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OPINION

Now is the Time to Remake International Financing

By José Antonio Ocampo

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The Fourth International Conference on Financing for Development (FFD4), to take place in Sevilla, Spain, from 30 June to 3 July 2025, will bring together world leaders to advance solutions to financing challenges threatening the achievement of sustainable development. Governments, international organizations, financial institutions, businesses and civil society will come together to commit to financing our future through a renewed global framework for financing for development.

BOGOTA, Colombia, Jun 25 2025 (IPS) - Leaders heading to the 4th International Conference on Financing for Development taking place in Sevilla, Spain, from 30th June to 3rd July, know full well that they are operating in a moment of crisis.

They can see that public financing is not merely constrained, it is choked, and that the social consequences, already severe, risk becoming catastrophic. What leaders need to understand is not that they are in a hole, but that there is a way out. They can overcome the financing crisis and replace the doom loop of austerity with an upward spiral of social and fiscal success.

The scale of change in financing that is needed to overcome the crisis requires that the very welcome agreements set to be made at the gathering in Sevilla mark not an end point, easing pressures, but a starting point, enabling profound reform. The only realistic response to this crisis is a systemic one.

Leaders need not only to put in place debt relief for overindebted developing countries, including reductions in principals and in interest payments. They need to work to create a permanent institutional mechanism for sovereign-debt restructuring. They need to enable a major expansion of long-term, low-cost financing through regional and global development finance institutions.



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Leaders need not only to strengthen coordination to prevent tax avoidance. They need to work, through the negotiations for the United Nations framework convention on international tax cooperation, to reallocate taxation rights fairly among all countries where multinational firms do business. They need to raise the global effective minimum tax on multinationals' profits, and to introduce minimum standards for the taxation of the richest individuals.

Leaders need not only to halt the freefall of development financing. They need to work to redesign financing for the twenty-first century. Embodying hope that a transformation can be realised is the growing momentum for global public investment. Colombia, Chile, Norway, South Africa and Uruguay are amongst the countries leading the call.

South Africa's leadership of the G20's Development Working Group has even named "global public goods and global public investment" as its "number one priority", "aimed at the construction of a new architecture of international cooperation".

Over fifty civil society organisations are also backing the call for global public investment, including the International Treatment Preparedness Coalition, Southern Voice, CIVICUS, and Global Citizen. A new multistakeholder commitment to advance the implementation of global public investment will be a key initiative in the financing conference's flagship Sevilla Platform for Action.

Global public investment provides a new approach for how countries can think about, organise, and oversee the financing of global challenges. It is rooted in three principles: all benefit from the outcomes; all contribute according to their means; all decide together.

The first principle of global public investment, that all benefit from the outcomes, demonstrates that international cooperation in financing is not charity, it is collective self-interest. We need each other; we can't afford not to cooperate with each other to achieve shared goals.

The second principle, that all contribute according to their means, helps to show everyone playing their part, which is essential both for ensuring backing and for reshaping countries' relationships, status and power.

The third principle, that all decide together, enables equality and quality in the direction and oversight of resourcing.

The global public investment approach recognises that the crisis we are in is not only fiscal but ultimately political – a crisis of multilateralism, of collective action. It meets the world's need for a more effective way for countries to collaborate, and for a more effective way to justify why they do. It shows that looking out for each other is how we protect ourselves; it demonstrates that through pooling of resources everyone wins out.

Thank the expert advice in Sevilla was expected to address this crisis. It has been building for years. Leaders have been struggling to establish and structure the

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Global public investment harnesses both the power of mutual interest – that we are interdependent – and the power of mutuality – that we achieve more by working together. It is an approach whose time has come.

Sevilla is just the start.

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