021 entitled 'The Global Gateway' (JOIN(2021)0030),
- having regard to Rule 55 of its Rules of Procedure,

¹ OJ C 210, 30.6.2017, p. 1.

² OJ C 167, 11.5.2023, p. 57.

³ OJ C, C/2024/493, 23.1.2024, ELI: <http://data.europa.eu/eli/C/2024/493/oj>.

⁴ OJ L 209, 14.6.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/947/oj>.

– having regard to the report of the Committee on Development (A10-0000/2025),

-Aa. whereas Article 208 of the Treaty on the Functioning of the European Union (TFEU), dictates the reduction, and in the long-term eradication, of poverty as the primary objective of the EU’s development cooperation; whereas Art. 208 TFEU reaffirms its commitment to supporting human rights, preserving peace and preventing conflict, assisting populations, countries and regions confronting natural or man-made disasters, and to the sustainable management of global natural resources; [AM 18, S&D - previously citation]

-Ab. whereas Article 18.4 of the Treaty on European Union calls on the HRVP to ensure the consistency of the Union’s external action [AM 19, S&D - previously citation] ◀

► [COMP 2 - AMs 3, 28, 29, 30, 31, 32, 33, 37, 81]

-Ad. whereas, at this critical juncture, with just five years remaining before we reach the 2030 SDG targets, due to the increasing number of crises worldwide, the rise in extreme poverty and hunger, and the increasingly frequent and severe consequences of climate change, only 17% of the Sustainable Development Goals are currently on track to be achieved by 2030 according to the 2024 UN SDG Report, despite progress in certain areas; [combination of: AM 3, 33, 37, Renew; AM 31&32, S&D, AM 81, Left]; whereas developing* countries’ domestic revenue mobilisation remained low, among others due to illicit financial flows and also often corruption, causing crucial resources to be diverted from healthcare, education, and infrastructure development [addition Rapporteur];

-Ae. whereas more than 700 million people worldwide are living in extreme poverty, a figure that keeps increasing; whereas poverty disproportionately affects women and girls globally, and the gender-poverty gap persists to this day; whereas the wealth gap and inequality within and between countries increases, hindering sustainable development [AMs 28, 29, 30] ◀

► [COMP 3 - AMs 33, 35, 36, 38, 39, 40, 60]

A. whereas mobilising even a small fraction of global wealth for sustainable development remains difficult, with UN Trade and Development estimating that the annual SDG financing gap in developing* countries has increased to USD 4–4.3 trillion, representing a more than 50% increase over pre-pandemic estimates [AM 33, Renew] and requiring an unprecedented mobilization of financial resources, both public and private, at the global level, especially to tackle the climate crisis, biodiversity loss, and rising inequalities [AM 38,60, Left] ;

A a. whereas food insecurity has significantly risen as a result of Russia's war of aggression against Ukraine, as well as due to the impact of other armed conflicts and is therefore a barrier of achieving the SDGs; whereas EU cooperation needs to tackle the challenge of food security effectively with partner countries in a sustainable manner; [AM 36, EPP].

**** throughout the text: “developing” referring to “low and middle income” countries, as defined by OECD DAC**

- A b. whereas global leading donors in development cooperation are abandoning their commitments to finance sustainable development; [AM 39, S&D]*
- A c. whereas it is estimated that, if Member States had met the 0.7% of GNI commitment for ODA since 1970, more than € 1.2 trillion could have been allocated for development cooperation, a figure that is likely to be even much higher when taking into account the rest of donor countries worldwide; ◀*

► [COMP 4 - AMs 41, 42, 44, 58]

- B. whereas **developing*** countries face significantly higher borrowing costs, **paying on average twice as much interest on their total sovereign debt stock compared to developed (higher income) countries** [AM 41, Renew], **due to imbalanced global financial structures, but also due to the rating of country-specific risk factors, governance challenges or macroeconomic instability** [AM 44, 58, Left] further exacerbating the finance divide; ◀*

► [COMP 5 - AMs 47, 48, 49, 50, 51, 52, 66]

- C. whereas, **according to the latest data, almost two-thirds** [AM 48, S&D] of low-income countries in the world are currently either in debt distress or at high risk thereof, **with over a hundred countries struggling due to the combination of debt and interest** [AM 48, S&D], **whereas low-income countries (LICs) spend nearly 20% of government revenues on servicing external debt in 2023, up 4x since 2013; whereas debt spending in over three-fourths of low income countries is multiple times the spending on public goods such as education, health, social protection, or climate change** [combination of: AM 47, Renew, AM 52, Left], **thus creating one of the most important obstacles for global south countries to advance the SDGs** [AM 49, Greens];*
- Ca. whereas indebted countries, if in addition hit by a catastrophic external shock, such as a natural disaster, often fall into further borrowing to be able to pay for the reconstruction and recovery costs [AM 51, Greens]*
- Cb. whereas the **developing*** countries in debt distress are projected to face annual debt servicing costs of 40 USD billion between 2023 and 2025, severely constraining their fiscal space for essential public investments [AM 66, Renew]*
- Cc. whereas achieving sustainable development requires more than just curbing debt solutions and securing external financing - it also involves strengthening the economic self-sufficiency of **developing*** countries, including through enhanced domestic resource mobilization, qualitative investment-friendly policies, ~~and~~ that favour the promotion of local entrepreneurship and local private sector growth; [AM 50, EPP] ◀*
- D. whereas the structure of creditors is changing and becoming more complex, with private creditors and new bilateral creditors outside the Paris Club playing a much larger role;*

► [COMP 6 - AMs 63, 64]

- E. whereas the upcoming Fourth International Conference on Financing for Development in 2025 presents a critical ~~opportunity to~~ **moment for necessary [AM 64, S&D] reform of the global financial architecture and for addressing the growing financing challenges [AM 63, Renew]; ◀**

► [COMP 7 - AMs 45, 67, 68, 70, 71]

- F. whereas the current international financial architecture is based on the Bretton Woods Agreements of 1944, which represents an architecture that today is **incapable of meeting the needs of the 21st century multipolar world, specifically the needs of so-called Global South countries [AM 45 Left]- characterized by deeply integrated economies and financial markets, but also marked by geopolitical tensions, growing systemic risks and the effects of climate change [AM 67, Renew], and persists in upholding the existing power imbalance that favours countries in the so-called Global North [AM 68, S&D];**
- F a. whereas in order to address unsustainable and illegitimate debts, all governments shall participate on an equal footing in the decision-making on debt crisis prevention and resolution, as well as different aspects of debt management, beyond creditor-dominated fora; [AM 70, Greens]**
- F b. whereas an improved global financial safety net is necessary to deal with systemic risks and global financial, economic and health crises and shocks [AM 71, Renew] ◀**

► [COMP 8 - AMs 76, 77, 78, 79]

- G. whereas globalisation **raises both opportunities and challenges, as in the case of the increased prevalence and size of multinational enterprises and changes in business models that may enable base erosion and tax avoidance [AM 78, Left] and profit shifting on a significant scale, severely undermining domestic revenue collection, particularly in developing countries [AM 77, Renew]; whereas as a result, taxes on corporate profits have been declining around the world; whereas [AM 76, Greens] international tax cooperation needs more solidarity to address national and global [AM 79, S&D] challenges; ◀**

► [COMP 9 - AMs 85, 86, 87]

- H. whereas illicit financial flows out of **developing* [AM 86, S&D] countries, challenges such as trade mispricing, loopholes in international tax rules and [AM 85, Greens] corruption continue to pose a serious obstacle, often undermining fair and inclusive development efforts, and impacting developing* countries' national budgets and social policy [AM 86, S&D, thus severely reducing funds available for sustainable development [AM 87, Renew]; whereas responsible tax behaviour by multinational enterprises is an essential element of the principles of Corporate Social Responsibility [Am 85, Greens] ◀**

- I. whereas the EIB, through its development arm EIB Global, has committed to increasing the impact of international partnerships and development finance outside the European Union;
- J. whereas the EIB expanded its regional presence, including by opening new regional representation offices, such as the one in Jakarta, Indonesia, to strengthen engagement in southeast Asia and the Pacific;
- K. whereas the EIB, through EIB Global, is committed to sustainable development, climate action and innovative investments in *developing** countries;

► [COMP 10 - AMs 27, 80, 102, 105, 107]

K a. whereas on January 20, 2025, the United States issued an Executive Order, enacting a 90-day suspension and reassessment of all foreign assistance programmes, including those administered by USAID, and reaffirmed its withdrawal from the World Health Organisation (WHO) and the Paris Agreement, actions that have serious implications for humanitarian, health and climate initiatives in the Global South; [AM 102, Renew; AM 27, S&D]; whereas other countries, including some EU countries, also cut their global aid budgets, placing immense pressure on the international development and humanitarian sector [AM 107, Renew];

Kb. whereas this US Executive Order puts the EU in a decisive role in global development cooperation and the EU should assess how to strategically address critical shortfalls, particularly in sectors where stability, economic development, and humanitarian support are at risk, while ensuring a coordinated approach with international partners; [AM 80, 105, EPP] ◀

L. whereas in 2023 only five countries worldwide met or exceeded the United Nations' target of spending 0.7 % of their national wealth on official development assistance (ODA); ***whereas the EU collectively committed to provide 0.7% of gross national income (GNI) as official development assistance (ODA), and 0.2% as ODA to least developed countries (LDC) by 2030, reaffirmed in the Council conclusion of June 2024, in the European Consensus on Development and in Council Conclusions of 26 May 2015, [AM 20, S&D - previously citation];*** whereas the successful mobilisation of further capital, both private and public, in addition to ODA and other existing forms of development finance, is critical;

► [the following belongs to COMP 1 on citations - former citation turned recital]

La. whereas the New Collective Quantified Goal (NCQG) agreed upon during the COP29 in Baku on 24 November 2024 includes commitments to mobilise at least USD 300 billion per year for climate change mitigation and adaptation in developing* countries; whereas the launch of the Baku-Belém Roadmap requires reaching at least an additional USD 1.3 trillion per year for development cooperation by 2035 [AM 26, S&D - previously citation] ◀

Principles and objectives

► [COMP 11 - AMs 116, 117]

1. Reiterates that EU development policy must be driven by the principles and objectives set out in the UN 2030 Agenda for Sustainable Development, the Paris Agreement and the Addis Ababa Action Agenda **and must ensure the application of a human right based and human centered approach, in line with Article 208 TFEU, the European Consensus on Development, the GAP III, the YAP, and International Human Rights Law [AM 116, Renew, 117, S&D]; ◀**

► [COMP 12 - AMs 121, 122, 123, 162]

- 1a. **Acknowledges that the existing financial architecture presents ongoing challenges in preventing and addressing debt crises, highlighting the need to strengthen the tools available for promoting responsible financing and long-term debt sustainability [AM 162, Greens] Considers that, in view of the insufficient progress towards the SDGs, the SDG financing gap, and the multitude of recent crises, the 4th Financing for Development Conference (FfD4) in Seville is an urgently needed opportunity to set up a fair and efficient multilateral debt work-out mechanism [AM 162, Greens], to help strengthening multilateralism, supporting systemic changes that address long-standing inequalities, defining concrete commitments, reinforcing the EU's credibility as a development partner, as well as making substantial progress on ensuring stable financing for sustainable development worldwide [AM 121; Left, 122, Renew]; stresses that mobilisation and effective use of domestic resources, underpinned by the principle of national ownership, are also essential for sustainable development; [addition of rapporteur]**
- 1b. **Calls on the EU to take effective measures against the shrinking of civic space, and ensure civil society participation in the reform of the current structures for financing for development; [AM 123, S&D]**
- 1c. **Reiterates that EU development policy expenditure must, for at least 93%, fulfil the criteria for ODA, and that at least 85% of new actions should have gender equality as a principal or significant objective, and that at least 5% should have gender equality as the principal objective; [AM 126, S&D] ◀**

► [COMP 13 - AMs 127, 128, 130]

2. Emphasises the need for a comprehensive, integrated **and people-centered** approach to development financing **in line with [AM 130, S&D]** the Bridgetown Initiative, which calls for liquidity and debt sustainability issues to be addressed, **for democratisation of financial institutions and debt relief to be implemented**, for development **and climate [AM 128, Left]** finance to be scaled up and for private capital to be **increased** to achieve

the SDGs; stresses the importance of strengthening *cooperation with like-minded partners* [AM 127, ECR] ◀

► [COMP 14 - AMs 136, 137, 139]

3. *Recalls the commitment taken at COP 29 in form of the Baku-Belem roadmap to mobilise 1.3 trillion USD per year for development cooperation by 2035; urges the EU and its Member States to work together with their partners* [AM 137, EPP] towards achieving this goal, *on global level, encouraging cumulative polluters to take their part in* [Rapporteur's addition] *climate change mitigation and adaptation in developing* countries, as well as for loss and damages, through public concessional and non-debt creating instruments, in line with the “Baku to Belem Roadmap” agreed at COP 29, [AM 136, Greens]; emphasises in this context the need for private investment to provide the necessary funds; [AM 137, EPP]* ◀

► [COMP 15 - AMs 144, 145]

4. calls for the *exploration of innovative financing mechanisms, including market-based instruments and for contributions from sectors benefiting from globalization, and establishment of specific taxes* , to help finance global public goods, *reduce inequalities within and between countries, contribute to climate objectives*[AM 145, Left] and support *regional* sustainable development; *notes that growth, competitiveness and stability of the economies is also a necessary precondition for increasing ODA financing; [addition of the rapporteur;]* ◀

► [COMP 16 - AMs 148, 149, 150, 151, 156, 225]

5. Stresses the importance of policy coherence for development (PCD) , *including gender and climate goals* [AM 151, S&D], as a fundamental part of the EU's contribution to achieving the SDGs; *calls for mainstreaming development goals into all EU policies that affect developing countries* [AM 150, Renew]; *taking into account their legitimate concerns as regards the impact from European legislation* [AM 149, EPP]; *welcomes the Global Gateway strategy and highlights the importance of any EU development initiative to comply with a right-based approach*[AM 148, Greens] *and be linked to human development at all times; insist that EU development initiatives should never contribute in any way to enhancing the debt crisis or increasing inequalities* [AM 225, Renew]; *stresses furthermore that PCD implementation is essential to address the structural causes of global south unsustainable indebtedness* [AM 156, Greens] ◀

► [COMP 17 - AMs 158, 160, 164, 165, 167]

6. Underlines the importance of fostering stronger, more inclusive multi-stakeholder partnerships, **fully taking into account the views and standpoints of our development partner countries, also on the regional and local level, as well as of other stakeholders such as international institutions, development banks, non-governmental and civil society organisations, or academia and think tanks [AM 158, Renew]** and of tailoring development partnerships **based on equality [AM 160, S&D]** to reflect the capacities and needs of partner countries, **as outlined in the European Consensus on Development [AM 158, Renew], considers that financial support for partner countries, being often essential, still cannot fully replace, but strongly complement domestic efforts with the aim to catalyse economic growth and build on social security, while facilitating investments in integral human development, in particular in education and job creation as one of the main tools to eradicate poverty; [addition of the Rapporteur]; and, having regard to the principle of common but differentiated responsibilities; underlines that partnerships should be built on mutual interests and shared values, prioritizing sustainable development and the needs of people; stresses the importance of respecting human rights and ensuring a people-centred approach.** ◀

Debt

► [COMP 18 - AMs 168, 169, 171, 192]

7. **In view of the increasing number of low-income countries in debt distress or at high risk thereof [AM 168, Renew]; calls for the reform of the Common Framework opening of an intergovernmental process to set up a UN Framework Convention on Sovereign Debt to address responsible financing with the purpose of preventing and resolving unsustainable debts; urges the EU and its Member States to support this process [combination of AMs 169, Greens, 171, Left, 192, S&D], to ensure fair burden-sharing among all creditors, including multilateral development banks where necessary, without jeopardising their financial health, to deal in particular with problems such as enormous delays in implementing restructurings and the lack of a common understanding and enforceable rules as regards the comparability of treatment of official and private creditors;** ◀
8. Believes that, in many cases, only general debt relief, accepted by all creditors, can put a country back on a sustainable path of financing, instead of deferring debt repayments;

► [COMP 19 - AMs 179, 180, 181]

9. Finds, however, that any such debt relief must be accompanied by internationally agreed principles on responsible borrowing and lending, **including implementation and monitoring mechanisms [AM 181, Renew], as well as by higher transparency and accountability standards, capacity building and fighting against corruption; highlights that, in order to be effective, responsible lending and borrowing principles need to go**

beyond voluntary approaches; [AM 179, Greens, AM 182, Left]; highlights in this context the importance of committing to international human rights, civic and civil society engagement; [AM 180, S&D]; ◀

10. Emphasises the need for enhanced international cooperation to address the changing structure of creditors in sovereign debt, with a focus on including private creditors and new bilateral creditors outside the Paris Club in debt restructuring efforts;
11. Urges the G20 to develop a harmonised framework to strengthen domestic sovereign debt restructuring laws across its member countries, with the aim of facilitating more efficient and equitable debt treatment;

Reform of the international financial architecture

▶ [COMP 20 - AMs 185, 198, 199]

12. *Points out that climate finance and financing for biodiversity and ecosystems especially in the most vulnerable countries is grossly inadequate [AM 199, Renew] Calls for increasing [AM 185, S&D] grants and [AM 198, Greens] highly concessional financing of the ecological transition, in particular for climate mitigation and adaptation especially for least developed countries and small island developing states [AM 185, S&D] and for mobilising more resources for adaptation and the operationalisation of [AM 198, Greens] the Loss and Damage Fund notes, in this context, that only 50% of the EU's total climate finance remains provided in the form of grants [AM 185, S&D] ◀*

▶ [COMP 21 - AMs 202, 203, 204, 205]

13. Calls for the implementation of a rules-based, automatic quota reallocation system in the International Monetary Fund (IMF) to better reflect the changing global economic landscape and ensure fairer representation of emerging economies, as well as *low income and least developed countries [AM 202, Renew, AM 205, Left]; in the meantime, calls for IMF special drawing rights to be rechannelled to developing* [AM 203, S&D] countries and multilateral development banks (MDBs), in line with the Bridgetown initiative, the UN Secretary-General's SDG Stimulus [AM 204, Renew] and the initiatives of the AfDB and the IDB [AM 203, S&D], and for such rights to continue to be regularly allocated; in line with the principle of common but differentiated responsibilities [AM 203, S&D] ◀*
14. Urges the exploration of innovative financing mechanisms, such as portfolio guarantees and hybrid capital, to further expand MDBs' lending capacity by an additional USD 300-400 billion over the next decade; acknowledges, moreover, the need to work towards the expansion of the balance sheets of MDBs and towards increased access to

concessional financing; underlines the need to improve the lending terms of MDBs, including lower interest rates and longer-term loans;

► [COMP 22 - AMs 207, 208]

15. *Welcomes the commitment in the Zero Draft on the FfD4 Outcome to gender balance in executive boards of all international organizations [AM 207, S&D] Supports the establishment of a joint committee for governance reforms in the Bretton Woods Institutions to enhance transparency, inclusivity, such as through a fairer representation in decision-making bodies and fair access to finance [AM 208, Renew] and diversity in leadership and staff; ◀*

Private business and finance

► [COMP 23 - AMs 218, 220, 223]

16. Emphasises once more the crucial role *of the mobilisation [AM 218, S&D]* of private finance to close the financing gap in achieving the SDGs *and calls for more action to facilitate private sector involvement in development cooperation and encourage companies to invest in less developed countries [AM 223, ECR]*; recalls, however, that private sector investment *and blended finance instruments have proven to be not always effective or sufficient in least developed and fragile states, especially in critical public services such as health, education and social protection, and cannot fully replace public investment [Rapporteur], thus requiring special attention from international donors, governments and MDBs [AM 220, Renew]*; *recognises, however, the potential role of enhanced public-private partnerships (PPP), particularly in the field of technical and vocational training, upskilling and reskilling; [addition of the rapporteur]; ◀*

► [COMP 24 - AMs 161, 228, 229, 230, 231]

17. Insists that a conducive business enabling environment is essential for private investment, including through the rule of law, transparency, good governance, anti-corruption measures, investor and consumer protection, and fair competition; *calls on the European Commission to monitor and further improve [Rapporteur]a mechanisms that will provide a security guarantee for European investors [AM 229, EPP], on the other hand, stresses the need to rebalance investors' rights with obligations towards the host State i.e. by supporting the local economy through technology transfer and by utilising local labour and inputs, so as to ensure that FDI translates into wider socioeconomic benefits for the society [AM 228, Greens]*; calls for *[AM 230, S&D] further improved access to affordable financing for the informal sector, dominated by micro- and small businesses, often led by women; calls for*

scaled-up EIB guarantee programs to financially support small and medium-sized enterprises [AM 229, EPP]

- 17a. *Recalls that the security landscape is a decisive factor for investments and for sustainable development; highlights in this context the role and activities of religious institutions, women and all civil-society actors in conflict resolution and management, contributing to peace and security [AM 231, EPP]; more generally, emphasizes the interconnectedness of development and security and stresses the necessity of further advancing a well-defined development-peace and security nexus; [AM 161, EPP] ◀*

► [COMP 25 - AMs 236, 237, 238, 239]

18. *Calls for the establishment of a dedicated SDG investment facilitation mechanism carried by the international community [AM 239, S&D] to identify and develop investment-ready opportunities aligned with the SDGs in least developed countries; leveraging the UNDP SDG Investor Platform's success in identifying over 600 investment opportunity areas in emerging markets [AM 238, Renew]; recalls that SMEs play an important role in achieving the SDGs and therefore need to be encouraged and incentivised by EU policies to actively participate in initiatives contributing to sustainable development in developing* countries [AM 237, EPP]; on the other hand, urges the EU and its Member States to prioritise allocation of grants and concessional financing based on vulnerabilities, namely in LDCs, fragile or conflict-affected countries, and to engage in coordination with relevant stakeholders including civil society actors [AM 236, Greens]; ◀*

► [COMP 26 - AMs 244, 245, 246, 248]

19. *Urges the expansion of innovative financing mechanisms, such as blended finance [AM 248, S&D], to mobilise private capital for SDG-aligned projects in least developed countries (LDCs) and fragile states [AM 244, EPP], emphasising the need to double current finance flows to nature-based solutions from 154 billion USD to at least 384 billion USD per year by 2025, to effectively address biodiversity loss, land degradation ecosystem destruction and climate change [AM 245, Renew, AM 246, Greens]; ◀*
20. *Stresses the importance of capacity building and technical assistance for LDCs to develop bankable projects and improve their investment climates;*
21. *Advocates the creation of a global risk mitigation facility to address the higher perceived risks and borrowing costs faced by developing countries;*

Tax cooperation

► [COMP 27 - AMs 261, 263]

22. Welcomes the two-pillar solution for addressing the tax challenges arising from the digitalisation and globalisation of the economy, **as agreed by the members of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, as a step forward [AM 261, Renew]**, takes note, however, that a group of developing countries has expressed dissatisfaction with the outcome, highlighting concerns around equity and inclusivity within the OECD Inclusive Framework [AM 260 of Greens redrafted]; regrets that Pillar 1 on reallocation of taxing rights has still not entered into force and calls for the acceleration of its implementation, ensuring a fair reallocation of taxing rights to market jurisdictions, particularly benefiting developing countries [AM 261, Renew]; calls for the EU and its Member States to ensure that the agreed global minimum corporate tax rate of 15 % for multinational enterprises is effectively applied, and urges the EU to support capacity building initiatives in *developing** [AM 263, S&D] countries to effectively implement that minimum tax rate, ensuring they can benefit from the new rules and increase their domestic resource mobilization [AM 261, Renew]; ◀

► [COMP 28 - AMs 259, 266, 270]

22a. Urges the international community take concrete steps in the creation and implementation of a UN Framework Convention on International Tax Cooperation [AM 270, S&D] takes the view that such UN Convention on Tax should be designed with a view to ensuring a fair division of taxing rights between nation states and whilst duly considering national tax sovereignty, support efforts to tackle harmful tax practices and illicit financial flows [AM 259, Greens]; ; in this context, stresses that the EU should play a proactive role in enabling developing countries to mobilise domestic resources, in particular through enhanced tax governance, and that the EU should take the lead in combatting illicit financial flows [AM 266, Greens];

23. Advocates further assistance for *developing** countries and international cooperation for the purpose of strengthening tax systems, transparency and accountability in public financial management systems and of increasing domestic resource mobilisation, including through the digitalisation of tax systems and administrations;

► [COMP 29 - AMs 272, 274]

24. Supports the initiative of Brazil at the most recent G20 summit for a coordinated ~~minimum tax on~~ **decision of G20 finance ministers to ensure that** ultra-high net worth individuals **are effectively taxed [AM 274, EPP]**, ~~equal to 2 % of their wealth~~; considers that the initiative of Brazil at the most recent G20 summit for a coordinated minimum tax on ultra-high net worth individuals equal to 2 % of their wealth, **which is estimated to raise up to 250 billion USD annually [AM 272, Renew]**, is worth to be considered further [compromise wording]; ◀

25. Emphasises the need to continue working on combating illicit financial flows, in particular out of **developing*** countries, and corruption, inter alia by investing in human capacities and skills, digitalisation, building up accessible and interoperable data, strengthening governance structures, enhancing regulatory frameworks and promoting regional cooperation;
26. Advocates the creation of a global beneficial ownership registry to enhance transparency and combat tax evasion and illicit financial flows, building on existing EU initiatives in this area;

Official development assistance (ODA) and financing of EU external action development cooperation

► [COMP 30 - AMs 285, 288, 289]

27. Emphasises that, despite the EU and its Member States remaining the largest global ODA provider, **accounting for 42% of global ODA in 2022 and 2023 [AM 288, Renew]**, the collective ODA/gross national income ratio has declined from 0.56 % in 2022 to 0.51 % in 2023, falling well short of the 0.7 % target; calls for urgent action to address the cumulative shortfall in meeting the 0.7 % target; is alarmed by the worrying trends that further cut ODA in many Member States and in the EU budget **as well as by other global leading donors, leading to a further increase in the global financing gap for development [AM 289, S&D]; encourages Member States to increase their ODA budgets in the light of the current geopolitical situation; stresses the need to use development cooperation efficiently, to invest more specifically in those partner countries that promote, among other things, democratic reform efforts, access to social security systems and economic self-reliance [AM 285, EPP]**◀

► [COMP 31 - AMs 295, 297, 298]

28. Urges the EU and Member States to prioritise reaching the immediate target of **0.15** ODA/gross national income for LDCs, **and take concrete actions to fulfil this commitment [AM 298, S&D], with a view to rapidly scaling up efforts to achieve 0.20% ODA/GNI for LDCs [AM 295, 297, Renew]; notes that the impact of development financing also depends on the efficiency of implementation of funding, [addition of the rapporteur];**◀

29. Expresses concern over the increasing trend of tied aid, which reached EUR 4.4 billion (6.5 % of total bilateral ODA) in 2022, and calls for measures to reverse this trend;

► [COMP 32 - AMs 315, 316]

30. Stresses the need for a comprehensive approach to development financing, aligning the Neighbourhood, Development and International Cooperation Instrument – Global Europe with the SDGs and the Paris Agreement, *while ensuring that the allocation of EUR79.5 billion for 2021-2027 is used effectively to address global challenges [AM 316, Renew]; urges the creation of a system for Parliamentary oversight of NDICI-capital flows to ensure their alignment with the dedicated targets for development [AM 315, S&D]* ◀

◦

◦ ◦

31. Instructs its President to forward this resolution to the Council and the Commission.

ANNEX: ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT

Pursuant to Article 8 of Annex I to the Rules of Procedure, the rapporteur declares that he received input from the following entities or persons in the preparation of the draft report:

Entity and/or person
Please insert a person or an entity.

The list above is drawn up under the exclusive responsibility of the rapporteur.

Where natural persons are identified in the list by their name, by their function or by both, the rapporteur declares that he has submitted to the natural persons concerned the European Parliament's Data Protection Notice No 484

(<https://www.europarl.europa.eu/data-protect/index.do>), which sets out the conditions applicable to the processing of their personal data and the rights linked to that processing.