

DEVELOPMENT CO-OPERATION DIRECTORATE

Financing for Development 2025 Draft Fact Sheets and Statistical Annexes

Monitoring framework in support of the Addis Ababa Action Agenda (AAAA)

The seven DRAFT fact sheets, along with the corresponding annexes, are intended to support the monitoring of the seven action areas of the Addis Ababa Action Agenda (AAAA). These drafts provide critical analysis and key data points to assess progress on the AAAA commitments, contributing to global efforts in evaluating financing sustainable development. In line with international processes, the draft fact sheets have been submitted to the United Nations through the call for inputs ahead of the 4th International Conference on Financing for Development, and to Member States to inform the preparation of the UN elements paper, and they will be finalised as part of the OECD's Global Outlook on Financing for Sustainable Development 2025.

To ensure a broad and inclusive consultative process, the DRAFT fact sheets have been made publicly available to allow for feedback from all relevant stakeholders. This inclusive approach reflects the OECD's commitment to engaging member countries and other key actors in the refinement of this critical monitoring. **We kindly request that comments and input be submitted no later than 18 November to the following contact points** (Olivier.Cattaneo@oecd.org, Rachel.Morris@oecd.org and Joseph.Stead@oecd.org). These contributions will be carefully considered in the finalisation of the fact sheets, ensuring that the OECD monitoring of the AAAA is informed by a diverse range of perspectives and expertise.

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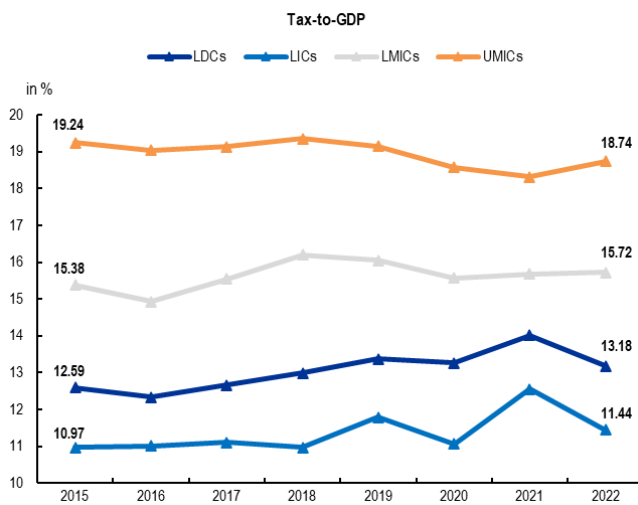
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1 Domestic Public Resources

Data Dashboard

KEY TRENDS

Tax-to-gross domestic product (GDP) ratios in a majority of countries worldwide rebounded despite the negative impact of the COVID-19 pandemic on revenues.



Source: Author's calculations based on UNU-WIDER data, excluding social security contributions.

From 2015 to 2022, tax revenue as a percentage of GDP increased from 16.8% to 17.5% on average in developing countries.¹ The tax-to-GDP ratio increased most (+5%) in LDCs, from 12.6% in 2015 to 13.2% in 2022, with increases (+4%) in LICs and (+2%) in LMICs, from 10.9% and 15.4% to 12.6% and 15.7%, respectively. In comparison, tax-to-GDP decreased (-3%) in UMICs from 19.2 in 2015 to 18.3 in 2022.²

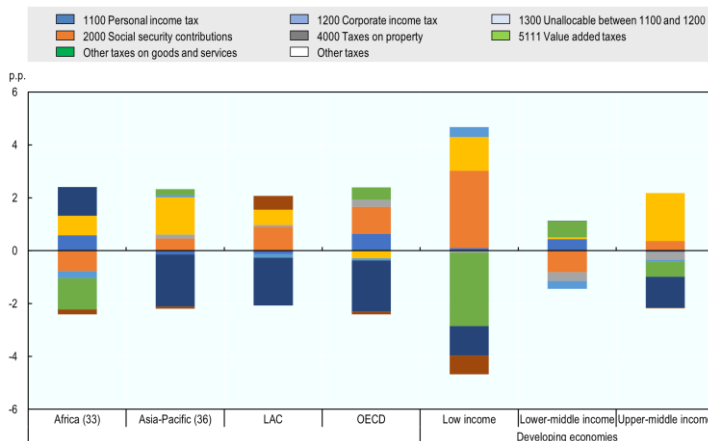
Between 2015 and 2021, tax-to-GDP ratios increased in three-fifths of the 130 economies included in the *Global Revenue Statistics* database. However, in 86% of LICs and 43% of LMICs, revenues remain below the level required to finance critical social services and to invest in economic development (around 15%)³.

Total tax and non-tax government revenue in developing countries rose 27%, from USD 3.44 trillion in 2015 to reach a record high of USD 4.4 trillion in 2022. In 2022, LDCs accounted for less than 5% of total government revenue generated in developing countries.

The tax structure, – or tax mix – varies significantly between countries and has evolved since 2015.

Changes in tax mix in Africa (33), Asia-Pacific (36), LAC, OECD and developing economies, 2015-2021

Percentage points (p.p.) as % of total tax revenue

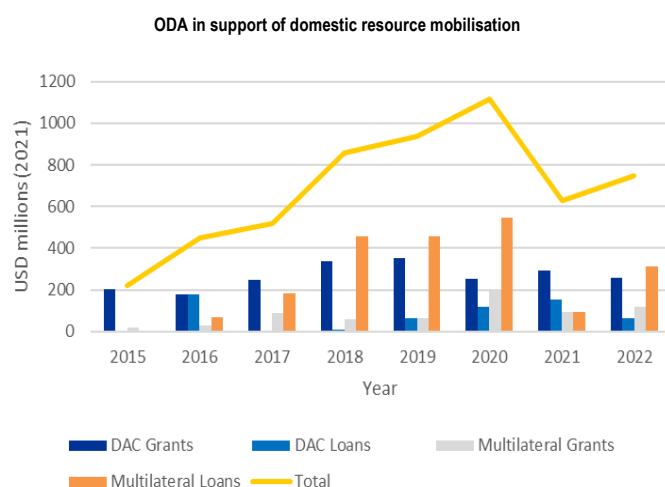


Note: Developing economies (80) include those in the Global Revenue Statistics database that are defined as "low income" (11), "lower-middle income" (35) and "upper-middle income" (34) economies according to the World Bank.

Source: OECD Global Revenue Statistics (database).

The 'tax mix', or share of tax revenues from different tax types, tends to differ significantly between developing and developed economies. Developing countries tend to rely on taxes on good and services, which account for around half of tax revenues in developing countries, while taxes on income and profits and social security contributions are a much larger part of the tax mix in developed economies. In most regions and income groups, the shares of income taxes and social security contributions have increased between 2015 and 2021, while the share of taxes on goods and services has declined. While VAT has decreased in Africa, other consumption taxes have increased by a similar level. On average, low-income countries experienced the largest shift in their tax mix between 2015 and 2021, from taxes on goods and services to corporate income tax and social security contributions.

Other sources of public revenues beyond taxes may provide additional resources for development. For example, the availability of natural resources may allow governments to raise revenues through non-tax instruments such as royalties or interest and dividends. Meanwhile, mandatory, privately managed social security arrangements exist in some countries. In 2021, on average across the LAC region, non-tax revenues from natural resources and private social security contributions amounted to 1.7% of GDP and in some economies, such as Chile and Mexico, they exceeded 5% of

Total ODA in support of domestic revenue mobilisation has increased since 2015.

Source: Author's calculations based on OECD Data Explorer.

GDP.⁴

Total ODA in support of domestic revenue mobilisation (DRM) has increased significantly since 2015 from USD 219.7 million in 2015 to USD 748.7 million in 2022, though this has fallen from a peak of USD 1.07 billion in 2020. Much of the increase has been through loans provided by the multilateral system, and much has gone to non-LDCs.

The development partner members of the Addis Tax Initiative collectively committed to doubling their assistance on tax to USD 441 million by 2020 and maintaining it thereafter. While this target has been missed, assistance has increased significantly.

Launched in 2022, the *OECD's Tax Treatment of Official Development Assistance (ODA) Hub* is the first public resource to improve the transparency around the taxation of aid. The Hub presents approaches taken by 22 out of 30 DAC members which participated in the survey, representing over 80% of total bilateral ODA in 2020. 13 out of 22 donors on the hub reported reviewing their policy since 2015. Of these 4 never/rarely request exemptions, 3 sometimes request exemptions, 9 generally request exemptions and 6 have no general policy on the issue.

The UN through the subcommittee on the tax treatment of ODA projects produced guidelines on the tax treatment of government-to-government aid projects. The UN Tax Committee also adopted a recommendation on the Public Disclosure of Provisions Concerning the Tax Treatment of Government-to-Government Aid Projects.

Key performance indicators

The statistical annex presents a full list.

- ↑ Since 2015, the average tax revenue as a percent of GDP increased from 16.8% to 17.5% in 2022 in developing countries
- ↓ Explicit fossil fuel subsidies increased threefold to USD 1.53 trillion in 2022 from USD 503.3 billion in 2015.⁵
- ↔ While ODA from Addis Tax Initiative members in support of DRM has increased from USD 220 million in 2015 to USD 345 million in 2022, the increase still falls short of the commitment to double volumes to USD 441.1 million by 2020.⁶

Resource mobilisation potential

- The IMF estimates that Low Income Developing Countries can increase their tax-to-GDP ratio by, on average 9 percentage points, through a combination of tax and institutional reforms. By increasing the tax-to-GDP ratio to a level equivalent to that of other developing countries, LDCs could mobilise an additional USD 54 billion per year in tax revenues.⁷
- Such an increase requires increased revenues from a range of taxes, with taxes on goods and services and personal income taxes having the most potential. While there is scope for some increase in revenues from corporate income tax, this is limited in comparison to the scale of resources needed.
- Globally, carbon pricing scenarios could generate around USD 1.4 trillion annually by 2030, or 1.1% of global GDP.⁸
- Estimates of illicit financial flows (IFFs) are often heterogeneous due to the lack of a commonly agreed definition and statistical challenges.⁹ However, progress is underway to harmonise and clarify approaches, particularly on a country-by-country basis.

Key areas of progress

International tax co-operation has expanded significantly in recent years

Through the work of the 171-member (over 55% of which are developing countries) Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) bank secrecy has been effectively eliminated and over EUR 130 billion in additional revenues and penalties has been identified, including more than EUR 45 billion by developing countries. 147 jurisdictions are participating in the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, which facilitates exchange of information between countries, while 126 jurisdictions have committed to automatic exchange of financial account information with 108 jurisdictions already exchanging information automatically, 51 of which are developing countries, including several Least Developed Countries.

International co-operation has also expanded in efforts to effectively tax Multinational Enterprises. 102 jurisdictions have laws in place to provide country by country reports of key information to be shared among tax authorities. 103 jurisdictions signed a multilateral convention¹⁰ to modify their bilateral tax treaties and close loopholes. The 147-member (of which 50% are developing countries) Inclusive Framework on BEPS agreed on rules to establish a global minimum tax with a minimum effective tax rate of 15%, and implementation has begun. In addition, the Inclusive Framework has negotiated a simplified and streamlined approach to the application of the arm's length principle for certain activities of MNEs.¹¹ This framework is expected to reduce transfer pricing disputes, compliance costs, and enhance tax certainty for tax administrations and taxpayers alike. Low-capacity jurisdictions facing limited resources and data availability will especially benefit from this administrative simplification.

While progress on international co-operation on tax has been significant, not all countries have yet been able to benefit from these advances, especially Least Developed Countries.

There have been significant advances in capacity building for tax, especially in international tax

In addition to the increased funding available for capacity building (see above), there have also been advances in the delivery of capacity building, especially in respect to international taxation. The joint OECD-UNDP Tax Inspectors Without Borders (TIWB) initiative, launched at the Third International Conference on Financing for Development in Addis Ababa in 2015, deploys experts to work alongside tax administrators in developing countries on live audit cases and related international tax issues. To date TIWB programmes, including those jointly delivered with the African Tax Administration Forum (ATAF), have generated over USD 2.30 billion in additional tax revenues and USD 6.05 billion in additional tax assessments across 62 jurisdictions¹². The OECD and Global Forum have evolved their capacity building as increasing numbers of developing countries have sought to implement the standards developed at the Inclusive Framework on BEPS and Global Forum. Demand is high with the Global Forum providing support to 91 jurisdictions in 2023. This support includes a range of modalities including induction programmes for new members, bilateral programmes and a range of training, e-learning, toolkits and guidance. Much of this is produced in partnership including with international and regional organisations.¹³

Collaboration with regional tax organisations has become increasingly important, especially in Africa where the African Tax Administration Forum (ATAF) plays a leading role in building tax capacity in the continent and provided technical assistance missions to 35 countries in 2023, with USD 620 million collected through audits with ATAF assistance, bringing total collections to USD 1.92 billion (some of which has come through joint TIWB/ATAF programmes¹⁴). The Platform for Collaboration on Tax was established in 2016 and brings together the secretariats of the IMF, OECD, UN and World Bank Group to strengthen collaboration on domestic resource mobilisation¹⁵. Separately, the OECD Academy for Tax and Financial Crime Investigation has provided over 3,000 government officials from 167 jurisdictions with training to

better detect and investigate tax crimes and other financial crimes, helping countries in their efforts to stamp out illicit financial flows.

Public development banks play a growing role to mobilise finance for sustainable development in developing countries

Public Development Banks (PDBs) are playing a crucial role in aligning investments with global goals such as the Sustainable Development Goals (SDGs), the Paris Agreement, and the Kunming-Montreal Biodiversity Framework. Since 2006, 60% of the 127 new public development banks and development finance institutions were established in low- and middle-income countries.¹⁶ However, only 3.6% of DFIs and PDBs are domiciled in LICs.¹⁷ PDBs are increasingly mobilising finance for climate adaptation, biodiversity, and social investments, while also exploring innovative financial tools like sustainability-linked bonds and debt swaps. While many PDBs have adopted green goals, the share of green assets in their portfolios remains low, with average levels at just 14%.¹⁸ For instance, in LAC similarly, of the instruments they offer, only 19% address digital, gender or green goals.¹⁹ The Finance in Common Summit (FICS) supports PDBs by promoting research, dialogue, and peer learning to enhance their strategies and operations. It fosters global co-operation among various stakeholders, aiming to streamline financial frameworks to support sustainability goals. Recent efforts include strengthening alliances, enhancing technical assistance, and addressing currency mismatch challenges to boost cross-border capital flows.

Persistent challenges

A narrow focus on specific taxes undermines the potential to provide the revenues required

No single revenue type can provide the volume of revenues required to achieve the SDGs, yet the attention has often been narrowly focussed, for example on international corporate income tax, which while important, including for ensuring a level playing field and maintaining trust in the tax system, cannot provide the level of revenues required. The scale of revenues needed means that in many countries it is therefore necessary to look across the tax system as a whole to identify opportunities. Developing a Medium-Term Revenue Strategy (MTRS)²⁰ for tax reform, as more than 25 countries are already exploring²¹, can be a useful approach to align revenue goals with tax system reforms. These are developed in consultation with and support from the society as a whole, and help development partners in aligning their support. MTRS can be a useful complement to Integrated National Financing Frameworks (INFFs). The MTRS approach also seeks to build a durable political momentum for reform, which is vital as political economy constraints have been identified as the most frequent challenge to the sustained achievement of DRM reforms.²²

Economic growth does not always translate to increased tax revenues

Low and middle-income countries require economic growth in order to develop a well-functioning state that provides good quality public services, an education and a social protection system. The tax system should contribute to an environment that is conducive to economic growth. However, economic growth by itself is not sufficient. Countries need economic growth that also translates into higher tax revenues. If tax revenues increase with economic growth, countries can avoid having to increase statutory tax rates that would result in economic distortions. Broad tax bases, avoiding generous income-based tax incentives, and progressive tax systems can strengthen the extent to which growth contributes to higher revenues.

Tax incentives (including fossil fuel subsidies) continue to lack effective oversight

Tax incentives have been increasing in use and generosity in most regions worldwide²³. While tax incentives can play a valuable role in development, the forgone revenues can be significant. Corporate income tax (CIT) incentives cost on average 0.2% and 0.3% of GDP in Africa and Asia, and almost double that in a quarter of countries in each region²⁴. Almost 90% of developing countries have an income-based tax incentive that means in-scope firms pay zero CIT rates on their profits. The evidence on the effectiveness of tax incentives is mixed, with most lacking effective monitoring and analysis to determine value for money. A more comprehensive review of tax expenditures, including and beyond tax incentives for the largest MNEs, is needed in many countries. Such reforms should ensure that incentives are well-designed, well-targeted and based on clear eligibility criteria, and be transparent in granting, administration and evaluation²⁵.

Fossil fuel subsidies, which remain widespread globally, significantly hinder environmental sustainability and economic efficiency by encouraging the overconsumption of carbon-intensive energy sources. The fiscal cost of these subsidies, including those provided through tax expenditures, is substantial; in 2022, government support for fossil fuels surged to over USD 1.4 trillion in 2022 across 48 OECD and partner countries, nearly doubling from 2021 due to initiatives aimed at mitigating high energy costs.²⁶ Despite growing awareness of their adverse impacts, the trend shows an alarming increase in these subsidies, complicating efforts to meet climate commitments and increasing fiscal costs. Phasing out fossil fuel subsidies can alleviate fiscal burdens, freeing up resources for more productive investments in renewable energy, education, and healthcare, while aligning market signals with climate policy objectives. Eliminating these subsidies can enhance social equity if savings are redirected to targeted programs for vulnerable populations, though this may be challenging in some countries.

Addressing tax crimes, corruption and illicit financial flows requires cross-government co-operation, which is often lacking

IFFs are generated by “methods, practices and crimes aiming to transfer financial capital out of a country in contravention of national or international laws (...) illicit financial flows generally involve the following practices: money laundering, bribery and tax evasion by international companies, and trade mispricing”.²⁷ These illicit flows contribute to weakening public institutions, foreign bribery and corruption which inflicts widespread harm and financial losses.

IFFs threaten the strategic, political, and economic interests of countries and undermine public trust in government and the financial system. IFFs can nullify legitimate financial inflows and reduce domestic investment capacity. Illicit financial outflows in some countries may exceed both ODA and FDI inflows, making the fight against IFFs a key issue for policy coherence for sustainable development.²⁸

While there has been some success with the Stolen Asset Recovery (StAR) initiative by the WB and UNODC recovering about USD 1.9 billion in stolen assets, estimates are that only 1% of crime proceeds are typically recovered. Improved performance can come through detecting risks and emerging trends in tax criminality as well as through improved inter-agency co-ordination and national strategies to tackle tax crime and fostering a “whole-of-government” approach to combat IFFs.²⁹

International co-operation is essential and ODA can support by targeting non-tax revenue sectors including energy and transport, strengthening key domestic institutions such as central banks and revenue collection authorities, and engaging with the private sector to enhance risk management, due diligence and responsible FDI. This involves building technical expertise on IFFs. Efforts should focus on supporting developing countries in implementing Financial Action Task Force (FATF) standards to strengthen market and investor confidence, deter de-risking, and ensure sustained access to financial markets and cross-border payment systems.³⁰

Knowledge of beneficial ownership information needs further improvement

Knowledge of beneficial ownership information is the cornerstone of the fight against tax evasion and other illicit financial flows. With the work of the Global Forum and the synergies with the FATF process, jurisdictions took in the last years concrete steps to boost transparency of beneficial ownership information and foster compliance of domestic and foreign stakeholders by enacting legislation and tools to bridge information gap and investigate tax and financial crimes effectively and increase domestic revenue mobilisation. However, only 53% of the 118 jurisdictions reviewed as of June 2024 by the Global Forum have received a satisfactory rating on beneficial ownership, mostly because of implementation issues. Further progress is needed regarding the practical administration of the reforms done and the resources that have to be devoted from the administrations in this respect. Establishing beneficial ownership registers, whose set-up, administration and supervision reveal complex for both developed and developing countries, will need to continue to be at the centre of the strategy to combat illicit financial flows.

Subnational and urban actors continue to lack access to finance

Some 65% of the 169 SDG targets cannot be achieved without involving subnational governments, including cities. According to a recent OECD-SDSN-European Committee of the Regions survey, two-thirds of subnational governments cited the lack of financial resources as their main challenge in achieving the SDGs.³¹ This gap highlights that in some countries, especially, in Africa, there is a need for greater decentralisation with respect to governance that enables local governments to raise their own revenues (e.g., via property taxes).³² Regional and local governments play a key role in achieving climate and environmental objectives and are responsible for the majority of total public spending significantly contributing to climate change adaptation and mitigation. At current levels of investment, there will be a shortfall of USD 350 billion in financing in cities to meet climate targets in emerging economies per year.³³ International co-operation can play a critical role in bolstering subnational governments and urban finance. The potential of guarantees in mobilising financing for sustainable development has been frequently highlighted in discussions about MDB reforms such as the G20 IEG Triple Agenda report, and harnessing this potential for allowing greater access to finance for cities can be an effective means to fight climate change. Since 1988, the Multilateral Investment Guarantee Agency has issued USD 70 billion in guarantees, with only 11 claims paid, and operates with a 76:1 leverage ratio. However, most activities focus on upper middle-income countries, with FY22 marking the first-time insurance in LICs exceeded 10% of new issuance volume.³⁴

Gender-responsive budgeting is needed to close gender gaps

Adequate and effective financing is essential to achieve gender equality and empower all women and girls. Gender-responsive budgeting can help address gender biases from government processes and tools and ensure they are advancing gender equality efforts, such as equal pay and equal access to the labour market. Gender budgeting is increasingly practiced in OECD countries³⁵. Partner countries are currently assessing whether they have systems in place to track budget allocations to gender equality as part of the 2023-2026 Global Partnership monitoring round³⁶.

New and emerging areas

Digitalisation of tax administration can have multiple benefits including and beyond revenue gains

The digitalisation of tax administration is linked with multiple benefits including improved revenues (increasing e-filing adoption by half could increase revenues by 1.6% of GDP³⁷) and increased trust in tax

officials (and lower perception of corruption)³⁸. While developing countries have been making progress, there remains significant scope for action. Successful digitalisation requires a combination of policies, including complementary human resources³⁹. There is a growing range of support available from a range of actors, including self-assessment maturity models⁴⁰ and TIWB digitalisation of tax administration programmes.

Implementation of the global minimum tax for multinational enterprises can generate significant revenue gains

The global minimum tax ensures that large multinational enterprises pay a minimum level of tax (at an effective rate of 15%) on their income in each jurisdiction where they operate, thereby reducing the incentive for profit shifting, placing a floor under tax competition and bringing an end to the race to the bottom on corporate tax rates. To date around 40 jurisdictions have already or are planning to implement. Revenue gains are estimated between USD 155-192 billion a year (6.5%-8.1% of global corporate income tax revenues)⁴¹. Gains will potentially be shared widely among jurisdictions, but will accrue most strongly to those that implement some component of the rules. Those that do not implement the minimum level of tax risk foregoing revenues they could otherwise collect. The minimum tax will also provide an opportunity for jurisdictions to reassess their tax incentives and move toward incentive designs that offer better value for money in terms of investment generated per dollar of revenue foregone.

Increasing the link between tax and the Sustainable Development Goals

While tax is primarily seen as a tool to raise revenues to deliver development goals, tax policy can also be used more directly to influence development outcomes, yet this potential has not been fully utilised to date. This potential is especially high in the areas of inequality, the environment and health, as outlined in the sections below.

Tax policy can strengthen progressivity and help combat global income and wealth inequalities

Global wealth concentration has increased at the top of the distribution. The estimated share of wealth held by the wealthiest 0.001% of the world population more than doubled from 1995 to 2022 from 3.3% to 6.9%⁴². Effective tax rates on High Net Worth Individuals (HNWI) are often substantially lower than those on lower incomes⁴³. The primary limitation of individual income tax is the ability of wealthy individuals to minimise taxable income through deferred capital gains and strategic use of holding companies. Tax policy can strengthen progressivity, and there is increasing interest, especially on taxing HNWI (e.g. calls for a 2% billionaire tax).

There are a range of policy options that can help broaden tax bases and achieve greater neutrality between taxation of different types of income and assets. International co-operation can help, and there is scope to build on existing initiatives such as on international tax transparency. The level of tax expenditures is large in many countries; reforming regressive tax expenditures would increase the progressivity of the tax system. Countries need annual tax expenditure reports that not only measure the tax revenue foregone but also analyses the distributional impact. There is also a need to develop coherent strategies to strengthen the formal economy and to bring informal businesses and their workers within the tax net. This will require tax and benefit reform. Many countries have informal sector businesses and workers that do have the capacity to make tax and SSC contributions. A well-designed presumptive tax regime that incentivises formalisation and that do not create a hurdle for the growth of businesses is a critical design feature of the tax system.

Environmentally related taxation can advance sustainable development by simultaneously addressing environmental challenges and supporting economic growth

Revenues from carbon taxes and emissions trading systems have increased reaching a record high USD 104 billion in 2023.⁴⁴ The global coverage of explicit carbon pricing policies is expanding, with nearly a quarter of global greenhouse gas emissions now subject to a carbon tax or emissions trading system. When accounting for implicit carbon pricing via fuel excise taxes, coverage of explicit and implicit carbon pricing policies increases to 42% of global GHG emissions.⁴⁵ These taxes can generate significant revenue that can be allocated to essential public services and that can help dampen adverse distributional impacts. Their primary role is to incentivise the reduction of environmental damage, promote innovation in green technologies, and improve public health outcomes by lowering pollution-related risks. Although environmental taxes may have regressive effects, their design can incorporate compensatory measures, such as tax credits or social transfers, to mitigate impacts on vulnerable households and ensure an equitable distribution of benefits. This approach fosters both environmental and economic resilience, contributing to long-term sustainable development.

Increased fiscal space and external resources are needed to narrow the social protection and essential health care financing gap in developing countries

Despite progress in essential health services coverage since 2000, global improvements have stagnated since 2015, with 4.5 billion people lacking coverage in 2021. Financial hardship due to out-of-pocket health spending affected 2 billion people in 2019, including 1 billion facing catastrophic costs and 344 million pushed into extreme poverty. The proportion of people spending over 10% of their household budget on health increased to 13.5% in 2019.⁴⁶

The COVID-19 pandemic has exposed the financing gap for social protection and essential health care in many countries. Following the onset of the crisis, the social protection gap is estimated to be around 15% of gross domestic product (GDP) for low-income countries and 5% for lower-middle-income countries. To close the gap, many low-income countries would have to spend more than 75% of their tax revenues on social protection, more than the expenditure of OECD member countries with a much larger tax revenue base.⁴⁷

Many developing countries struggle to fund critical services due to the decline in GDP and the prevalence of the informal economy. Low-income countries would need to invest an additional 15.9% of their gross domestic product (GDP) to finance a social protection floor, and lower-middle-income countries 5.1% of their GDP. In sub-Saharan Africa, public spending on health was only about 5.2% of GDP in 2019 compared with the global average of 9.8% of GDP.⁴⁸

Narrowing the financing gap requires approaches to create fiscal space including increasing tax revenues, expanding social security coverage, managing debt, and reallocating public expenditures. Health taxes remain underutilized in the majority of countries, and taxes on tobacco and alcohol, and to a smaller extent taxes on sugar and sugar-sweetened beverages, have a significant tax revenue potential while inducing people to live a healthier lifestyle, which would significantly reduce the health, economic and social costs for society. Countries have opportunities to levy social security contributions to finance social protection in ways that are aligned with the productivity of the workforce, in order to avoid that the tax and social security system pushes workers into informality.

External support in the form of ODA is essential. However, it remains low in comparison to financing needs.⁴⁹

Annex 1.A. Domestic Public Resources Annex

Annex Table 1.A.1. Assessment of the Action Area: Domestic Public Resources

AAAA paragraph	Commitment	Specific target or objective (quantifiable/ timebound)	Matching SDG target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
20	Strengthen domestic enabling environments, including the rule of law, and combat corruption at all levels and in all its forms.	No	<p>Target 16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all.</p> <p>Target 16.5 Substantially reduce corruption and bribery in all their forms.</p> <p>Target 16.10 Ensure public access to information and protect fundamental freedoms in accordance with national legislation and international agreements.</p>	<p>See also paras. 22-25.</p> <p><i>Other targets and indicators not listed in the annex are also relevant. For more information, see SDG 16 Hub and chapter 16 of the UN SDG Extended Report.</i></p> <p>SDG indicator 16.3.1 Proportion of victims of (a) physical, (b) psychological and/or (c) sexual violence in the previous 12 months who reported their victimisation to competent authorities or other officially recognised conflict resolution mechanisms.</p> <p>As of early 2024, only 53 countries have at least one data point on the reporting of any type of violence covered by indicator 16.3.1 since 2010. (UNODC)</p> <p>SDG indicator 16.5.1 Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by those public officials, during the previous 12 months.</p> <p>In 2023, the average prevalence of bribery was higher in lower-income countries. For example, the average prevalence in low-income countries (LICs) is 31.6%, 26.2% in lower middle-income countries %, 17.1% in upper middle-income countries and 8.9% in high-income countries 8.9. (UNODC)</p> <p>Transparency International Corruption Perception Index (CPI).</p> <p>Since 2011, 28 of the 180 countries measured by the CPI improved their</p>

AAAA paragraph	Commitment	Specific target or objective (quantifiable/ timebound)	Matching SDG target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
				<p>corruption scores, while the scores of 34 countries deteriorated significantly, In sub-Saharan Africa, over 90% of countries scored below 50, indicating serious corruption problems and democratic backsliding.? (Transparency International CPI)</p> <p>OECD Government at a Glance indicators, anti-bribery convention reports, trust in government indicators.</p> <p>Data available for OECD countries show that progress has been made since 2015 to increase public access to budgetary documents and to increase the number of countries with active enforcement of anti-bribery laws. (OECD)</p>
21	<p>Commit to promoting social inclusion in domestic policies. Promote and enforce non-discriminatory laws, social infrastructure and policies for sustainable development. Enable women's full and equal participation in the economy and ensure their equal access to decision-making processes and leadership.</p>	No	<p>Target 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.</p> <p>Target 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion, or economic or other status.</p> <p>Target 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.</p> <p>Target 16.b Promote and enforce non-</p>	<p>SDG indicator 5.5.1 Proportion of seats held by women in (a) national parliaments and (b) local governments.</p> <p>In 2024, women held 26.9% of seats in national parliaments worldwide (single and lower chambers), up from 22.3% in 2015. In the Least Developed Countries (LDCs), this figure rose to 26.8% in 2024, compared to 21.7% in 2015. Additionally, women held 35.5% of elected seats in local government deliberative bodies globally in 2023, while in LDCs, the proportion was 27%. (ECOSOC Annex 2024)</p> <p>SDG indicator 10.2.1 Proportion of people living below 50% of median income, by age, sex and persons with disabilities.</p> <p>Since 2000, two-thirds of countries have reduced the share of their population living on less than half the median income. More than 12% of people in these countries, however, still live on less than half the median. (World Bank)</p> <p>SDG indicators 10.3.1 and 16.b.1 Proportion of the population reporting having personally felt discriminated against or harassed in the previous 12 months on the basis of a ground of discrimination prohibited under international human rights law.</p> <p>According to data from 2015-23, one in six persons encountered discrimination over a 12-month period. Discrimination by colour or ethnic background continues to affect large population groups. Discrimination based on age, gender, religion or belief is also pervasive. (OHCHR)</p>

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			discriminatory laws and policies for sustainable development.	<p>Global Gender Gap Report, World Economic Forum. In 2023, according to the World Economic Forum, the largest gender gap is in political empowerment of women, with 22.1% of the gap closed. Only 12 countries out of the 146 in the Global Gender Report 2023 score above the 50% parity score in 2023, and 75 countries have 20% or fewer female ministers. (World Economic Forum)</p> <p>OECD Social Institutions and Gender Index (SIGI). According to the 2019 OECD SIGI, on average, sub-Saharan Africa and South Asia countries had the highest levels of gender-based discrimination in social institutions. (OECD SIGI)</p>
22	<p>Work to improve the fairness, transparency, efficiency and effectiveness of tax systems, including by broadening the tax base and integrating the informal sector into the formal economy in line with country circumstances.</p> <p>Welcome efforts by countries to set nationally defined domestic targets and timelines for enhancing domestic revenue as part of their national sustainable development strategies. Support developing countries in need in reaching these targets.</p> <p>Commit to enhancing revenue administration through modernised and progressive tax systems, improved tax policy, and more efficient tax collection.</p> <p>Strengthen international co-operation to support efforts to build capacity in developing countries, including through enhanced official development assistance (ODA).</p>	No	<p>Target 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation and encourage the formalisation and growth of micro, small and medium-sized enterprises, including through access to financial services.</p> <p>Target 10.4 Adopt policies, especially fiscal, wage, and social protection policies, and progressively achieve greater equality.</p> <p>Target 17.1 Strengthen domestic resource mobilisation, including through international support to developing countries, to improve domestic capacity for tax and</p>	<p>SDG indicator 8.3.1 Proportion of informal employment in total employment, by sector and sex. The informality rate globally has declined by less than a percentage point since 2015. Although the global informality rate is at its lowest level, the number of informal workers is at its highest. (ILO)</p> <p>Over 90% of employed women in least developed countries (LDCs) and nearly 90% in sub-Saharan Africa and in Central and Southern Asia were informally employed, with little improvement since 2015. (ILO)</p> <p>SDG indicator 10.4.2 Redistributive impact of fiscal policy. No SDG data available for indicator 10.4.2: redistributive impact of fiscal policy.</p> <p>SDG indicator 17.1.1 Total government revenue as a proportion of gross domestic product (GDP), by source. This indicator directly measures the effectiveness of tax systems and their ability to broaden the tax base.</p> <p>Total government revenue (tax and non-tax) as a percent of GDP remained constant in developing countries, increasing only slightly from 28.2% to 28.3% over the 2015-22 period. (IMF)</p>

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			other revenue collection.	<p>Since 2015, tax revenue as a percent of GDP increased from 16.8% to 17.5% in 2022 in developing countries, declining 16.1% in 2020 due to COVID-19. Developed countries have increased their tax revenue-GDP ratio at a faster pace: it rose from 24.8% in 2015 to 26% in 2022 and COVID-19 had less of an impact, with tax revenue declining to only 24.7% of GDP in 2020. (IMF)</p> <p>SDG indicator 17.1.2 Proportion of domestic budget funded by domestic taxes. This reflects the effectiveness of tax collection systems and integration of informal sectors into the formal economy. The proportion of domestic budget funded by domestic taxes declined globally since 2000 from 63.5% to 59.0% in 2022.</p> <p>OECD Global Revenue Statistics database. Between 2010 and 2021, over two-thirds of countries included in the OECD's Global Revenue Statistics database increased their tax-to-GDP ratio despite the impact of the COVID-19 pandemic on public revenues.</p> <p>Tax-to-GDP ratio. The tax-to-GDP ratio remains below the 15% threshold for 86% of LICs and 43% of lower middle-income countries. In countries affected by fragility, conflict and violence, the average tax-to-GDP ratio was as low as 12.6% in 2023, and the gap between developing and OECD country levels generally widened over 2010-21. (OECD)⁵⁰(World Bank based on IMF)⁵¹ Improving revenue collection and public institutions and reducing corruption could raise the tax-to-GDP ratio by 9 and 5 percentage points on average in LICs and emerging economies, respectively. (IMF)⁵²</p> <p>Proportion of government expenditure funded by taxes. In 2020, the first year of the pandemic, the proportion of government expenditure funded by taxes sharply declined by roughly 10% from 2019 in both developed and developing countries, due in part to an increase in</p>

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				<p>expenditure on policy measures as well as a decrease in tax revenues. The proportion had not yet recovered to pre-pandemic levels as of 2022. (IMF)</p> <p>Addis Tax Initiative (ATI) commitment to double ODA to domestic revenue mobilisation (DRM) in relation to 2020 levels.</p> <p>ATI development partners collectively commit to maintain or surpass the 2020 global target level of USD 441.1 million for DRM co-operation supporting country-owned tax reforms.⁵³ Total ODA in support of DRM including and beyond ATI development partners reached USD 749 million in 2022 and is increasingly being channelled through the multilateral system.</p> <p>25 countries are actively involved in formulating and implementing Medium-Term Revenue Strategies (MTRSs), with significant support from PCT Partners, especially the IMF and World Bank. These efforts build on existing domestic tax reforms in law, policy, and administration, aligned with development spending needs. Some reforms are funded through initiatives like the IMF's Revenue Mobilization Thematic Fund (RMTF) or World Bank's Global Tax Program (GTP). Additional support comes from the UN, OECD, and programs like Tax Inspectors Without Borders (TIWB), linking MTRSs to global development goals.⁵⁴</p>
23	<p>Redouble efforts to substantially reduce illicit financial flows (IFFs) by 2030 with a view to eventually eliminating them. Combat tax evasion and corruption through strengthened national regulation and increased international co-operation.</p> <p>Enhance transparency in financial transactions between governments and companies, ensuring all companies, including multinationals, pay taxes where economic activity occurs and value is created, in line with national and international laws.</p>	No	<p>Target 16.4</p> <p>By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets, and combat all forms of organised crime.</p> <p>See paras. 20, 24 and 25.</p>	<p>See paras, 20, 24 and 25.</p> <p>SDG indicator 16.4.1 Total value of inward and outward IFFs (in current US dollars).</p> <p>In 2023, nine countries joined new efforts to develop the first total estimates of IFFs. These will bring together estimates of IFFs from criminal, tax and commercial activities. (UNCTAD and UNODC)</p> <p>Number of countries implementing base erosion and profit shifting (BEPS) Actions and compliance levels among multinational enterprises.</p> <p>The 15 BEPS Actions provide new tools for countries to use to address base erosion and profit shifting. These include both unilateral and multilateral actions.</p>

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				<p>Under BEPS Action 5 countries exchange information on tax rulings, and peer review regimes. While prior to agreement on Action 5 (2015) there was almost no exchange of information on tax rulings, by 2024 over 54,000 exchanges have taken place, and 322 regimes have been reviewed, with almost all now in line with the standard.⁵⁵</p> <p>BEPS Action 6 is focussed on strengthening treaty anti-abuse positions and is facilitated through a multilateral instrument which implements treaty-related BEPS measures. 103 jurisdictions have signed the BEPS MLI, and over 1400 existing treaties have been amended.⁵⁶</p> <p>Under BEPS Action 13, MNEs are mandated to prepare a CbC report that provides an overview of their global income, profit, taxes paid and economic activity across different jurisdictions. Over 115 jurisdictions have introduced CbC⁵⁷ (increasing from 49 to 2016 (OECD)⁵⁸, meaning that substantially all MNEs with a turnover above EUR 750 million are now covered by a CbC reporting obligation.⁵⁹</p> <p>Number of jurisdictions participating in Automatic Exchange of Information (AEOI) and volumes of information exchanged.</p> <p>The Global Forum includes 171 jurisdictions and is focused on implementing two international standards: the standard on transparency and exchange of information on request (EOIR) and the standards on automatic exchange of information (AEOI) (financial account information and crypto-assets). Between 2009 and 2022, Global Forum members reported making over 306 000 requests of information and nearly 90% of the jurisdictions achieved a satisfactory level of compliance with the EOIR standard. On AEOI, as of 2024, 126 countries have committed to implementing the standard on AEOI of financial accounts and 108 jurisdictions have exchanged information. Information on over 134 million financial accounts was exchanged automatically in 2023, covering total assets of nearly USD 12 trillion.⁶⁰ These exchanges are made possible by the participation to the Multilateral Convention on Mutual Administrative assistance in tax matters, which now counts 147 jurisdictions. The AEOI standard and the CRS were endorsed by</p>

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				<p>ECOSOC as part of the UN code of conduct on cooperation in combatting international tax evasion.⁶¹ In addition, 59 jurisdictions have committed to start AEOI on crypto-assets in 2027</p> <p>Number of jurisdictions implementing the OECD/G20 Inclusive Framework on BEPS two-pillar solution.</p> <p>The 147 member OECD/G20 Inclusive Framework on BEPS has led to the development of a two-pillar solution addressing the challenges posed to the traditional international tax system by digitalisation of the economy. Pillar One aims to allocate taxing rights more fairly among countries by ensuring that MNEs, particularly those in the digital economy, pay taxes where their users and customers are located regardless of the enterprise's physical presence. Pillar One also includes measures to simplify transfer pricing, the first phase of which has been adopted, providing a simplified and streamlined approach to the arm's length principle for certain transactions. While optional IF members have committed to respect the use of Amount B by developing countries. Pillar Two introduces a global minimum corporate tax rate of 15% aimed at curbing tax competition and ensuring that MNEs pay a minimum level of tax on their global income. Approximately 45 jurisdictions are already taking steps to implement the global minimum tax for MNEs and about 90% of in-scope MNEs are expected to be subject to the global minimum tax by 2025.</p>
24	Identify, assess, and act on money laundering risks by effectively implementing Financial Action Task Force (FATF) standards on anti-money laundering (AML) and counter-terrorism financing. Encourage information sharing among financial institutions. (calls on International Monetary Fund (IMF), the World Bank and the United Nations).	No	<p>See paras. 20, 23 and 25.</p> <p>Target 16.4</p> <p>By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets, and combat all forms of organised crime</p>	<p>See paras. 20, 23 and 25.</p> <p>Progress on implementing FATF standards.</p> <p>The FATF Global Network, which consists of the FATF and nine regional bodies as associate members (FATF-style regional bodies) as well as observers, brings together 206 countries and jurisdictions committed to implement the FATF Recommendation.</p> <p>See 2022-23 FATF annual report.</p> <p>IMF anti-money laundering and combating the financing of terrorism (AML/CFT) assessments.</p>

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				The national AML/CFT frameworks of 89% of FATF Members have now been assessed in the current fourth round of evaluations.
25	<p>Urge all countries that have not yet done so to ratify and accede to the United Nations Convention against Corruption (UNCAC), and encourage parties to review its implementation. (ref to UNCAC)</p> <p>Strengthen international co-operation and national institutions to combat money laundering and the financing of terrorism. Encourages international community to support return of assets. (reference to Stolen Asset Recovery Initiative).</p>	<p>Yes</p> <p>All countries to ratify and accede to the UNCAC.</p>	See paras 20, 23 and 24.	<p>See paras. 20, 23 and 24.</p> <p>Number of countries that ratify and accede to the UNCAC. The UNCAC is the only legally binding universal anti-corruption instrument. As of 7 August 2024, there are 140 signatories and 191 parties to the UNCAC. (UNODC)</p> <p>Progress by the Stolen Asset Recovery Initiative (StAR). Established in 2007, StAR has helped over 50 countries build their capacity to trace, seize and recover stolen assets and supports the implementation of Chapter V of the UNCAC (World Bank and UNODC),⁶² Through the initiative, 141 jurisdictions were involved in international asset recovery cases leading to USD 10 billion of assets being returned internationally, USD 16.5 billion of assets either frozen, confiscated or returned, and 566 asset recovery cases documented. (World Bank)⁶³</p> <p>Number of countries that ratify the OECD Anti-Bribery Convention The OECD Anti-Bribery Convention currently counts 46 countries, referred to as 'Parties', that have committed to the fight against bribery in international business transactions.</p>
26	Encourage investment in value addition and diversification of natural resources while addressing excessive tax incentives, especially in extractive industries. Promote transparency, including initiatives such as the Extractive Industries Transparency Initiative (EITI). Support sharing best practices, peer learning and capacity building for fair and transparent contract negotiations and monitoring of agreements. (ref to EITI)	No	<p>Target 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation.</p>	<p>SDG indicator 8.2.1 Annual growth rate of real GDP per employed person. Productivity growth, or the growth rate of real GDP per employed person, stagnated in both 2022 and 2023, with growth rates below 0.5%. From 2015 to 2019, the average growth rate exceeded 1.5%. (IMF)</p> <p>Number of commodity-dependent countries. (IMF) In 2015, approximately 91 countries were classified as commodity dependent, meaning that more than 60% of their total merchandise exports were made up of commodities. In 2019-21, the number of commodity-dependent countries slightly increased to 101. (UNCTAD⁶⁴)</p>

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				<p>The International Monetary Fund finds that excessive tax incentives can lead to revenue losses ranging from 5-10% of GDP in countries that rely on oil, gas and/or mining. The OECD tax incentives database shows that approximately 90% of developing countries covered have a tax incentive that allows the MNE to be exempt from corporate taxation on the affected income entirely.</p> <p>Progress by the EITI.</p> <p>The number of countries implementing the EITI Standard increased from 48 in 2015 to over 50 in 2023. As of 2023, nearly 60 countries have published data in an open and standardised format in accordance with the EITI open data policy. Since 2015, USD 2.97 trillion in revenues have been reported through the EITI. (EITI report 2023)⁶⁵</p>
27	Commit to scaling up international tax co-operation. Encourage countries to strengthen transparency and adopt appropriate policies, i.e. for MNEs to report CbC to tax authorities where they operate; strengthen access to beneficial ownership information for competent authorities; and progressively advance towards automatic exchange of tax information among tax authorities as appropriate, with assistance to developing countries, especially the least developed, as needed.	No		See paras. 22, 23 and 28 (MNE reporting CbC, automatic exchange of tax information and ODA to developing countries).
28	Calls for universal participation in international tax co-operation, particularly LDCs, small island developing states (SIDS), landlocked developing countries (LLDCs) and African countries (reference to Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD G20 on base erosion and profit shifting). Recognises the need for technical assistance and capacity building (reference to OECD/UNDP Tax Inspectors without Borders initiative).	No		<p>See para. 23.</p> <p>Participation particularly by LDCs, SIDS, LLDCs and African countries in Exchange of Information for Tax Purposes and OECD/ G20 Inclusive Framework on BEPS.</p> <p>In 2016 the OECD/G20 Inclusive Framework on BEPS was established, allowing interested countries to work together to address BEPS issues. The membership has grown from 82 jurisdictions at its launch to 143 in September 2024, and other countries are still welcome to join. The steering group is comprised of 25 countries with broad geographic and developmental representation. In 2022 the governance was modified to provide for two co-chairs, to increase representation (the current co-chairs are from the UK and Jamaica).</p>

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				<p>Participation of countries, particularly LDCs, SIDS, LLDCs and African countries in the Global Forum.</p> <p>The Global Forum includes 171 jurisdictions and is focused on implementing two international standards: the standard on transparency and exchange of information on request (EOIR) and the standards on automatic exchange of information (AEOI) (financial account information and crypto-assets). Between 2009 and 2022, Global Forum members reported making over 306 000 requests of information and nearly 90% of the jurisdictions achieved a satisfactory level of compliance with the EOIR standard. On AEOI, as of 2024, 126 countries have committed to implementing the standard on AEOI of financial accounts and 108 jurisdictions have exchanged information. Information on over 134 million financial accounts was exchanged automatically in 2023, covering total assets of nearly USD 12 trillion.⁶⁶ These exchanges are made possible by the participation to the Multilateral Convention on Mutual Administrative assistance in tax matters, which now counts 147 jurisdictions. The AEOI standard and the CRS were endorsed by ECOSOC as part of the UN code of conduct on cooperation in combatting international tax evasion.⁶⁷ In addition, 59 jurisdictions have committed to start AEOI on crypto-assets in 2027</p> <p>Support provided by Tax Inspectors without Borders (OECD and UNDP).</p> <p>Tax Inspectors Without Borders (TIWB) includes a portfolio of 59 ongoing (current) and 71 completed programmes, including 25 South-South collaborations. Since 2015, TIWB assistance has helped tax administrations in developing countries generate an additional USD 2.30 billion in tax revenues and USD 6.05 billion in tax assessments across 62 jurisdictions in Africa, Asia and the Pacific, Eastern Europe, and Latin America and the Caribbean.⁶⁸</p> <p>Participation in various multilateral instruments to facilitate international tax co-operation including: Multilateral Convention on Mutual Administrative Assistance in Tax Matters, Multilateral Competent Authority Agreement on automatic exchange of financial</p>

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				account information, Multilateral Competent Authority Agreement on the exchange of Country-by-Country Reports and the Multilateral Convention to Implement tax treaty related measures to prevent BEPS . See factsheet for more information.
29	Welcome the work of the Committee of Experts on International Cooperation in Tax Matters and its subcommittees. Decide to work on enhancing its resources to strengthen its effectiveness and operational capacity.	No		Resources provided to the Committee of Experts on International Cooperation in Tax Matters . A proposal for Draft Terms of Reference for a United Nations Framework Convention on International Tax Cooperation was released on 19 July 2024. ⁶⁹
30	Strengthen national control mechanisms, such as supreme audit institutions and other independent oversight bodies. Increase transparency and equal participation in the budgeting process, promote gender-responsive budgeting and tracking, and establish transparent public procurement frameworks to support sustainable development. (reference to Open Government Partnership)	No	<p>Target 5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all.</p> <p>Target 16.6 Develop effective, accountable and transparent institutions at all levels.</p>	<p>See para. 20.</p> <p>SDG indicator 5.c.1 Proportion of countries with systems to track and make public allocations for gender equality and women's empowerment. Data from 105 countries and areas for the period 2018–2021 show that 26 per cent of countries globally have comprehensive systems to track and make public allocations for gender equality, 59 per cent have some features of a system, and 15 per cent do not have minimum elements of these systems. (UN Women, OECD, UNDP)</p> <p>SDG indicator 16.6.1 Primary government expenditures as a proportion of the original approved budget, by sector (or by budget codes or similar). Budget reliability improved in 2021 and 2022 compared with 2020 but remained weaker than pre-pandemic levels. Budget reliability was lower in the 2021-22 post-pandemic period than in the 2015-19 pre-COVID period in most regions except Latin America and the Caribbean and in sub-Saharan Africa/ (World Bank)</p> <p>International Organization of Supreme Audit Institutions (INTOSAI) and World Bank survey on supreme audit institutions. Nearly all developing countries now have operational supreme audit institutions, with support from the World Bank and the INTOSAI. However, the independence and effectiveness of these institutions vary widely across</p>

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				<p>regions. (World Bank)⁷⁰</p> <p>Open Budget Survey (OBS). The 77 countries included in the 2023 OBS will only reach an adequate level of budget transparency in about two decades.⁷¹</p> <p>Public Expenditure and Financial Accountability (PEFA). Since its creation in 2001, PEFA assessments have been conducted in more than 150 countries and territories, including both developed and developing nations. A supplementary framework for assessing Gender Responsive Public Financial Management includes nine indicators distributed across the budget cycle and can be applied at both national and subnational levels.⁷²</p>
31	Reaffirms the commitment to rationalise inefficient fossil fuel subsidies that encourage wasteful consumption by removing market distortions.	<p>Yes</p> <p>Recommits to previous pledges to end inefficient fossil fuel subsidies.</p>	<p>Target 12.c Rationalise inefficient fossil fuel subsidies.</p>	<p>SDG indicator 12.c.1 Amount of fossil fuel subsidies (production and consumption) per unit of GDP. Explicit subsidies to fossil fuels reached a record high in 2022, exceeding USD 1.53 trillion globally. All regions saw an increase in subsidies of 36%-58% between 2021 and 2022. The most recent call to phase out inefficient fossil fuel subsidies was made at the 2021 Glasgow Climate Pact. (UNEP)</p> <p>Explicit subsidies in 2021 were almost five times higher than the levels recorded in 2020 due to the global energy crisis triggered by Russia's invasion of Ukraine. (IEA)⁷³</p> <p>Implicit fossil fuel subsidies reached USD 7 trillion in 2022 or 7.1% of GDP. Explicit subsidies (undercharging for supply costs) have more than doubled since 2020. Differences between efficient prices and retail fuel prices are large and pervasive. For example, 80% of global coal consumption was priced at below half of its efficient level in 2022.</p> <p>Full fossil fuel price reform could reduce global carbon dioxide emissions to an estimated 43% below baseline levels in 2030 (in line with keeping global warming to 1.5-2°C), while raising revenues worth 3.6% of global GDP. IMF Fossil Fuel Subsidies Data: 2023 Update</p>
32	Notes the burden and costs that noncommunicable	No	Target 3.a	SDG indicator 3.a.1 Age-standardised prevalence of current tobacco

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	<p>diseases place on developed and developing countries. Recognises that a comprehensive strategy of prevention and control and price and tax measures on tobacco can be an effective and important means to reduce tobacco consumption and health-care costs and represent a revenue stream for financing development.</p>		<p>Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate.</p> <p>Target 3.4 By 2030, reduce by one third premature mortality from noncommunicable diseases through prevention and treatment and promote mental health and well-being.</p>	<p>use among persons ages 15 years and older.</p> <p>Worldwide, the total economic damage of smoking (including productivity losses from death and disability) has been estimated at more than USD 1.4 trillion per year, equivalent to 1.8% of the world's annual GDP. More than 80% of the world's smokers live in lower middle-income countries (LMICs). Economic modelling carried out by the World Bank shows that raising cigarette excise tax rates in all developing countries by the equivalent of USD 0.25 per pack would generate an extra USD 41 billion in government tobacco excise revenue for LMICs.</p> <p>In 2022, the global prevalence of current tobacco use among the population aged 15+ was estimated at 20.9% (34.4% among men and 7.4% among women). This translates to around 1.25 billion adult tobacco users in the world. The prevalence has declined since 2015 when it was 23.9%, and the number of users has decreased by 50 million. By investing in proven tobacco control measures, over 15 years, global smoking prevalence could decline by over half, saving 42.8 million lives and generating USD 6.2 trillion in social and economic benefits, including USD 2.3 trillion in direct healthcare savings. (WHO, WHO-FCTC)</p> <p>182 countries are now Parties to WHO Framework Convention on Tobacco Control (WHO FCTC), demonstrating strong political will to reduce the demand and reduce supply of tobacco products.</p> <p>SDG indicator 3.4.1 Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease.</p> <p>In 2019, a person aged 30 years had a 17.8% chance of dying from one of the four major NCDs (cardiovascular diseases, cancer, chronic respiratory diseases or diabetes) before the age of 70 years. This is a slight decline from the risk in 2015 when it stood at 18.5%. Men had a higher probability of premature death from NCDs than women globally. (WHO)</p> <p>Of all noncommunicable diseases (NCDs) deaths, 77% are in low- and middle-income countries. Cardiovascular diseases account for most NCD deaths, or 17.9 million people annually, followed by cancers (9.3 million), chronic respiratory diseases (4.1 million) and diabetes (2.0 million including kidney disease deaths caused by diabetes). These four groups of diseases</p>

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33	Call on national and regional development banks to expand their contributions to sustainable infrastructure, energy, etc., especially during financial crises, and urge relevant international public and private actors to support such banks in developing countries.	No	n.a.	<p>account for over 80% of all premature NCD deaths. (WHO)</p> <p>For more information on PDB and DFI activities, see the AFD and Peking University database at http://www.dfidatabase.pku.edu.cn/. See also International Development Finance Club.</p> <p>SDG alignment of public development banks (PDBs) and development finance institutions (DFIs) activities</p> <p>The accumulated assets of over 500 PDBs totalled about USD 23 trillion in 2022, representing 10% of global investment. These include ten mega banks that hold 70% of the total. The China Development Bank stands out as the largest general-mandate public development bank, with approximately USD 2.6 trillion in assets</p> <p>Only 3.6% of global DFIs and PDBs are in LICs. (Finance in Common, Agence Française de Développement (AFD), Peking University).</p> <p>A survey of the largest national development banks finds that more than 80% have adopted green goals though the share of green assets in their portfolios remains low, with average levels at just 14%. (Dalhuijsen et al., Greening National Development Financial Institutions)</p>
34	<p>Commit to scaling up international co-operation to enhance the capacities of municipalities and local authorities, especially in LDCs and SIDS. Enhance inclusive and sustainable urbanisation and strengthen economic, social and environmental links between urban, peri-urban and rural areas through improved national and regional development planning. Strengthen debt management, support the establishment of municipal bond markets, and promote lending from financial institutions and development banks, including risk mitigation mechanisms. (reference to MIGA)</p> <p>By 2020, increase the number of cities and human settlements adopting and implementing integrated policies and plans for inclusion, resource efficiency,</p>	No	<p>Target 11.3 "By 2030, enhance inclusive and sustainable urbanization and capacities for participatory, integrated and sustainable human settlement planning and management in all countries."</p> <p>Target 11.a "Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional</p>	<p>SDG indicator 11.3.1 Ratio of land consumption rate to population growth rate. A sample of 1 217 cities indicates that over 2000-20 the rate at which cities sprawled was up to 3.7 faster than the rates of their densification. (UN-Habitat)</p> <p>SDG indicator 11.a.1 Number of countries that have national urban policies or regional development plans that (a) respond to population dynamics; (b) ensure balanced territorial development; and (c) increase local fiscal space. In 2021, 55 out of 58 national urban policies - NUPs (95%) fulfilled the first criteria on "responding to population dynamics", 54 (93%) fulfilled the second criteria on "ensuring balanced territorial development" and only 26 (45%) met the third criteria on making considerations for "increased local fiscal space".</p>

AAAA paragraph	Commitment	Specific target or objective (quantifiable/ timebound)	Matching SDG target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
	climate change mitigation and adaptation, and disaster resilience. Develop and implement holistic disaster risk management at all levels in alignment with the Sendai.		development planning." Target 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	(UN-Habitat) SDG indicator 13.1.2 Number of countries that adopt and implement national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-30. In 2023, 129 countries reported having a National Disaster Risk Reduction Strategy that is aligned to the Sendai Framework, a high increase compared to 55 countries in 2015. Of these countries, 122 have indicated that "promoting policy coherence and alignment with the SDGs and the Paris Agreement" is a central component of their national disaster risk reduction (DRR) strategies, highlighting the significance of incorporating climate resilience and sustainable development. (ECOSOC – Annex 2024 and SDG Extended Report - Goal 13) SDG indicator 13.1.3 Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies 82% of countries with a national disaster risk reduction (DRR) strategy also have corresponding local DRR strategies aligned with their national plans. Local-level risk governance has seen progress in recent years, with 106 countries reporting the implementation of local DRR strategies consistent with national frameworks by 2023. On average, 72% of local governments in these reporting countries have indicated having local DRR strategies in place. (SDG Extended Report - Goal 13) Share of the world / developing countries population living in cities By 2030, almost 60% of the total population living in the developing world will live in cities. In 2023, about 75% of the world's population lived in small cities with fewer than 500 000 people. (UN-Habitat) ⁷⁴ In 2020, Africa's urban population was 716 million people and will double to 1.4 billion people living in cities by 2050, according to OECD/SWAC projections. ⁷⁵ In 2050, approximately 60% of these urban residents will live in large cities (i.e., above 1 million inhabitants). Larger African cities (especially those above 4 million) are already more compact than those less than 4

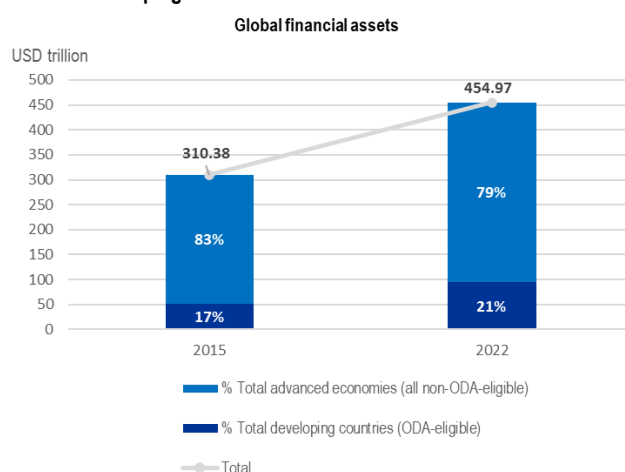
AAAA paragraph	Commitment	Specific target or objective (quantifiable/ timebound)	Matching SDG target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
				<p>million, i.e., less distance between buildings.⁷⁶ Whilst infill reduces outward expansion, trade-offs emerge in these cities, such as loss of green space.⁷⁷</p> <p>Urban infrastructure gap The annual urban public infrastructure gap in developing countries is estimated at USD 1.3 trillion of investment. (UN-Habitat)</p> <p>To meet climate targets, USD 29.4 trillion will be needed in cities in emerging economies between 2018 and 2030. At current levels of investment, the shortfall is USD 350 billion per year.⁷⁸</p> <p>Without involving subnational governments, including cities, 65% of the 169 SDG targets cannot be achieved. (OECD)</p> <p>Municipal green bonds Municipal green bonds are debt securities issued by subnational governmental entities that are labelled green to signal to the financial market a climate- and environment-related investment. Their issuance is concentrated the United States, with issuances also in Europe and China. In Africa and Latin America, local governments issued nine municipal green bonds over the 2014-23 period and included cities and provinces in Argentina, Mexico, Morocco and South Africa, Mexico.⁷⁹</p> <p>Risk insurance in developing countries. The World Bank Multilateral Investment Guarantee Agency (MIGA) provides political risk insurance covering 90%-95% of investments or loans against non-commercial risks. Over 35 years, MIGA has issued USD 70 billion in guarantees, with only 11 claims paid, and operates with a 76:1 leverage ratio without having had a capital infusion since 1988. However, most activities focus on upper middle-income countries, with FY22 marking the first time that insurance in LICs exceeded 10% of new issuance volume. (CGDEV)⁸⁰</p>

2 Domestic and International Private Business and Finance

Data dashboard

KEY TRENDS

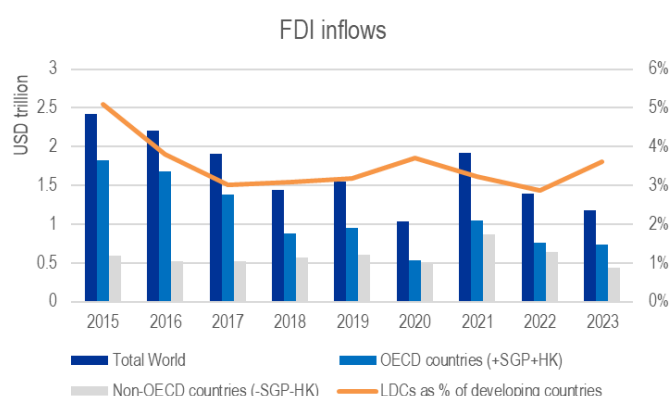
Global financial assets increased by 47% between 2015 and 2023 with a growing share held in developing countries.



Note: The sum of jurisdictions is not equal to the total global financial assets reported to the FSB. Global financial assets managed by entities including banks, central banks, insurance companies, pension funds, public financial institutions and other financial institutions. Non-bank financial intermediation includes investment funds, insurance companies, pension funds and other financial intermediaries.

Source: Authors based on Financial Stability Board (2023^[1]), Global monitoring report on non-bank financial intermediation 2023, <https://www.fsb.org/2023/12/global-monitoring-report-on-non-bank-financial-intermediation-2023/>

Global foreign direct investment (FDI) inflows have declined significantly since 2015 from USD 2.4 trillion to USD 1.2 trillion in 2023.



Notes: The calculation of LDCs as percent of developing countries is based on UNCTAD data

Source: OECD Data Explorer (BMD4) for Total World, OECD and non-OECD countries. UNCTAD data used for LDCs and total for developing countries; UNCTAD 2024, (2024^[2]), World Investment Report 2024, <https://unctad.org/publication/world-investment-report-2024>.

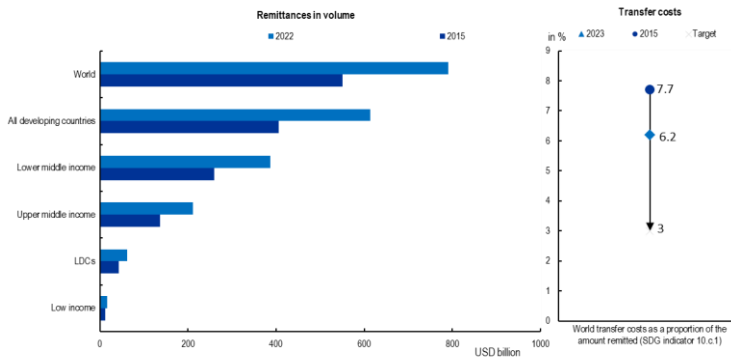
Global financial assets under management (stocks) generate USD 461.2 trillion yet remain concentrated (79%) in developed countries. The share of financial assets held in developing countries increased from 17% to 21% in 2015-22.

In 2022, total global financial assets fell by 0.4%, marking the first decline in the NBF sector since 2009, driven by higher interest rates and lower asset valuations.

Global FDI flows dropped by 7% in 2023, to USD 1.2 trillion, continuing a declining trend since 2015. Developing countries overall increased by 17% since 2015, totaling USD 867 billion in 2023. However, the volume of FDI to least developed countries (LDCs) declined over the same period by USD 6 billion and their share dropped from 5.1% to 3.6%.

Beyond the amounts, the qualities of FDI and their impact on sustainable development also matter to move from resource mobilisation to Sustainable Development Goal (SDG) impact. Importantly, FDI is rapidly shifting to sectors with lower job creation potential yet crucial for the green and digital transitions.

Remittance volumes are increasing while transfer costs remain high



Note: All developing countries represent the sum of all low- and middle-income countries. Transfer costs latest available data is 2nd quarter of 2023.
 Source: World Bank (2024^[3]), World Development Indicators, <https://datatopics.worldbank.org/world-development-indicators/>

Total remittances to developing countries increased by 51% since 2015 to reach USD 614 billion in 2022, but the transfer cost of sending USD 200, even if it has gone down from 7.7% to 6.2%, remains more than double the 3% SDG target.

Key performance indicators (selected quantifiable commitments), for full list, see the statistical annex

- ↑ In 2021, 71% of adults in developing economies had a financial account, up from 63% in 2017.
- ↑ Greenfield FDI in renewable energies expanded sharply starting from 2019 in OECD countries and from 2022 in non-OECD countries, more than tripling in both regions.
- ↔ Energy intensity improvements still fall short of the SDG 7.3 target of an average annual improvement of 2.6% between 2010-30, which is equivalent to doubling the average improvement rate observed over 1990-2010. To reach this target, annual progress of about 4% is needed between 2022 and 2030.⁸¹
- ↓ The global share of women holding management positions in 2022 declined to 27.5% from 28.5% in 2016.⁸² Gender parity will take 176 years to be achieved at the current rate of change.

Resource mobilisation potential

- LDCs would have received USD 280 billion in FDI inflows since 2015, i.e. an additional USD 41 billion since 2015, had their inflows increased at the same rate (17%) as in other developing countries over 2015-23.⁸³
- An additional USD 23.3 billion could be mobilised in support of developing country households by reducing remittance transfer prices to the 3 percentage point SDG target.⁸⁴

Key areas of progress

The public sector has strengthened its approach to engage the private sector as a key partner in support of sustainable development

Since 2015, governments have stepped up their adoption of policy instruments in support of sustainable consumption and production, including responsible business and investing, to help strengthen incentives for private sector alignment to the SDGs. From 2015-20, countries adopted 34 economic and fiscal instruments (up from 16 in 2015); 160 macro policy instruments (up from 51 in 2015); 81 regulatory and legal instruments (up from 37 in 2015); and 72 voluntary schemes (up from 30 in 2015).⁸⁵ In 46 of the 52 developing countries covered by the OECD 2022 Investment Tax Incentive database, at least one tax incentive supports an area related to the SDGs.⁸⁶ In recent years, 75% of OECD countries have adopted due diligence-related regulations (in different shapes and forms) that require companies to manage and disclose on their environmental and social impacts along their global supply chains and investment portfolios.⁸⁷

Several global initiatives have also enhanced private sector participation in sustainable development. The UN Global Compact, the world's largest corporate sustainability initiative, engages over 10 000 companies globally. The Global Investors for Sustainable Development (GISD) Alliance, launched in 2019, includes 30 corporate and financial leaders promoting sustainable investments. Principles for Responsible Investment is a network made up of more than 4 000 investors managing USD 121 trillion. In addition, the Sustainable Stock Exchanges Initiative involves more than 100 stock exchanges to enhance environmental, social and governance (ESG) transparency; and Business for 2030 aligns corporate projects with the SDGs. The International Sustainability Standards Board (ISSB) builds on the Climate Disclosure Standards Board (CDSB), the Task Force for Climate-related Financial Disclosures (TCFD), the Value Reporting Foundation's Integrated Reporting Framework and industry-based Sustainability Accounting Standards Board (SASB) Standards, as well as the World Economic Forum's Stakeholder Capitalism Metrics.

Development co-operation providers have also instituted specific policies to more effectively engage the private sector, including by supporting developing countries. First of all, the ODA eligibility rules ensure donors' direct support to the private sector (so called private sector instruments) in developing countries is reported in ODA only if it ensures development additionality.⁸⁸ In addition, donors have also untied most of their ODA to ensure that all companies can effectively compete and have access to donor funds, and to allow recipient countries more flexibility in procurement. For example, in 2015, approximately 80% of bilateral ODA was untied, or offered on the condition that it be used to procure goods or services from the provider of the aid. By 2022, the proportion had increased to over 85%, reflecting ongoing efforts to enhance effectiveness of private sector engagement.^{89,90}

Finally, a number of international standards have been agreed by development cooperation providers to strengthen the commitment to the effectiveness of private sector engagement. While definitions of blended finance vary⁹¹, the OECD DAC Blended Finance Principles and accompanying Guidance are tools for development finance actors to design and implement effective, efficient and transparent blended finance programmes, and ultimately mobilise more private finance for sustainable development. In addition, the Kampala Principles on effective private sector engagement in development co-operation promote ownership of private sector engagement by partner countries and ensure the alignment of projects and programmes with national sustainable development priorities.⁹² The Kampala Principles Assessment is a novel component of the Global Partnership for Effective Development Co-operation monitoring exercise that generates evidence to track and stimulate greater effectiveness on private sector engagement in development co-operation.⁹³ Progress in the dissemination and implementation of RBC standards enhance the environmental and social impact of businesses and generating positive spillovers in developing countries through the due diligence process. Development co-operation plays an important role

in that regard, to help build capacities and ensure that all countries and entities can seize sustainable investment and GVC participation opportunities.

Financial inclusion, including bank account ownership, has steadily progressed

Financial inclusion has steadily progressed, with more than half a billion people gaining access to formal financial services between 2017-21.⁹⁴ Global bank account ownership rose from 51% in 2011 to 76% in 2021, notably increasing by 30 percentage points in developing countries to reach 71% in 2021. At the same time, however, only 15.7% of small-scale industries in sub-Saharan Africa have access to loans or lines of credit compared with 44.2% in Latin America and the Caribbean.

Remittance volumes are increasing while transfer costs remain high

Remittance volumes grew to USD 838 billion in 2022, including USD 614 billion to developing countries, becoming a crucial source of income for households and small and medium-sized enterprises (SMEs).⁹⁵ Remittances are expected to have reached USD 669 billion in 2023.⁹⁶ The Latin America and the Caribbean region experienced the highest growth rate in remittances at 21.6%, driven by economic recovery in the United States and migrants' responses to natural disasters in their home countries.⁹⁷ The volume of remittances received by LDCs (USD 62 billion) was twice as large as FDI (USD 27 billion) in 2022. But the cost of sending remittances remains high.

The global average cost of sending USD 200 decreased from 7.7% in 2015 to 6.2% in 2023. The World Bank's Smart Remitter Target (SmaRT), "the simple average of the three cheapest qualifying services for sending remittances in each corridor", stood at 3.5% in 2023.⁹⁸ This is due in part to greater access to digital instruments for transferring remittances, it is more than double the SDG target of 3%. Yet, 20% of remittance corridors remain above 5% transfer fees. Lack of competition among money transfer operators, high regulatory requirements even for small transfers, insufficient support to new digital players, as well as de-risking notably due to absence of precise risk metrics for certain corridors, are some of the barriers to reducing the cost.

Philanthropic financing for sustainable development in developing countries is on the rise

Philanthropic financing is on the rise, and domestic foundations in emerging countries are playing a growing role. Private philanthropy for development from 40 reporters grew from USD 4.2 billion in 2015 to 11 billion in 2022. In the same period, 19% of the financing came from domestic foundations in emerging markets such as China, India and Mexico. Sub-Saharan Africa receives the largest share of philanthropic funding, with significant contributions to support health and economic development. Major foundations, among them the Gates Foundation, focus heavily on this region, particularly in the areas of disease eradication and healthcare improvement, and provided a total of USD 5 billion in 2022.⁹⁹

Persistent challenging areas

FDI flows to developing countries are increasing but not in least developed countries

Global FDI flows dropped by 7% in 2023, to USD 1.2 trillion, continuing on a declining trend since 2015 and remaining below pre-COVID19 pandemic levels for the second consecutive year.¹⁰⁰ While FDI inflows to developing countries overall increased over the 2015-23 period, FDI to LDCs have declined in terms of both volume and share. LDCs received USD 31.3 billion in FDI in 2023, down from USD 37.6 billion in 2015. LDCs also received less than 4% of the total FDI inflows to developing countries and 2.4% of global

FDI flows in 2023, a slight increase from 2015 (1.8%).¹⁰¹ Cross-border Mergers and Acquisitions (M&A) activity continued on a downward trend, hitting a ten-year record low in 2023. Greenfield investment activity stalled in 2023, yet trends diverged between advanced economies and emerging and developing economies – capital expenditures were up by 21% in the latter.¹⁰²

Capital market development is needed in developing countries to allow firms and governments to finance their long-term investments

These markets support capital formation, investment diversification and help ensure long-term financing. However, capital markets remain small and underdeveloped in developing economies, hindering their growth opportunities. Capital markets consist of equity markets and bond markets. Both equity and bonds can be acquired through the primary market – where new securities are issued– or through the secondary market, which involves trading existing securities. In 2022, equity market capitalisation reached 34.4% of GDP in Latin America and the Caribbean, 16.2% of GDP in Central Europe and the Baltics and 64.4% in non-high income East Asia & Pacific countries, compared to 131% of GDP for high income countries. Furthermore, equity markets in these regions lack liquidity and are concentrated in large companies, showing a trend of negative net listings over the last two decades. On the other hand, bond markets tend to be concentrated in public sector issuances. Meanwhile, corporate issuances are dominated by financial firms, which accounted for around 82% of the total amount issued in corporate bonds.¹⁰³

Private sector investment mobilised by official development finance intervention has increased while remaining below expectations

Between 2012 and 2022 official development finance interventions mobilised over USD 416.4 billion from the private sector, mainly through direct investments, special purpose vehicles and guarantees.¹⁰⁴ Private finance mobilisation increased from USD 28 billion in 2015 to USD 62 billion in 2022, with MDBs contributing 70% of the total funding during 2020-22. Most mobilised private finance targeted middle-income countries (87%) while only 12% supported low-income countries. ¹⁰⁵

According to the 2023 OECD report on mobilisation, between 2018 and 2020, the primary mechanisms for mobilising private finance were direct investments in companies and project finance SPVs (38%) and guarantees (26%). The share of finance mobilised through direct investments has increased over time. Guarantees accounted for a declining share, dropping from 32% in 2018 to 20% in 2020. Credit lines (12%), syndicated loans (10%), shares in collective investment vehicles (8%) and simple co-financing (5%) played smaller but contextually significant roles, especially in SME financing and small-scale projects.¹⁰⁶

The mobilisation of private finance for sustainable development, particularly in developing countries, faces significant challenges. High investment risk, low returns, lack of bankable projects, and insufficient financial innovation are the key barriers. In LDCs, economic instability and lack of investment expertise further hinder private mobilisation. Additionally, private investors are less inclined to finance sectors like health and education or policy objectives like climate adaptation, due to low returns and smaller project sizes. Increasing mobilisation will require innovative financial instruments, greater risk appetite from institutions, and improved data transparency to address misperceptions of investment risk. The main drivers for increased private finance mobilisation identified by survey respondents include the availability of bankable investment opportunities, financial innovation, and macroeconomic stability. Other key drivers are the Paris Agreement, improved investment returns, and the SDGs.

Gender inequality in the labour market persists

The global labour force participation rate for women is 47% versus 73% for men. Women also earn significantly less, receiving 51 cents for every US dollar earned by men. Additionally, women spend 2.6 times more than men on unpaid care and domestic work, which further limits their economic opportunities.

Regional disparities are pronounced, with women in Northern Africa and Western Asia spending five times as many hours on such work than men; in Oceania, Europe and Northern America, women spend about twice as many hours on unpaid care and domestic work.¹⁰⁷

New and emerging areas

Sustainable finance has gained prominence, driven by growing investor interest in non-financial, or ESG factors

Global sustainable investing assets reached USD 30.3 trillion in 2022, a substantial increase over 2016 but slightly below the record highs of 2020 and 2021. Sustainable investment funds, mostly domiciled in developed countries and particularly Europe, capture 81% of the market and have experienced significant inflows, peaking at USD 558 billion in 2021 before declining to USD 72 billion by 2023. By the end of 2023, sustainable funds had accumulated USD 2.56 trillion in assets under management, accounting for about 10% of all sustainable assets. In absolute numbers, however, sustainable fund assets have remained a small share of total fund assets under management, representing less than 5% of total global fund assets.¹⁰⁸ In impact investing, assets under management exceeded USD 1.2 trillion in 2022, driven by the rise of green and sustainability-linked bonds. The cumulative issuance of green, social, sustainability and sustainability-linked (GSSS) bonds totalled USD 5.3 trillion in 2023.¹⁰⁹ Only 13% of the overall GSSS bond market was issued by entities in developing countries in 2022, with the share dropping to 5% in 2023.¹¹⁰

Policies to enhance transparency, accountability and governance of sustainable financial and capital markets have made significant strides

Nearly half of the global gross domestic product (GDP) is now under jurisdictions adopting climate-related disclosure legislation. The International Sustainability Standards Board has made significant strides in consolidating major reporting standards to improve ESG data infrastructure.¹¹¹ As of July 2023, over 780 sustainable finance policy measures across 109 countries were recorded, a 70% increase since 2015.¹¹² These include at least 30 taxonomies and 200 frameworks, standards and guidelines on sustainability and climate disclosures. However, many developing countries struggle with weak financial markets that hamper their ability to attract sustainable finance. For example, although SMEs contribute up to 40% of national income in emerging economies, many face challenges to access finance and respond to emerging sustainability-related standards.

Progress in the information infrastructure has been made. As of 2022, approximately 70% of monitored companies were publishing sustainability reports, a threefold increase since 2016.¹¹³ However, data gaps and risks of greenwashing persist in developed and developing countries alike. In 2023, 30% of asset managers removed references to “ESG” and “net zero” from their marketing materials and websites in the United States.¹¹⁴ The banking and financial services sectors experienced a particularly sharp increase in 2023 in greenwashing, with 148 cases reported compared with 86 in 2022. Over 50% of these cases involved misleading claims about fossil fuel involvement.¹¹⁵

Globally agreed sustainable finance taxonomies and legislation could help to clarify rules for disclosure and minimise market distortions, risks of broader SDG washing and stalling on SDG targets, for example SDG 8 on child labour, where no progress has been made since 2016.¹¹⁶ Harmonisation efforts are ongoing. For example, further efforts to strengthen harmonization include the collaboration between GRI and ISSB, the growing adoption of the TNFD. However, disparities across jurisdictions highlight the need for global interoperability.

Private finance for climate action could be scaled up

Developed countries pledged to mobilise USD 100 billion annually in climate finance for developing nations by 2020 and extended the pledge through 2025.¹¹⁷ Climate finance surged by 30% from 2021, reaching USD 115.9 billion in 2022; this surpassed the USD 100 billion target for the first time, with 60% of the financing allocated to mitigation efforts.¹¹⁸ Private finance mobilised by public climate finance, for which comparable data are only available from 2016, grew from USD 14.4 billion in 2021 to 21.9 billion in 2022 (a USD 7.5 billion or 52% increase), following several years of relative stagnation.¹¹⁹ However, the United Nations Framework Convention on Climate Change (UNFCCC) estimates that nearly USD 6 trillion is needed for developing countries' climate action plans by 2030, requiring additional resource mobilisation with between USD 500 billion and USD 600 billion annually in private finance by 2030. Multilateral development banks (MDBs) and other financial institutions are expected to mobilise a large portion of these amounts.¹²⁰

Several initiatives aim to inject and catalyse investment into quality, sustainable infrastructure and foster partnerships that facilitate lower-cost financing in developing countries. From 2013 to 2020, China invested more than USD 731 billion globally, launching the Belt and Road Initiative International Green Development Coalition in 2019 to align with the SDGs despite, carbon-intensive projects, including coal-fired power plants, which continue to be financed.¹²¹ The Blue Dot Network, announced at the 2021 Group of Seven summit, focuses on promoting high infrastructure standards, good governance, and climate resilience through private investment in developing countries.¹²²

Strengthening FDI qualities enhances sustainable development and supports the green and digital transitions

It is important to ensure that FDI not only brings financial capital but also contributes to local economic development, environmental sustainability and social progress. By linking domestic firms to multinational enterprises, FDI can also serve as a conduit for domestic firms to access international markets and integrate global value chains. Efforts also include leveraging FDI to support the green and digital transitions in developing countries, such as increased FDI in renewable energies and in ICT infrastructure.¹²³

Foreign investment significantly contributes to sustainable development, but not all countries, segments of the populations, and territories benefit. Globally, over 10 million new jobs were created from greenfield FDI over the years 2019-2023 – 6.4 million in developing and emerging economies. Many of these jobs are for women: the share of female workers in foreign firms is higher than in their domestic peers. However, most of these jobs are not in senior management positions and often in low-wage sectors.¹²⁴ Furthermore, the job-creation intensity of FDI (the numbers of jobs created per million USD invested) is declining, including in developing and emerging economies, with adverse long-term impacts on the crucial role of FDI in providing much-needed jobs and incomes.¹²⁵

Foreign investment is rapidly shifting to sectors such as renewable energies, semi-conductors, and ICT, activities with lower job creation potential yet crucial for the green and digital transitions. For instance, in developing and emerging economies, greenfield FDI in renewables has increased from USD 3.3 billion in 2003 (0.8% of total greenfield FDI) to USD 175.4 billion in 2023 (24.3% of total greenfield FDI). Nonetheless, FDI in fossil fuels still amounted to 12.7% of greenfield FDI.¹²⁶ Swift policy intervention is required to reap the benefits of FDI for both sustainable and inclusive growth and the green and digital transitions. This includes orienting financial incentives to the right activities and population and rapidly adapting the workforce to emerging skills in demand by MNEs, including through better reskilling/upskilling incentives to firms.¹²⁷

De-risking hinders the development of safe, affordable cross-border payment systems and limits access to international financial markets

De-risking, referring to the phenomenon of financial institutions terminating or restricting business relationships with clients or categories of clients to avoid, rather than manage, risk, can have severe consequences for developing countries. The total number of active correspondent banks fell by 29% during 2011-2022.¹²⁸ De-risking can elevate the costs of remittance transfers, the largest source of external finance for many low- and middle-income countries. Addressing de-risking necessitates international cooperation to help countries meet global financial integrity standards, enhance their reputation in international markets, deter financial crime, increase capital inflows and expand access to financial services for individuals and businesses, including trade finance.

Extending the investment horizon can support long-term sustainable development goals.

A 2022 World Benchmarking Alliance assessment of 400 financial institutions found that only 37% have disclosed long-term net zero targets and that just 2% of commitments have been translated into interim targets for the institutions' financing activities, with only 1% of these backed by scientific evidence.¹²⁹ Commercial creditors usually provide loans with short-term maturities and high interest rates, inhibiting long-term investments and increasing liquidity risks in developing countries.¹³⁰ Short-term profitability should not come at the expense of long-term productive and sustainable investment. Enhancing the availability and quality of ESG disclosures can encourage investors to make more long-term investment decisions.

Annex 2.A. Domestic and International Private Business and Finance

Annex Table 2.A.1. Assessment of the Action Area: Domestic and International Private Business and Finance

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxies)
35	Calls on all business to engage as partners and invest in areas critical to sustainable development, including foreign direct investment (FDI) in countries most in need and long-term financing.	No	<p>No SDG targets agreed by private sector actors.</p> <p>Target 12.1 Implement the 10-year framework of programmes on sustainable consumption and production patterns, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries.</p>	<p>Private sector actors have not formally agreed to the SDG targets and indicators framework. However, many networks and groups have helped to strengthen partnerships with the private sector to align activities with the SDGs. These include the UN Global Compact, the UN Global Investors for Sustainable Development Alliance, and the UN Principles for Responsible Investment (PRI), among others. (For a more comprehensive assessment of performance for SDG 12, see SDG 12 Hub and UN SDG Report 2024 Chapter 12).</p> <p>SDG indicator 12.1.1 Number of countries developing, adopting or implementing policy instruments aimed at supporting the shift to sustainable consumption and production.</p> <p>As of 2023, 63 UN member states reported 516 policy instruments to accelerate the shift to sustainable consumption and production. Of these reported policies, 49% are national roadmaps or strategies.¹³¹ Between 2015-20, countries stepped up their adoption of policy instruments with 34 economic and fiscal instruments (up from 16 in 2015); 160 macro policy instruments (up from 51 in 2015); 81 regulatory and legal instruments (up from 37 in 2015); and 72 voluntary schemes (up from 30 in 2015). (UNEP)¹³²</p> <p>FDI to developing countries, including countries most in need. (UNCTAD)</p> <p>Between 2015-23, world FDI inflows dropped from over USD 2 trillion to USD 1.3 trillion, but inflows to developing countries grew from USD 750 billion (36.3% of total inflows) to USD 867 billion (65.1%). Over the same period, FDI inflows to least developed countries (LDCs) dropped from USD 37.6 billion to USD 31.3 billion, although LDCs' share of the total increased from 1.8% to 2.4%. Likewise, the volume of FDI to landlocked developing countries declined from USD 25.1 billion to USD 24.3 billion. However, FDI to small island developing states rose from USD 6.4 billion to USD 8.3 billion. (UNCTAD)</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxies)
				<p>FDI Qualities Indicators. (OECD) The FDI Qualities Indicators examine the contribution of foreign businesses to productivity and innovation, job quality and skills, gender equality, and green growth. Globally, over 10 million new jobs were created from greenfield FDI over the years 2019-2023 – 6.4 million in developing and emerging economies.¹³³ Foreign investment is rapidly shifting to sectors such as renewable energies, semi-conductors, and ICT, activities with lower job creation potential yet crucial for the green and digital transitions. For instance, in developing economies, greenfield FDI in renewables has increased from USD 3.3 billion in 2003 (0.8% of total greenfield FDI) to USD 175.4 billion in 2023 (24.3% of total greenfield FDI). Nonetheless, FDI in fossil fuels still amounted to 12.7% of greenfield FDI.¹³⁴</p> <p>Investment gap and flows to sectors essential to the SDGs. (UNCTAD) The SDG financing gap for infrastructure reached USD 2.2 trillion in 2022. (UNCTAD)¹³⁵ Between 2015-23, investment relevant to sustainable development in developing countries has varied by sector. The number of projects in infrastructure grew by 40%, in renewable energy by 76% and in health by 22%. However, the number of projects over the same period fell by 6% both in water, sanitation and hygiene and in agrifood. (UNCTAD)¹³⁶</p>
36	Develop policies and/or regulatory frameworks for the quality of finance and alignment. Promote and create an enabling environment for inclusive and sustainable investment, including competition policies.	No	n.a.	<p>Official development assistance (ODA) in support of private sector development. (OECD CRS). Between 2015-22, ODA to economic infrastructure and services has grown from USD 41.6 billion to USD 45.2 billion and ODA to production sectors from USD 15.8 billion to USD 20 billion, together accounting for 22% of total ODA. Among those sectors, the banking and financial services sector benefited from USD 5.8 billion and USD 6.4 billion of ODA support in 2015 and 2022, respectively. (OECD)</p> <p>Number of countries which are members of the International Competition Network The International Competition Network has grown from 15 founding institutions in 2001 to over 140 members from nearly 130 jurisdictions (ICN). The OECD Competition Trends database contains information about competition trends for 77 jurisdictions along 34 variables since 2018. (OECD)</p> <p>OECD DAC Recommendation on Untying Official Development Assistance.</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxies)
				<p>DAC members agreed to untie ODA to LDCs, Heavily Indebted Poor Countries, other low-income countries, and International Development Association (IDA)-only countries and territories in the DAC Recommendation on Untying ODA (last amended in 2018) and the 2022 OECD Untied Aid progress report.</p> <p>Effective private sector engagement in development co-operation: Kampala Principles assessment part of the Global Partnership for Effective Development Co-operation monitoring exercise.¹³⁷ It covers four issue areas: the state of policies, inclusive dialogues, the quality of PSE and the ease of partnering. The KPA findings can be used to inform multi-stakeholder dialogues in participating countries with relevant evidence, identify and overcome bottlenecks for collaboration, improve co-ordination among development actors, and thereby build trust between public, private and civil society partners. By demonstrating the impact of public-private collaboration, KPA can lead to greater investment, uptake and scaling up such partnerships.</p> <p>OECD Recommendation and Policy toolkits on the Policy Framework for Investment and FDI Qualities. See paras 35 and 37 <i>Investment promotion: see para. 46.</i></p>
37	Promote business while protecting labour rights and health standards (ILO). Encourage sustainable and responsible business models and practices (Global Compact) and impact investment. Harmonise initiatives, identify gaps and strengthen compliance including on gender.	No	<p>Many targets of SDG 8 are relevant, including the following:</p> <p>Target 8.8 Protect labour rights and promote safe and secure working environments for all workers.</p> <p>Target 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</p>	<p>Many indicators associated with SDG targets are relevant, including the following:</p> <p>SDG indicator 8.8.2 Level of compliance with labour rights. The estimated number of children in child labour stood at 160 million worldwide at the beginning of 2020, i.e. almost one in ten of all children worldwide and one in four in sub-Saharan Africa. While the long-term global trend is decreasing, global progress against child labour has stalled since 2016. Global estimates indicate that 50 million people were living in modern slavery in 2021, 10 million more than in 2016. (ILO)</p> <p>Data on fatal and non-fatal occupational activities show significant progress over the past decades. The global average for SDG indicator 8.8.2 on national compliance with fundamental labour rights (freedom of association and collective bargaining) in 2021 stood at 4.48. For the period from 2015 to 2021, the situation in 43% of countries worsened by 0.55 points and in 35% it improved by 0.51 points. The number of international migrant workers has been growing continuously and reached 169 million in 2019. (ILO)</p> <p>SDG indicator 12.6.1 Number of companies publishing sustainability reports. In 2021-22, 73% of the companies included in the Refinitiv database, which covers data from over 10,000 mostly large public companies across the world, published</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxies)
				<p>sustainability reports and the number of companies doing so has tripled since 2016. This growth was observed in all regions in 2022. Latin America, Africa and Oceania demonstrated continuous progress while Europe, Asia and North America have the largest share of companies reporting on sustainability.¹³⁸</p> <p>Other forms of sustainability reporting by private sector actors</p> <p>The PRI network comprises over 4 000 investors managing USD 121 trillion, and the Sustainable Stock Exchanges Initiative involves more than 100 stock exchanges to enhance environmental, social and governance transparency. The Global Compact includes more than 20 000 companies in over 160 countries. (PRI, SSE, Global Compact)</p> <p>OECD FDI Qualities indicators.</p> <p>Job creation intensity of greenfield FDI (the number of jobs created per million USD invested) is higher in non-OECD than in OECD countries. Between 2019 and 2023, 2.6 new jobs were created per million USD invested in non-OECD countries, but only 1.8 new jobs in OECD countries. This job creation intensity declined over the past decade, including in developing economies, with important adverse impacts on job creation and incomes. This decline results from a shift in FDI to sectors with lower job creation potential such as renewable energies and semi-conductors. (OECD)</p> <p><i>(For a more comprehensive assessment of performance for SDG 8 and other relevant targets, see Data tools to find and download labour statistics - ILOSTAT and the UN SDG report 2024, chapters 8 and 12).</i></p>
38	Ensure that the policy and regulatory environment promotes financial market stability and financial inclusion (e.g. address risk mitigation side effects). Promote incentives for long-term performance and sustainability and reduce volatility.	No	n.a.	<p>Global sustainable bonds issuance and inflows in sustainable investment funds.</p> <p>Between 2018-23, global sustainable bonds issuance surged from USD 227 billion to USD 872 billion. While funds for SDG investment through sustainable finance products in global capital markets are still growing, the pace is slowing. Sustainable bonds showed marginal growth in 2023, while inflows in sustainable investment funds dropped by 60%. (UNCTAD)</p>
39	Work towards full and equal access to formal financial services for all including through strategies,	Yes Full and equal	Target 8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access	SDG indicator 8.10.2 Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider. Financial inclusion has steadily progressed with more than half a billion people

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxies)
	regulation, institutional support, innovative tools, peer learning and experience sharing (see Alliance for Financial Inclusion), capacity development, and mutual collaboration.	access to formal financial services for all.	to banking, insurance and financial services for all.	gaining access to formal financial services between 2017-21. Global bank account ownership rose from 51% in 2011 to 76% in 2021, notably increasing by 30 percentage points in developing countries to reach 71% in 2021. (WB Global Index) SDG indicator 8.10.1 (a) Number of commercial bank branches per 100 000 adults and (b) number of automated teller machines (ATMs) per 100 000 adults. While the number of commercial bank branches in the world declined between 2015-21 (from 11.5 to 11.2 per 100 000 inhabitants), it increased in developing countries (from 8.1 to 8.9 per 100 000 inhabitants). Regional disparities remain with a 4.1 ratio in sub-Saharan Africa. The number of ATMs per 100 000 inhabitants grew from 36.2 to 39.5 globally and from 5.5 to 6.9 in sub-Saharan Africa. (IMF)
40	Ensure that adequate and affordable financial services are available to migrants and their families. Support national authorities to remove obstacles, increase co-ordination among regulatory authorities, and exploit new technologies for financial literacy and inclusion and data collection.	Yes Reduce the average transaction cost of migrant remittances by 2030 to less than 3% of the amount transferred. Ensure that no remittance corridor requires charges higher than 5% by 2030.	Target 10.c By 2030, reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5%. Target 17.3 Mobilise additional financial resources for developing countries from multiple sources.	SDG indicator 10.c.1 Remittance costs as a proportion of the amount remitted. The cost of sending remittances from the Group of Twenty (G20) was 6.5% on average in 2023, higher than the global average. (WB) In 20% of remittance corridors, transfer fees remain above the 5% target. (World Bank) SDG indicator 17.3.2 Volume of remittances (in US dollars) as a proportion of total gross domestic product (GDP). Globally remittance volumes have grown to an estimated USD 857 billion in 2023, including USD 656 billion to developing countries. The cost of sending remittances remains high. The global average cost of sending USD 200 decreased from 7.7% in 2015 to 6.2% in 2023 but is still more than double the SDG target of 3%. (World Bank) Smart Remitter Target (SmaRT) indicator. (WB) In 2023, the global SmaRT average cost – the cost that a savvy consumer with access to complete information could pay in each corridor – was 3.41%. (World Bank) Share of digital remittances In 2023, digital remittances accounted for 30% of total transactions. Mobile money was 35% less expensive than a bank transfer and the most cost-effective instrument to send remittances. (World Bank)
41	Commit to give women and girls equal rights and opportunities to	No	Many SDG 5 targets are relevant as are gender-specific targets in other SDGs.	Many indicators associated with SDG 5 targets are relevant as are other gender-specific indicators for other SDGs.

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxies)
	those enjoyed by men, including through undertaking needed legislation and administrative reforms and encouraging the private sector to advance gender equality. (reference to the UN Women Empowerment Principles and Global Compact).			As of 2022, 13% of the indicators used to assess progress are assessed as 'very far from the targets for 2030 set out under SDG 5 and 15% are far from target. Only 48% of the data needed to monitor progress on SDG 5 are available. Almost half of the 95 countries surveyed by UN Women and the United Nations Department of Economic and Social Affairs in 2020 continued to restrict women from working in certain jobs or industries, and women represented only 28% of managerial positions in the workplace. (UN Women) <i>(For comprehensive assessment of performance for SDG 5 and other relevant SDGs, see Are we on track to achieve gender equality by 2030? UN Women Data Hub). (See also reference in para. 37 on SDG 8 tracking).</i>
42	Encourage philanthropic giving, co-operation with other actors, increased transparency and accountability, alignment with national priorities, and impact investment.	No	n.a.	Private Philanthropy for Development (OECD) Between 2015 and 2022, private philanthropy for development grew from USD 4.2 billion to 11 billion, a 262% increase, and 48 philanthropic organisations now report their co-operation with developing countries. (OECD)
43	Encourage lending to micro, small and medium-sized enterprises (MSMEs) (list of multiple measures and capacity building, ref. to IFC and new investment vehicles such as blended finance, new debt funding structure, risk mitigation instruments).	No	Target 9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services and including to affordable credit, and their integration into value chains and markets.	SDG indicator 9.3.1 Proportion of small-scale industries in total industry value added. MSMEs make up over 90% of all firms; account, on average, for 70% of total employment; and represent 50% of GDP worldwide. The small and medium-sized enterprise finance gap is estimated at USD 5.7 trillion, or USD 8 trillion when informal enterprises are included. (IFC) SDG indicator 9.3.2 Proportion of small-scale industries with a loan or line of credit. Only 16.9% of small-scale industries in sub-Saharan Africa and 17.4% in LDCs have access to loans or lines of credit, compared with 45.4% in Latin America and the Caribbean.
44	Develop domestic capital markets, including long-term bonds and insurance. Strengthen supervision, clearing, dispute settlement, risk management, regional markets and local currency lending. Enhance international support and capacity building.	No	n.a.	FSB NBFI Report. Between 2015-22, the stock of global assets under management grew from USD 310 trillion to USD 455 trillion, with the share held in developing countries also growing from 17% to 21%. (FSB) ODA to financial sector (OECD CRS). ODA to banking and financial services has remained stable over the 2015-22 period, growing from USD 5.8 billion to USD 6.4 billion. During the COVID-19 crisis, the ODA response triggered a peak of support to this sector that reached USD 10.9

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxies)
				<p>billion. (OECD)</p> <p>WBA Financial System Benchmark. Sustainable finance: In 2022, the World Benchmarking Alliance assessed 400 of the world's largest financial institutions, including multilateral development banks, and found that only 37% disclose long-term net zero targets. Of these commitments, only 2% have been translated into interim targets applied across the institution's financing activities and only 1% of these are backed by scientific evidence. (WBA)</p>
45	Encourage investment promotion and prioritise sustainable and transformational projects through financial and technical support and capacity building. Use insurance, investment guarantees (ref. to MIGA) and other new instruments to incentivise FDI to countries most in need.	No	<p>Target 17.5 Adopt and implement investment promotion regimes for LDCs.</p>	<p>SDG indicator 17.5.1 Number of countries that adopt and implement investment promotion regimes for developing countries, including LDCs. Among the 50 countries with established outward foreign direct investment (OFDI) promotion mechanisms, only 18 developed economies (58%) and 5 developing economies (26%) have put in place at least one instrument specifically designed to encourage OFDI in developing countries, including LDCs.¹³⁹</p> <p>OECD Network of Investment Promotion Agencies Network. Created in 1995 by the UN Conference on Trade and Development (UNCTAD) and 50 Investment Promotion Agencies (IPAs), the World Association of Investment Promotion Agencies (WAIPA) has 133 members in 2024. In their 2020 State of IPAs in the world report, the WAIPA and the World Bank surveyed 162 IPAs. In 2016, the OECD created the Investment Promotion Agency Network, which includes 51 adherents to the 1976 OECD Declaration on International Investment and Multinational Enterprises; five of the adherents became part of the network since 2015.</p> <p>Multilateral Investment Guarantee Agency (MIGA) guarantees. In FY23, MIGA issued a record USD 6.4 billion in new guarantees across 40 projects, supporting USD 8.6 billion in total financing (from private and public sources): 27% of gross issuances went to IDA-eligible (lower-income) countries, 19% went to fragile and conflict-affected countries, and 28% of the total guaranteed investment of the projects contributed to climate finance.</p> <p>OECD Policy Framework for Investment and FDI Qualities Indicators, Recommendation, and Policy Toolkit. The OECD FDI Qualities Recommendation calls governments to facilitate and promote investment for sustainable development opportunities by addressing information failures and administrative barriers. Governments should:</p>

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				<ul style="list-style-type: none"> • Raise public and stakeholder awareness on impacts of investment on sustainable development. • Improve the link between investment promotion and sustainable development objectives, including in the areas of quality infrastructure, skills development, and regional development. • Improve the link between investment facilitation activities and sustainable development objectives, including by taking measures to make procedures for obtaining authorisations and permits transparent and ensure that they are efficiently managed, and by enhancing business linkages between foreign investors and domestic firms.
46	Resolve to adopt and implement investment promotion regimes for LDCs. Offer financial and technical support (including for project and contract preparation, dispute resolution, risk insurance and guarantees). (ref. to MIGA, enabling environment). Reduce financing gaps in countries most in need. Encourage use of innovative mechanisms and partnerships.	No	<p>Target 17.3 Mobilise additional financial resources for developing countries from multiple sources.</p> <p>Target 17.5 Adopt and implement investment promotion regimes for LDCs.</p> <p>Target 17.9 Enhance international support for implementing effective and targeted capacity building in developing countries to support national plans to implement all the SDGs including through North-South, South-South and triangular co-operation.</p>	<p><i>See paras. 35 and 36.</i></p> <p>SDG indicator 17.3.1 Additional financial resources mobilised for developing countries from multiple sources. See the IDC statistical annex para 54.</p> <p>SDG Indicator 17.5.1 Number of countries that adopt and implement investment promotion regimes for developing countries, including LDCs. Building on the Addis Ababa Action Agenda, the 2022 Doha Programme of Action for LDCs aims to adopt and implement investment promotion regimes for LDCs. Capacity development programmes for IPAs and investment promotion in LDCs were subsequently created involving major related institutions. The UNCTAD annual World Investment Report contains analysis of investment policy trends, including on dispute resolution, international investment agreements, etc. (UNCTAD)</p> <p>SDG Indicator 17.9.1 Dollar value of financial and technical assistance (including through North-South, South-South and triangular co-operation) committed to developing countries. See IDC statistical annex paras 56 and 57.</p> <p>Share of ODA in external financing flows. LDCs remain largely dependent on ODA and remittances, which represent, respectively, 39% and 41% of their external financing flows compared with 12% and 34%, respectively, for other developing countries. Private financing flows (FDI and foreign portfolio investment combined) represent only 20% of total external flows in</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxies)
				LDCs compared with 55% in other developing countries. (OECD, IMF, World Bank, UNCTAD)
47	Imbed resilient and quality infrastructure investment plans in national strategies, strengthen domestic enabling environment and provide technical support for creating pipeline of projects (ref. to African Union Programme for Infrastructure Development in Africa AU-PIDA). Encourage long-term investment, including from institutional investors and through adequate standard setting.	No	<p>Target 9.a Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, LDCs, landlocked developing countries and SIDS.</p>	<p>See para. 35 and 36.</p> <p>SDG Indicator 9.a.1 Total official international support (official development assistance plus other official flows) to infrastructure</p> <p>Total official flows from all donors for infrastructure in developing countries reached USD 68.2 billion in 2022 representing a growth of 11% since 2015 mainly due to flows for banking and financial services. However, as a percentage of total official flows there was a downward trend from 21% in 2015 to 17% in 2022. (OECD)</p> <p>TOSSD (Pillar 1) amounted to USD 21.4 billion in 2022 for energy infrastructure, USD 23 billion for transport and storage, and USD 2.3 billion for communications. Mobilised private finance for the three sectors amounted to USD 8.4 billion, USD 8.1 billion and USD 3 billion, respectively. (OECD)</p> <p>A number of programmes and pledges for infrastructure development have been made. During its first Priority Action Plan (2012-20), the African Union's PIDA developed 16 066 kilometres of roads and 4 077 kilometres of railway lines, established One-Stop Border Posts, and 7 gigawatts of hydroelectricity power production and 3 506 km of transmission lines. An estimated USD 360 billion is required to implement all PIDA projects by 2040. (Africa Union Development Agency-NEPAD)</p> <p>The quality of infrastructure standards has also progressed, for instance with the Blue Dot Network.</p>
48	Build capacity to enter into public-private partnerships, including with regard to planning, contract negotiation, management, accounting and budgeting for contingent liabilities. Give careful consideration to the appropriate structure and use of blended finance instruments.	No	<p>Target 17.17 Encourage and promote effective public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships.</p>	<p>SDG Indicator 17.17.1 Amount in US dollars committed to public-private partnerships for infrastructure. No data submitted since 2016.</p> <p>Size of the blended finance market</p> <p>Between 2014-23, the blended finance market comprised 85 deals per year on average, with a median annual financing total of USD 15 billion. Climate blended finance transactions account for about half (49%) of the blended finance market in terms of deal count and 57% of aggregate financing, most of it in renewable energy. (Convergence)</p> <p>See also data on private finance mobilised by official intervention included in the <i>Private Finance factsheet and in para 54 of the IDC statistical annex.</i></p>
49	Promote both public and private investment in energy infrastructure	Yes	Beyond the three explicit targets (7.3, 7.1 and 13.a), many SDG 7 targets are relevant.	Beyond the indicators associated with the three explicit targets, many indicators associated with other SDG 7 targets are relevant.

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxies)
	<p>and clean energy technologies including carbon capture and storage technologies. Substantially increase the share of renewable energy. Enhance international co-operation to provide adequate support and facilitate access to clean energy research and technology; expand infrastructure and upgrade technology for supplying modern and sustainable energy services to all developing countries, in particular LDCs and SIDS. (ref. to UN Sustainable Energy for All, Power Africa, NEPAD Africa Power Vision, Global Renewable Energy Islands Network of the IRENA).</p>	<p>Double the global rate of energy efficiency and conservation, with the aim of ensuring universal access to affordable, reliable modern and sustainable energy services for all by 2030.</p> <p>“call for action on [UN Secretary-General’s Sustainable Energy for All initiative] recommendations, with a combined potential to raise over \$100 billion in annual investments by 2020, through market-based initiatives, partnerships and leveraging development banks”.</p>	<p>Target 7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.</p> <p>Target 7.3 By 2030, double the global rate of improvement in energy efficiency.</p> <p>Target 13.a Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change (UNFCCC) to a goal of mobilising jointly USD 100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalise the Green Climate Fund through its capitalisation as soon as possible.</p> <p>Target 12.a Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production.</p>	<p>(For a comprehensive assessment of performance for SDG 7, see Tracking SDG 7 Progress Towards Sustainable Energy (esmap.org) by IEA, IRENA, UNSD, World Bank, WHO). See also the UN SDG Report extended SDG 7 chapter.</p> <p>SDG indicator 7.1.1 Proportion of population with access to electricity. In 2022, 95% of the world population had access to electricity compared with 87% in 2015, although there are large disparities across regions: of the 685.2 million people in the world still lacking access to electricity in 2022, 571.2 million were living in sub-Saharan Africa (World Bank and UN population data)</p> <p>SDG indicator 7.1.2 Proportion of population with primary reliance on clean fuels and technology. In 2022, 74% of the global population had access to clean cooking fuels, but 2.1 billion people still relied on polluting sources like charcoal and wood. While the access deficit has decreased from 36% to 26% since 2015, it's projected that 1.8 billion people will still lack access to clean cooking by 2030 if current trends continue. (WHO)</p> <p>SDG indicator 7.3.1 Energy intensity measured in terms of primary energy and GDP. In 2021, primary energy intensity improved by 0.8%, below the 1.2% five-year average and far short of the 2.6% SDG 7.3 target. To meet the 2030 goal, annual improvements must now average 4%, a milestone aligned with the IEA's Net Zero Roadmap. The slow progress reflects the post-COVID recovery, with energy consumption rising by over 5%, the largest in 50 years. (UNSD, IEA)</p> <p>SDG indicator 13.a.1 Amounts provided and mobilised in US dollars per year in relation to the continued existing collective mobilisation goal of the USD 100 billion commitment through to 2025. In its seventh progress assessment towards the UNFCCC goal, the OECD found that in 2022, developed countries provided and mobilised USD 115.9 billion in climate finance for developing countries, surpassing the annual USD 100 billion target for the first time. (OECD)</p> <p>SDG indicator 12.a.1 Installed renewable energy-generating capacity in developing and developed countries (in watts per capita). The global installed renewable energy-generating capacity grew from 250 watts per capita in 2015 to 424 watts per capita in 2022. Capacity in sub-Saharan Africa remains well below this level at 39 watts per capita, compared with 28 watts per</p>

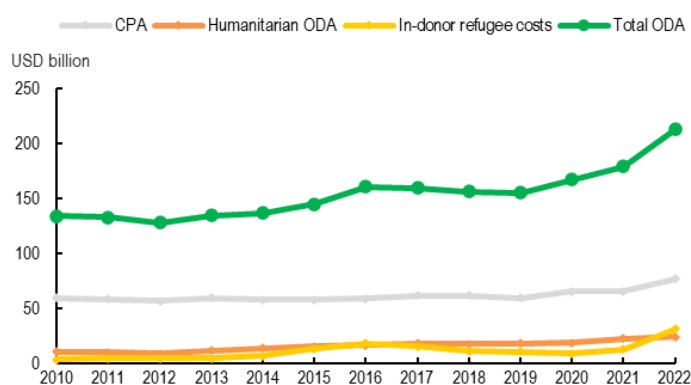
AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxies)
				<p>capita in 2015. To meet the target of doubling global progress on energy efficiency by 2030, global investment in energy efficiency would need to triple by 2030. (UNSD)</p> <p>Global renewable energy share in total final energy consumption. Between 2015-21, the global renewable energy share in total final energy consumption grew from 16.7% to 18.7%, with large disparities across regions: for instance, the share was just 32.3% in Latin America and the Caribbean but 69.9% in the sub-Saharan Africa region. (IEA, UNSD)</p> <p>FDI in renewables versus fossil fuel investments. In non-OECD members, greenfield FDI in renewables has increased from USD 3.3 billion in 2003 (0.8% of total greenfield FDI) to USD 175.4 billion in 2023 (24.3% of total greenfield FDI). In non-OECD countries, FDI in fossil fuels still amounted to USD 91.7 billion in 2023 (12.7% of greenfield FDI). Over the past few years, greenfield FDI in renewable created more jobs than fossil fuel investments. (OECD)</p>

3 International Development Co-operation

Data Dashboard

KEY TRENDS

Since 2015, total official development assistance (ODA) provided by DAC members increased, including cross-border flows (CPA and humanitarian aid) and in-donor refugee costs.

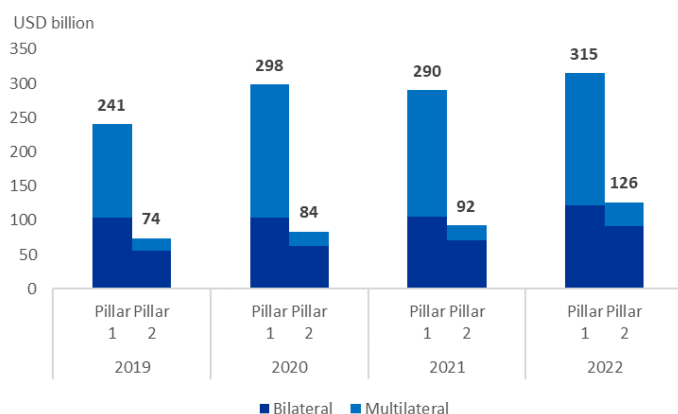


Note: The figure shows gross bilateral disbursements in constant 2020 prices.
Source: OECD Data Explorer.

In 2023, total ODA provided by DAC members rose to an all-time high of USD 224 billion, a 47% increase since 2015.¹⁴⁰ Between 2015 and 2022, disbursements from non-DAC providers to developing countries increased 51% from USD 10.9 billion to USD 16.5 billion.¹⁴¹

Country programmable aid (CPA) plus humanitarian assistance, has continued to rise, totalling USD 101 billion in 2022. CPA – a subset of ODA flows to partner countries that are programmable – reached USD 77 billion in 2022, a 34% increase since 2015, though when support to Ukraine is excluded, CPA remained stable over the period.¹⁴²

Data available on the measure of cross-border total official support for sustainable development (TOSSD) has improved.



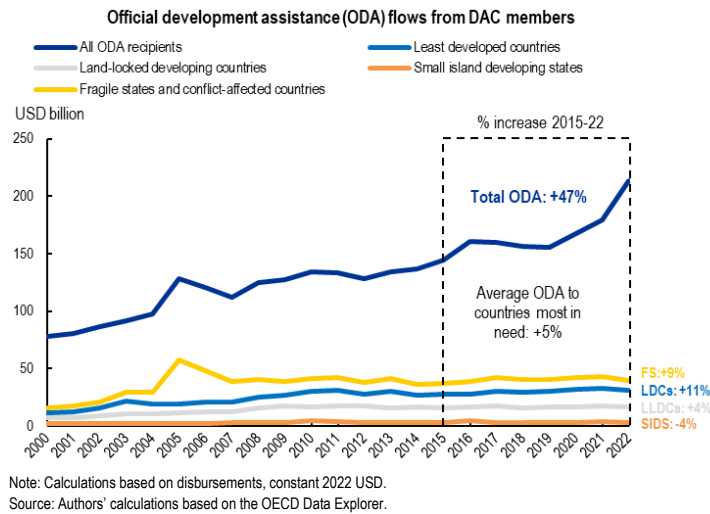
Note: Country coverage varies by year (92 bilateral and multilateral reporters in 2019, 103 in 2020, 112 in 2021, and 121 in 2022). TOSSD includes reporting by non-DAC countries which do not report to the OECD Creditor Reporting System (CRS) such as Brazil, Chile, Costa Rica, Indonesia, Mexico, Nigeria, and Peru. The OECD provides estimates provided by non-DAC countries which do not report to TOSSD, including China, India, and South Africa. Estimates for the latter group are not included in TOSSD. For more information see the OECD Development Co-operation Report and Profiles 2024.
Source: TOSSD, disbursements, 2022 constant prices.

Cross-border TOSSD flows amounted to USD 315 billion in 2022. These flows included bilateral and multilateral grants, concessional loans, non-concessional loans, and in-kind support, including South-South and triangular co-operation.¹⁴³

Multilateral TOSSD cross-border flows increased from 57% of the total in 2019 to 61% of the total in 2022.

Pillar 2 of TOSSD, which tracks global and regional support to international public goods, totalled USD 126 billion in 2022.

Since Addis, ODA from DAC members to countries most in need has flatlined.



ODA from DAC members to the most vulnerable countries flatlined (+5%) over 2015-22 while total ODA increased (+47%).

Between 2015 and 2022, ODA to countries most in need grew by 5% on average (11% for least developed countries (LDCs), +4% for land-locked developing countries (LLDCs), -4% for small island developing states (SIDS), and 9% for fragile states and conflict-affected countries (FS)).¹⁴⁴

Key performance indicators

The statistical annex presents a full list.

- ↔ In 2023, DAC members provided on average 0.37% of their total gross national income (GNI) in ODA to developing countries up from 0.30% ODA/GNI in 2015, with 27 out of 31 members increasing toward the target since 2018 and 5 members achieving the target in 2023.¹⁴⁵ In 2022, on average, DAC members provided 0.08% of their GNI to LDCs, below the target of 0.15-0.20%.¹⁴⁶
- ↔ In 2022, developing countries received a total of USD 276.6 billion in official resources, USD 55.3 billion from mobilised private finance and USD 10.2 billion in private grants, according to figures reported by 101 bilateral and multilateral providers.¹⁴⁷
- ↑ Though most bilateral providers have enhanced their development planning since 2011, the use of country-owned results frameworks and planning tools by bilateral development co-operation providers decreased from 64% in 2011 to 57% in 2018.¹⁴⁸

Resource mobilisation potential

- DAC members alone would have mobilised an additional USD 200 billion in 2023 if they had met the ODA/GNI ratio of 0.7%.¹⁴⁹
- Even under the optimistic scenario, additional MDB lending would amount to USD 40 billion per year – substantially less than the target set by the G20 Independent Expert Group (+USD 260 billion).¹⁵⁰

Key areas of progress

The modernisation of ODA has helped improve the integrity, transparency and accountability of the measure

The DAC's modernisation of the ODA measure has clarified eligibility rules for peace and security expenditures as well as for hosting refugees and also introduced new debt relief reporting and grant equivalent¹⁵¹ accounting for financial instruments such as loans, guarantees and equities. These changes and accompanying safeguards, which enhance the accuracy of the data as well as transparency and accountability, reinforce the integrity of ODA and ensure that major changes in development co-operation, such as the diversification of financial instruments, are appropriately reflected in ODA reporting.

The creation of the TOSSD measurement framework and the International Forum on TOSSD has significantly advanced data collection

Open, inclusive and transparent discussions led to the adoption of a new TOSSD measure that includes activity-level data on cross-border resource flows to developing countries (TOSSD Pillar 1), global and regional expenditures (TOSSD Pillar 2), and semi-aggregates on mobilised private finance. The UN Statistical Commission adopted TOSSD Pillar 1 as a data source for SDG indicator 17.3.1. Tracking of support for sustainable development in TOSSD has improved steadily since 2019, with more and better data being captured, with 121 reporters including 19 South-South providers in 2022.¹⁵²

The independent International Forum on TOSSD was established in 2024. Its Steering Group includes a balanced composition of traditional providers, dual providers and recipients, recipient countries and multilateral organisations, and a strong involvement from the civil society and the UN.

The number of South-South co-operation activities reported to TOSSD increased by 64%, from 5,558 to 9,092 between 2019-22. Triangular co-operation activities grew by 268%, from 382 to 1 404 over the same period.¹⁵³

Persistent challenges

ODA/GNI commitments including to LDCs remain unmet

Since 2015, DAC members have made slow progress towards achieving the 0.7% ODA/GNI target, rising on average from 0.30% in 2015 to 0.37% in 2023, just over halfway to the target.¹⁵⁴ While not all DAC members have committed to providing 0.7% of GNI to ODA for developing countries, all members are assessed against the target. Several non-DAC countries have also achieved the 0.7% ODA/GNI target.¹⁵⁵

Progress on average towards the 0.15-0.20% ODA/GNI target to LDCs has stalled at about 0.08% ODA/GNI in 2022.¹⁵⁶ Additionally, from 2015-22, LDCs received roughly the same volume of ODA, averaging USD 50 billion annually, from 2015 to 2022. Their share of total ODA reached the lowest level since 1996 at 22% in 2022,¹⁵⁷ despite commitments to reverse the decline in ODA share.

Development effectiveness, quality and impact accelerate delivery of the SDGs, but progress is mixed

A focus on quantitative targets alone does not suffice to achieve sustainable development. Proliferation and fragmentation of the aid system persists, with more than 200 international organisations and funds channelling almost half of all ODA.¹⁵⁸ This, coupled with challenges in the use of country systems, trade-offs between country ownership and whole-of-society approaches, lack of donor co-ordination, and

challenges in targeting the furthest behind jeopardise the effectiveness, quality and impact of all types of development co-operation. The development co-operation effectiveness principles provide guidance to address these challenges through, among others, evidence from the Global Partnership for Effective Development Co-operation (GPEDC) and its ongoing monitoring exercise.¹⁵⁹ Forthcoming guidance will encourage more effective multilateral partnerships, greater coherence between bilateral and multilateral efforts, and support to reform an increasingly fragmented international development co-operation system. Sharing lessons on the effective use of all types of development co-operation, including South-South and triangular co-operation, are essential for mutual learning, identifying areas of common interest, and strengthening providers' systems.

Further progress to establish more equitable partnerships and increased agency of national and local actors will require policy commitments and institutional reforms. This could include accelerating locally led development so as to give affected people and local actors – from national government to grassroots organisations – more agency in the design and implementation of development co-operation.

The mobilisation of private sector resources by official intervention has increased significantly while falling short of expectations

Since 2015, the volume of private sector resources mobilised¹⁶⁰ has more than doubled from USD 27.7 billion to USD 61.6 billion in 2022.¹⁶¹ Even this increase, however, falls far short of mobilising the trillions in financing needs in developing countries, and the amounts to date have largely bypassed countries most in need. Most of these resources (77%) are mobilised in middle-income countries.¹⁶² The cumulative issuance of green, social, sustainability and sustainability-linked (GSSS) bonds totalled USD 5.3 trillion in 2023.¹⁶³ Yet, only 13% of all GSSS bonds were issued by entities in developing countries in 2022, and their share of the total market dropped to 5% in 2023.¹⁶⁴ (see factsheet on Domestic and International Private Business and Finance for more information on barriers and opportunities to mobilise the private sector).

Official development finance in support for gender equality and the empowerment of all women and girls can be improved

After growing in recent years, the share of ODA with gender equality objectives has now dropped, to 42% in 2021-22 down from 45% in 2019-20.¹⁶⁵ In 2021-22, gender equality was a policy objective in 42% of the programmes funded by DAC members' bilateral allocable ODA, amounting to USD 60.4 billion of the USD 143 billion in bilateral allocable ODA assessed against the OECD gender marker. While the total volume increased from the 2019-20 level of USD 57 billion, the share of such ODA fell from 45% in 2019-20, the first relative drop after a period of growth from 2011 to 2020.¹⁶⁶ The bulk of ODA with gender equality objectives was for programmes that integrate gender equality as one policy objective among others, and only 4% of aid was dedicated to programmes with gender equality as the principal objective.¹⁶⁷ The State of Development Finance for Gender Equality 2024 report will present an unprecedented overview of current international development finance for gender equality and opportunities to increase it.¹⁶⁸

New and emerging areas

ODA increasingly responds to global crises, including health, climate and conflict

Following successive global shocks, it remains unclear whether the increase in ODA is truly new and additional or redirected from existing commitments. The OECD estimates that bilateral aid spending on what could be considered as the provision of global public goods (GPGs) by members of the OECD DAC has grown from an estimated 40% of average bilateral ODA in 2008-12 to around 64% in 2018-22, due in

large part to growing expenditure related to climate challenges, costs for refugees in donor countries, food security and infectious diseases.¹⁶⁹ ODA budgets are increasingly stretched to respond both to short-term demands while continuing to finance long-term development in developing countries and poverty reduction goals.¹⁷⁰

Climate finance provided and mobilised by developed countries, including and beyond ODA, for climate action in developing countries has nearly doubled in the last six years from USD 59 billion in 2016 to USD 116 billion in 2022 in line with the UN Framework Convention on Climate Change target to mobilise USD 100 billion per year by 2020 in developing countries.¹⁷¹ Climate finance provided and mobilised by developed countries for SIDS tripled since 2016, reaching USD 3.2 billion in 2022.¹⁷² Developed countries also have made progress towards the goal of doubling adaptation finance they provide and mobilise and are on track to achieve the target if current efforts are maintained.¹⁷³ Total bilateral climate-related development finance amounted to a two-year average of USD 50 billion in 2021-22 or 40% of total bilateral ODA.¹⁷⁴ In addition, bilateral providers increased their official finance flows for biodiversity, reaching an all-time high in 2022.¹⁷⁵ Finally, ODA to protect oceans is on an upward trend.¹⁷⁶ For more information on climate finance, including private finance mobilisation for climate action, see the factsheet on domestic and international private business and finance.

Increased transparency of climate-related development finance will be needed, including to potentially support assessment of progress toward the New Collective Quantified Goal (NCQG) on climate finance.

Debt sustainability safeguards for ODA have been strengthened

Since 2015, on average 85% of total ODA is in the form of grants.¹⁷⁷ ODA loans must comply with the World Bank and International Monetary Fund Debt Sustainability Analysis standards to ensure that they do not contribute to debt distress. In addition, they should remain highly concessional, particularly when extended to the most in need. However, the average grant element (measure of concessionality) of DAC members' ODA loans to LDCs declined from 78.4% in 2015 to 70.0% in 2022, due to interest rates which doubled to 0.82% and shorter maturity of loans by 6 years (29.8 in 2022).^{178,179}

Multidimensional vulnerabilities, beyond gross domestic product (GDP) are important to consider for countries approaching the ODA graduation threshold

As world poverty and inequalities shift and climate change and debt increase vulnerabilities, GDP cannot be the only measure of how development finance should be allocated. Small island developing states (SIDS), for example, are mainly middle-income countries with an anticipated annual adaptation gap of USD 7.3 billion on average per year until 2030. The aim of the UN Multidimensional Vulnerability Index, initiated in 2020¹⁸⁰, is to help assess and raise awareness of vulnerabilities that are not captured by GDP. ODA could also be better targeted to reduce poverty and inequalities. The DAC is exploring options for more open, inclusive and transparent partnerships in support of a smooth transition to broader sources of financing beyond ODA, particularly for those countries that are approaching the threshold for ODA eligibility and face specific vulnerabilities.

Total official development finance for capacity building and technical assistance increasing to facilitate access to innovative finance

While innovative solutions for sustainable development finance have mushroomed in recent years, their impact and deployment has been limited in developing countries, due to capacity constraints. Capacity building and technical assistance in vulnerable countries seeks to leverage innovations such as sustainable finance instruments and debt management tools. In 2022, total official development finance for capacity building and national planning amounted to USD 54.9 billion, a 50% increase over 2015.¹⁸¹ Policy reforms carried out through Integrated National Financing Frameworks (INFFs) in 17 countries have

leveraged USD 16 billion for SDG investments and offer the potential to align an additional USD 32 billion.¹⁸² The INFF Facility, launched in 2022, provides technical assistance to and supports capacity building to countries preparing or implementing INFFs to enable them to bring innovations to scale and is exploring the creation of new windows (including with South-South and DAC providers to also help respond) in line with growing demand.

Annex 3.A. International Development Co-operation

Annex Table 3.A.1. Assessment of the Action Area: International Development Co-operation

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicator (proxy)
50	Increase all forms of international public finance support. Strengthen international development co-operation and maximise its effectiveness, transparency, impact, and results (including principles and dialogue).	No	n.a.	Total official support for sustainable development (TOSSD) In 2022, cross-border (Pillar 1) TOSSD flows amounted to USD 315 billion, up from USD 290 billion in 2021. Global and regional expenditures and resources in support of international public goods (Pillar 2) totalled USD 126 billion in 2022, up from USD 92 billion in 2021. (OECD)
51	Reaffirm the fulfilment of all official development assistance (ODA) commitments, including the pledge by many developed nations to reach the target of spending 0.7% of gross national income (GNI) on ODA and an ODA/GNI ratio of 0.15% to 0.20% for least developed countries (LDCs). Encourage ODA providers to consider establishing an ODA/GNI goal of at least 0.20% to LDCs.	Yes Target of 0.7% ODA/GNI to developing countries and 0.15% to 0.20% ODA/GNI to LDCs.	Target 17.2 Developed countries to implement fully their ODA commitments, including the commitment by many developed countries to achieve the target of 0.7% of GNI for ODA to developing countries and 0.15% to 0.20% of ODA/GNI to LDCs; ODA providers are encouraged to consider setting a target to provide at least 0.20% of ODA/GNI to LDCs.	SDG indicator 17.2.1 Net ODA, total and to LDCs, as a proportion of the OECD Development Assistance Committee (DAC) donors' GNI. In 2023, ODA from DAC member countries amounted to USD 223.7 billion, accounting on average for 0.37% of their GNI. (OECD) In 2022, on average, DAC members allocated 0.08% of their total GNI to LDCs. (OECD)
52	Direct the most concessional resources to countries most in need. Pledge to reverse the decline in the proportion of ODA allocated to LDCs.	No	Target 17.2. See para 51.	SDG indicator 17.2.1. See para 51. Between 2015 and 2022, ODA to countries most in need grew by 5% on average (i.e. up 11% for LDCs, up 4% for landlocked developing countries, down 4% for small island developing states (SIDS), and 9% for fragile states and conflict-affected countries). In comparison, total ODA increased by 47%. (OECD)
53	Ensure effective use of ODA to meet development goals. Encourage the publishing of clear, predictable, and transparent plans for future development co-operation. Urge countries to track and report on resources allocated for gender equality and women's empowerment.	No	Target 1.a Ensure significant mobilisation of resources from a variety of sources, including through enhanced development co-operation, in order to provide adequate and predictable means for developing countries, in particular LDCs, to implement programmes and	SDG indicator 1.a.1 Total ODA grants from all donors that focus on poverty reduction as a share of the recipient country's GNI. In 2022, 9% of bilateral ODA grants (USD 27.2 billion) were allocated to basic social services and development food aid, focusing on poverty reduction. (OECD) SDG indicator 5.c.1 Proportion of countries with systems to track and

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicator (proxy)
			<p>policies to end poverty in all its dimensions.</p> <p>Target 5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.</p>	<p>make public allocations for gender equality and women's empowerment.</p> <p>Data from 105 countries and territories for the period 2018-21, showed that 26% countries had comprehensive systems to track - and make public – budget allocations for gender equality and women's empowerment. In addition, 59% had some features of a system in place, and 15% the minimum required elements of such systems. (UN Women, OECD, UNDP)</p> <p>By 2024, of the 6 countries with newly available assessments, 4 had comprehensive systems to track - and make public - budget allocations for gender equality and women's empowerment. The remaining 2 countries approached the necessary requirements for having such systems in place. (GPEDC)</p>
54	Catalyse additional resource mobilisation from other sources, both public and private.	No	<p>Target 17.3 Mobilise additional financial resources for developing countries from multiple sources.</p>	<p>SDG indicator 17.3.1 Additional financial resources mobilised for developing countries from multiple sources.</p> <p>In 2022, financial resources for developing countries as reported by 101 bilateral and multilateral providers totalled USD 276.6 billion in official resources, USD 55.3 billion from private finance, and USD 10.2 billion in private development grants. While the volume of sustainable development grants (both official and private) declined from 2021, sustainable concessional development loans rose by 6%, non-concessional loans fell by less than 1% and mobilised private finance increased by 21%, offsetting the decline in 2021. (OECD CRS and TOSSD)</p> <p><i>Data published under SDG 17.3.1 on private finance mobilised excludes OECD CRS survey on private finance mobilised in developing countries. Including amounts mobilised in developing countries, the amount reached USD 62 billion in 2022.</i></p>
55	Modernise the ODA measurement. Develop the proposed measure of “total official support for sustainable development”.	Yes Development of TOSSD measure.	n.a.	<p><i>The DAC's modernisation of ODA rules clarifies eligibility for peace and security spending and refugee hosting and introduces grant equivalent accounting for loans, guarantees and equities. These changes improve data accuracy, transparency, and accountability, ensuring that the diversification of financial instruments is reflected in ODA reporting. Safeguards such as stricter concessionality measures, a ceiling on debt relief reporting and closer monitoring of refugee costs maintain ODA integrity. The DAC is also exploring more open partnerships to support countries nearing ODA eligibility thresholds and facing vulnerabilities.</i></p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicator (proxy)
				<p>(OECD)</p> <p><i>Open, inclusive, and transparent discussions have been held on the TOSSD measure and an International Task Force (2017-23) was established to develop TOSSD. The methodology was reviewed in a UN Working Group (2020-21) of the Inter-Agency and Expert Group on SDGs. The UN Statistical Commission, in a March 2022 decision, adopted TOSSD Pillar 1 on cross-border resource flows to developing countries as a data source for SDG indicator 17.3.1 in the SDG indicator framework.</i></p> <p><i>The International Forum on TOSSD (established in 2024) and its predecessor Task Force have collected and published TOSSD data for four years (2019-22) of flows, with 2022 data covering resources provided by 121 reporters (countries and multilateral organisations) including 19 South-South co-operation providers. TOSSD data are available in a public online database and data visualisation tool (https://tossd.online) that provide activity-level data on cross-border resource flows to developing countries (TOSSD Pillar 1), global and regional expenditures (TOSSD Pillar 2), and semi-aggregates on mobilised private finance.</i></p>
56	Increase South-South co-operation.	No	<p>Target 17.3 Mobilize additional financial resources for developing countries from multiple sources.</p> <p>Target 17.9 Enhance international support for implementing effective and targeted capacity building in developing countries to support national plans to implement all SDGs, including through North-South, South-South and triangular co-operation.</p>	<p>SDG indicator 17.3.1 See para 54.</p> <p>SDG indicator 17.9.1 Dollar value of financial and technical assistance (including through North-South, South-South and triangular co-operation) committed to developing countries.</p> <p>Between 2019-22, while the number of South-South co-operation activities reported to TOSSD increased by 64% from 5 558 to 9 092, the total volume declined from USD 12.8 billion in 2019 and USD 10.4 billion in 2022. (OECD)</p> <p><i>In a global survey conducted by UNCTAD, 60 out of 80 responding Southern countries requested immediate support to start collecting these data to fulfil their reporting obligations to the SDG indicator. UNCTAD with partners leads the work to strengthen the capacity of developing countries to accurately measure and report SSC, enabling them to effectively manage and mobilize resources for achieving the goals set by the 2030 Agenda. (UN SDG Extended Report 2024)</i></p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicator (proxy)
57	Strengthen South-South and triangular co-operation and improve their development effectiveness.	No	Target 17.9. See para 56.	SDG indicator 17.9.1. See para 56 for South-South co-operation. Between 2019-22, triangular co-operation activities grew by 268% from 382 to 1 404, or the equivalent of USD 84.23 million in 2019 and USD 424.82 million in 2022. (OECD)
58	Enhance the quality, impact, and effectiveness of development co-operation by aligning with national priorities, reducing fragmentation and accelerating the untying of aid in line with agreed principles of development co-operation effectiveness. Promote country ownership, adopt programme-based approaches, strengthen partnerships, and increase transparency and predictability. Avoid requesting tax exemptions on goods and services provided as government-to-government aid, starting with the renunciation of value-added tax and import levy repayments.	No	Target 17.15 Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development.	<p>SDG indicator 17.15.1 Extent of use of country-owned results frameworks and planning tools by providers of development co-operation.</p> <p>The use of country-owned results frameworks and planning tools by bilateral providers of development cooperation declined from 64% in 2016 to 57% in 2018. (GPEDC)</p> <p>Percentage of aid which is untied.</p> <p>The proportion of untied ODA has risen from an average of 47% in 1999-2001 to 89% in 2022. (FSDR 2024).</p> <p>Percentage of country programmable aid (CPA).</p> <p>CPA owned by developing countries reached USD 77 billion in 2022, marking a 34% increase since 2015. (OECD)</p> <p><i>Launched in 2022, the OECD's Tax Treatment of Official Development Assistance (ODA) Hub is the first public resource to improve the transparency around the taxation of aid. The Hub includes country survey responses and links to additional resources. It presents approaches taken by 22 out of 30 DAC members which participated in the survey, representing over 80% of total bilateral ODA in 2020. 13 out of 22 donors on the hub reported reviewing their policy since 2015. Of these 4 never/rarely request exemptions, 3 sometimes request exemptions, 9 generally request exemptions and 6 have no general policy on the issue. (OECD)</i></p> <p><i>The UN through the subcommittee on the tax treatment of ODA projects produced guidelines on the tax treatment of government-to-government aid projects. (UN) The UN Tax Committee also adopted a recommendation on the Public Disclosure of Provisions Concerning the Tax Treatment of Government-to-Government Aid Projects.</i></p>
59	Acknowledge that the UN Framework Convention on Climate Change and its	No	n.a.	n.a.

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicator (proxy)
	Conference of the Parties are the primary international and intergovernmental forums for negotiating the global response to climate change.			
60	Deliver on the commitment made by developed countries to mobilise USD 100 billion annually by 2020 in climate finance for developing countries.	Yes Mobilise USD 100 billion in climate finance annually by 2020.	Target 13.a Implement the commitment undertaken by developed country parties to the UN Framework Convention on Climate Change (UNFCCC) to a goal of mobilising jointly USD 100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and to fully operationalise the Green Climate Fund through its capitalisation as soon as possible.	SDG indicator 13.a.1 Amounts provided and mobilised in US dollars per year in relation to the continued, existing collective mobilisation goal of the USD 100 billion commitment through to 2025. According to the OECD's seventh progress assessment towards the UNFCCC goal, developed countries provided and mobilised USD 115.9 billion in climate finance in 2022 for developing countries, surpassing the annual USD 100 billion target for the first time, albeit with a two-year delay compared to the original target year (OECD)
61	Welcome the initiation of the Green Climate Fund and the Board's decision to aim for a 50:50 balance between mitigation and adaptation over time.	No	Target 13.a. See para 60.	SDG indicator 13.a.1 See para 60. ODA allocated to mitigation and adaptation. After a slight decrease in 2021, adaptation finance increased to USD 32.4 billion in 2022, representing three times the amount from 2016. Mitigation continued to dominate, making up 60% of the total. (OECD) Green Climate Fund disbursements (GCF) and replenishments The GCF has increased disbursements from USD 10.3 billion at the time of initial resource mobilisation in 2014, up 24.3%, to USD 12.8 billion in 2022. (MDFR 2024) The GCF's second replenishment (GCF-2) has reached a record total of USD 12.8 billion over the next four years pledged by 31 countries as of December 2023.
62	Consider climate and disaster resilience in development financing to ensure the sustainability of development results.	No	Target 11.b By 2020, substantially increase the number of cities and human settlements adopting	SDG indicator 11.b.1 Number of countries that adopt and implement national disaster risk reduction (DRR) strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-30.

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicator (proxy)
	Strengthen the capacity of national and local actors to manage and finance disaster risk as part of national sustainable development strategies.		<p>and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, and resilience to disasters and develop and implement holistic disaster risk management at all levels in line with the Sendai Framework for Disaster Risk Reduction 2015-30.</p> <p>Target 13.2 Integrate climate change measures into national policies, strategies and planning.</p> <p>Target 13.b Promote mechanisms for raising capacity for effective climate change-related planning and management in LDCs and SIDS, including focusing on women, youth and local and marginalised communities.</p>	<p>In 2023, a total of 129 countries reported having a national DRR strategy aligned with the Sendai Framework compared with 55 countries that did so in 2015. (UNDRR)</p> <p>SDG indicator 11.b.2 Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies.</p> <p>In addition, 106 countries reported having local DRR strategies that align with national strategies. On average, 72% of local governments in these countries indicated they have such strategies in place. (UNDRR)</p> <p>SDG indicator 13.2.1 Number of countries with nationally determined contributions, long-term strategies, national adaptation plans and adaptation communications, as reported to the secretariat of the UNFCCC.</p> <p>In 2023, 194 countries had nationally determined contributions, 154 had national communications (non-Annex I Parties) and 45 had national adaptation plans. (UNFCCC)</p> <p>SDG indicator 13.b.1 Number of LDCs and SIDS with nationally determined contributions, long-term strategies, national adaptation plans and adaptation communications, as reported to the secretariat of the UNFCCC.</p> <p>LDCs submitted 46 readiness proposals to the Green Climate Fund (GCF) for National Adaptation Plans (NAPs) or other adaptation processes, with 31 approved and 26 already receiving disbursed funds. (UNFCCC) Additionally, 37 SIDS and 45 LDCs have submitted at least their first versions of Nationally Determined Contributions (NDCs), while many countries have also begun submitting long-term strategies and adaptation communications to the United Nations Framework Convention on Climate Change (UNFCCC).</p>
63	Mobilise financial resources from all sources and at all levels to conserve and sustainably use biodiversity and ecosystems. Implement the global Strategic Plan for Biodiversity for 2011-20 and its Aichi Biodiversity Targets. Commit to supporting the efforts of countries to	Yes Implement the global Strategic Plan for Biodiversity for	Target 15.a Mobilise and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.	SDG indicators 15.a.1 and 15.b.1 (a) ODA on conservation and sustainable use of biodiversity; (b) revenue generated and finance mobilised from biodiversity-relevant economic instruments. In 2022, ODA on conservation and sustainable use of biodiversity amounted to USD 11 billion, up from USD 9.5 billion in 2015. (OECD).

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicator (proxy)
	advance conservation and restoration efforts. Provide support to countries that need to enhance the implementation of their national biodiversity strategies and action plans.	2011-20 and its Aichi Biodiversity Targets.	<p>Target 15.9</p> <p>By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.</p>	<p>SDG indicator 15.9.1 (a) Number of countries that have established national targets in accordance with or similar to Aichi Biodiversity Target 2 of the Strategic Plan for Biodiversity 2011–20 in their national biodiversity strategy and action plans and the progress reported towards these targets; (b) integration of biodiversity into national accounting and reporting systems, defined as implementation of the System of Environmental Economic Accounting.</p> <p>In 2022, 145 countries had established national targets in accordance with Aichi Biodiversity Target 2 of the Strategic Plan for Biodiversity 2011-20 in their national biodiversity strategy and action plans. (CBD-Secretariat, UNEP)</p>
64	Ensure the conservation and sustainable use of the oceans and seas and of their resources for sustainable development.	No	<p>Target 14.2</p> <p>By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.</p> <p>Target 14.c</p> <p>Enhance the conservation and sustainable use of oceans and their resources by implementing international law as reflected in the UN Convention on the Law of the Sea, which provides the legal framework for the conservation and sustainable use of oceans and their resources, as recalled in paragraph 158 of The Future We Want.</p>	<p>ODA allocated to the ocean economy.</p> <p>In 2022, ODA for the ocean economy amounted to USD 3.5 billion, up from USD 2.1 billion in 2015, but this constituted only a small portion (1%) of total ODA. ODA for the sustainable ocean economy focused on enhancing the sustainability of ocean economy sectors and conserving the ocean rose to USD 2.4 billion, up from USD 1.1 billion in 2015, representing 69% of the total ODA allocated to the ocean economy. (OECD)</p>
65	Commit to enhancing support for coastal areas and low-lying coastal countries, including LDCs and SIDS, to address and adapt to rising global temperatures, sea level rise, ocean acidification and other climate change impacts.	No	<p>Target 14.7</p> <p>By 2030, increase the economic benefits to SIDS and LDCs from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture, and tourism</p>	<p>ODA allocated to LDCs and SIDS.</p> <p>ODA allocated to LDCs amounted to USD 45.15 billion in 2022, up from USD 40.78 billion in 2015, representing a 11% increase. ODA allocated to SIDS was USD 4.14 billion in 2022, up from USD 4.07 billion in 2015, a 2% increase. (OECD)</p> <p>In comparison, the total net ODA increased from 47% over the same period: from USD 144.88 billion in 2015 to USD 213.36 billion in 2022.</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicator (proxy)
				(OECD)
66	Enable countries to prevent or combat situations of chronic crisis related to conflicts or natural disasters. Strengthen the capacity of national and local actors to both manage and finance DRR and to enable countries to draw efficiently and effectively on international assistance when needed.	No	Target 11.b. See para 62.	SDG indicator 11.b.1. See para 62. SDG indicator 11.b.2. See para 62.
67	Assist countries in accessing financing for peacebuilding and development in the post-conflict context.	No	n.a.	ODA to fragile contexts. ODA to fragile contexts reached USD 89.1 billion in 2022, up from USD 75.5 billion in 2016. (OECD) <i>Since 2016, the OECD has been evaluating fragility in numerous countries and contexts worldwide through a multidimensional framework that encompasses economic, environmental, human, political, security and societal dimensions. While conflict-affected areas are often fragile, most fragile contexts are not experiencing active war. Nevertheless, fragility heightens the risk of conflict or crisis. (OECD)</i>
68	Support efforts by LDCs, landlocked developing countries and SIDS to build their national capacity to respond to various kinds of shocks including financial crises, natural disasters, and public health emergencies.	No	Target 10.b. Encourage ODA and financial flows, including foreign direct investment, to states where the need is greatest, in particular LDCs, African countries, SIDS and landlocked developing countries, in accordance with their national plans and programmes.	SDG indicator 10.b.1 Total resource flows for development, by recipient and donor countries and type of flow (e.g. ODA, foreign direct investment and other flows). ODA allocated to LDCs amounted to USD 45.15 billion in 2022, up from USD 40.78 billion in 2015, representing a 11% increase. ODA allocated to SIDS amounted to USD 4.14 billion in 2022, up from USD 4.07 billion in 2015, or a 2% increase. ODA to landlocked developing countries amounted to USD 24.89 billion in 2015, up from USD 24.11 billion in 2022 – a 3% increase. (OECD) ODA to LDCs, landlocked developing countries and SIDS. On average, ODA to countries most in need increased by 5% between 2015-22. Over the same period, total ODA increased by 47%. In the past two years, the war in Ukraine has significantly impacted ODA flows, driving a record increase in 'in-donor refugee costs' and substantial aid to Ukraine. (OECD)
69	Explore additional innovative mechanisms based on models combining public and private	No	Target 17.3. See para 54.	SDG indicator 17.3.1. See para 54.

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicator (proxy)
	resources such as green bonds, vaccine bonds, triangular loans and pull mechanisms, and carbon pricing mechanisms.			<p>Annual global sustainable bond issuance</p> <p>Annual global sustainable bond issuance – green, social, sustainability and sustainability-linked (GSSS) bonds – reached USD 946 billion in 2023, a 2.2% increase after a decline in 2022 (FSDR 2024). Sustainable bond issuance has grown five-fold since 2018 and the cumulative issuance of GSSS bonds totalled USD 5.3 trillion in 2023. (FSDR 2024; World Bank)</p> <p>However, only 13% of the overall GSSS bond market was issued by entities in developing countries in 2022, and the share dropped to 5% in 2023. (OECD)</p> <p><i>Green, social and sustainability bonds finance specific sustainable activities. Sustainability-linked bonds are general purpose but tied to environmental or social performance targets. Green bonds remain the dominant instrument, making up 60% of total issuance, with a primary focus on climate mitigation. (FSDR2024)</i></p>
70	Acknowledge the crucial role of multilateral development banks and international financial institutions in financing sustainable development through both concessional and non-concessional lending.	No	n.a.	<p>Development finance by multilateral providers.</p> <p>In 2022, multilateral organisations committed a total of USD 213 billion from their core resources to support developing countries, up from USD 152 billion in 2015. Nearly half of these commitments, USD 92 billion in 2022 and USD 71 billion in 2015, was provided as concessional support. (OECD)</p> <p>DAC members' contribution to the multilateral development system.</p> <p>In 2022, DAC members' total contribution to the multilateral system reached USD 98.5 billion, up from USD 60.7 billion in 2015. (OECD)</p>
71	Enhance support for middle-income countries (including concessional finance such as ODA).	No	n.a.	<p>ODA to middle-income countries.</p> <p>ODA disbursements (in constant prices) from DAC members to lower middle-income countries amounted to USD 47.1 billion, an increase from USD 27.4 billion in 2015. For upper middle-income countries, disbursements totalled USD 13.1 billion in 2022, up from USD 10.2 billion in 2015 (OECD Data Explorer)</p>
72	Enhance support for middle-income countries, address concerns about reduced access to concessional finance as incomes rise. Encourage multilateral development banks to	No	n.a.	<p>MIGA support to middle-income countries.</p> <p>In FY23, MIGA issued a record USD 6.4 billion in new guarantees across 40 projects supporting USD 8.6 billion in total financing (from private and public sources). Almost all the MIGA projects supported at least one of its</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicator (proxy)
	adopt sequenced graduation policies while exploring tailored assistance strategies and emphasising risk mitigation mechanisms like those offered by the Multilateral Investment Guarantee Agency (MIGA).			three priority areas: 27% of gross issuances went to International Development Association-eligible (lower-income) countries, 19% went to fragile and conflict-affected countries, and 28% of the total guaranteed investment of the projects contributed to climate finance. As a result, FY23 MIGA issuances are expected to help create 8 774 jobs and enable USD 2.6 billion in loans, including for small and medium enterprises and climate-related activities. MIGA projects also connected 55 million people to mobile telephone networks and 40 million to the internet. (MIGA)
73	Adjust the level of concessionality in international public finance based on recipient development indicators and project viability.	No	n.a.	See para 72.
74	Support the UN development system.	No	n.a.	All UN member states' support to the UN development system. In 2022, contributions from all UN member states to the UN development system totalled USD 38.7 billion, an increase of roughly 100% from USD 19.3 billion in 2016. DAC members' support to the UN development system. Of the total, DAC member countries contributed USD 36.8 billion in 2022, up from USD 17.9 billion in 2015. (OECD).
75	Highlight development banks' role in financing infrastructure and development. Encourage effective safeguards and long-term investment in sustainability. Support new financing mechanisms for regional investments and organisations.	No	Target 9.a. Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, LDCs, landlocked developing countries and SIDS. Target 17.17. Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	SDG indicator 9.a.1 Total official international support (ODA plus other official flows) to infrastructure In 2022, the total official flows (gross disbursements) for infrastructure amounted to USD 68 billion, up from USD 61 billion in 2015 (+11%). However, as a share of total official flows, this represents a drop from 21% in 2015 to 17% in 2022. For LDCs, this amount was USD 12.85 billion, up from USD 8.33 billion in 2015. (OECD) SDG indicator 17.17.1. Amount of US dollars committed to public-private partnerships for infrastructure. No data available since 2016. Development finance by public development banks. <i>See Domestic Public Resources annex for more information on the role of PDBs in financing sustainability.</i>
76	Support multi-stakeholder partnerships.	No	Target 17.16	SDG indicator 17.16.1 Number of countries reporting progress in

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicator (proxy)
			Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources to support the achievement of the SDGs in all countries, in particular developing countries.	<p>multi-stakeholder development effectiveness monitoring frameworks that support the achievement of the SDGs.</p> <p>In 2018, 56 out of the 114 countries involved in consecutive assessments of effective development co-operation - comprising 36 recipients and 20 providers had made overall progress in strengthening the effectiveness of multi-stakeholder partnerships for implementing the 2030 Agenda.</p> <p>In 2024, only 1 out of 5 recipient countries with newly available assessments has shown overall progress in strengthening the effectiveness of these partnerships for development. (GPEDC)</p>
77	Support multi-stakeholder health partnerships such as Gavi and the Global Fund. Recognise the leadership of the World Health Organization (WHO) in international health co-ordination. Enhance global and national health systems, increase health financing, and strengthen the health workforce in developing countries. Support the implementation of the WHO Framework Convention on Tobacco Control and innovative funding for women and children's health, including the Global Financing Facility's contributions.	No	<p>Target 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services, and access to safe, effective, quality and affordable essential medicines and vaccines for all.</p> <p>Target 3.a Strengthen the implementation of the WHO Framework Convention on Tobacco Control in all countries, as appropriate.</p> <p>Target 3.b Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries and provide access to affordable essential medicines and vaccines in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for</p>	<p>SDG indicator 3.8.1 Coverage of essential health services. The universal health coverage service coverage reached 68% in 2022, up from 65% in 2015. (WHO)</p> <p>SDG indicator 3.8.2 Proportion of population with large household expenditures on health as a share of total household expenditure or income. In 2019, the proportion of population with large household expenditures on health (greater than 25%) as a share of total household expenditure or income was 3.8%, compared to 3.3% in 2015. The proportion of population with large household expenditures on health (greater than 10%) as a share of total household expenditure or income was 13.5%, compared to 12.7% in 2015. (WHO)</p> <p>SDG indicator 3.a.1 Age-standardised prevalence of current tobacco use among persons aged 15 years and older. The age-standardised prevalence of current tobacco use among persons aged 15 and older, both sexes, was 20.9% in 2022 versus 23.9% in 2015. (WHO, WHO-FCTC)</p> <p>SDG indicator 3.b.2 Total net ODA to medical research and basic health sectors. The total net ODA disbursements to medical research and basic health sectors was USD 21.1 billion in 2022, compared with USD 10.5 billion in 2015. For LDCs, total net ODA amounted to USD 6.4 billion in 2022, up from USD 4.9 billion in 2015. (OECD)</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicator (proxy)
			<p>all.</p> <p>Target 3.c Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in LDCs and SIDS.</p>	<p>SDG indicator 3.c.1 Health worker density and distribution. In 2021, the health worker density in the world, by type of occupation, was 17.3 per 10 000 population for physicians but 2.8 per 10 000 population in LDCs. Although a recent study indicates that the projected global shortage of health workers by 2030 has decreased from 18 million to 10 million, the ageing population is increasing health needs and further widening this gap. To maintain the current age-standardized density of health workers, an additional 1.8 million health workers are required across fifty-four countries, predominantly high-income nations. Data from 2014-2022 reveal that Europe has the highest densities of medical doctors and dentists, with 40.4 and 6.9 per 10,000 population, respectively, while North America leads in nursing and midwifery personnel and pharmacists, with 117.2 and 9.7 per 10,000 population, respectively. In contrast, Sub-Saharan Africa has the lowest health worker densities, with just 2.3 medical doctors, 11.6 nursing and midwifery personnel per 10,000 population, and fewer than 1 dentist and pharmacist per 10,000 population. (WHO)</p>
78	<p>Provide quality education for all children. Ensure free, equitable and inclusive education from early childhood to secondary school. Strengthen initiatives such as the Global Partnership for Education. Increase the number of qualified teachers, particularly in developing countries and SIDS.</p>	No	<p>Target 4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.</p> <p>Target 4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care, and pre-primary education so that they are ready for primary education.</p> <p>Target 4.b By 2020, substantially expand globally the number of scholarships available to developing countries – in particular LDCs, SIDS and African countries – for enrolment in higher education, including vocational training and information and</p>	<p>SDG indicator 4.b.1 Volume of ODA flows for scholarships, by sector and type of study. The volume of ODA (gross disbursements) for scholarships amounted to USD 1.67 billion in 2022, compared with USD 1.39 billion in 2015. (OECD)</p> <p>SDG indicator 4.c.1 Proportion of teachers with the minimum required qualifications, by education level. In 2022, 15% of teachers were still not trained according to their country's national minimum standards, showing no progress since 2015. Significant disparities exist between regions: in sub-Saharan Africa, only 70% of teachers meet the national minimum qualification standards compared with 88% in Eastern and South-Eastern Asia. (UNESCO-UIS)</p> <p>ODA in support of education. Bilateral ODA commitments in support of education increased from USD 13.6 in 2015 to USD 14.4 in 2022 (OECD Data Explorer)</p>

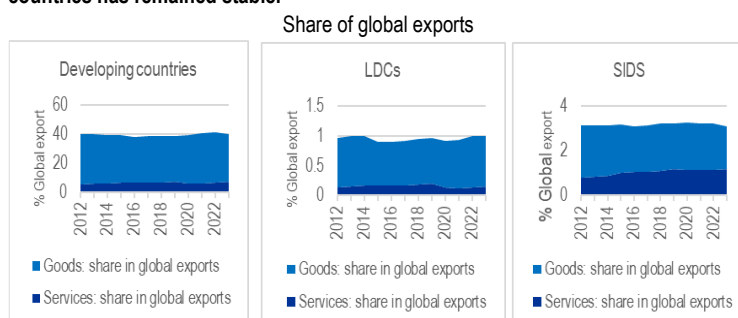
AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicator (proxy)
			<p>communications technology, and technical, engineering, and scientific programmes in developed countries and other developing countries.</p> <p>Target 4.c By 2030, substantially increase the supply of qualified teachers, including through international co-operation for teacher training in developing countries, especially LDCs and SIDS.</p>	

4 International Trade as an Engine for Development

Data dashboard

Key trends

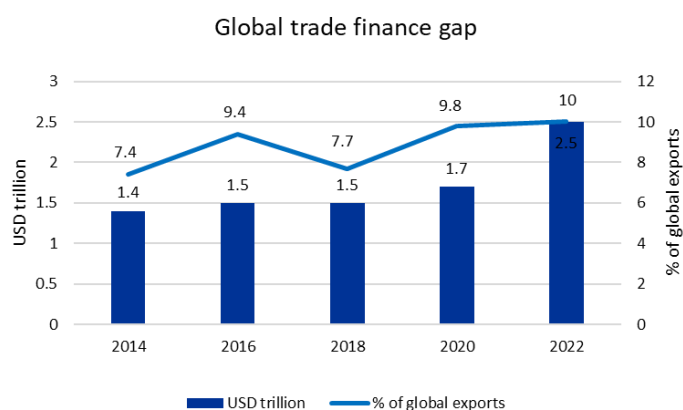
The volume of global trade has grown, but the relative share of developing countries has remained stable.



Source: UNCTAD (2024), data available at: [SDG Pulse, 2024](#)

Between 2015-23, total trade in goods and services increased by about 50% or USD 10 trillion, growing from USD 21 trillion in 2015 to USD 31 trillion in 2022, and declining slightly in 2023 to USD 30.4 trillion. At same time, the trade to gross domestic product ratio has remained stable at about 29.1% in 2023, comparable to the 2008 ratio of 29.6%.¹⁸³ Least developed countries (LDCs) still represent only 1.0% of global trade and small island developing states (SIDS) just 3.2%.¹⁸⁴

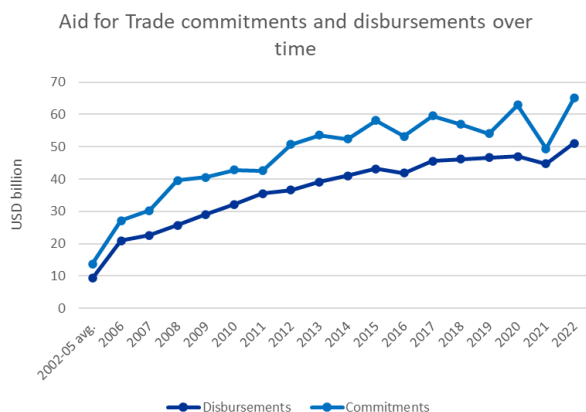
The global trade financing gap is widening.



Source: ADB (2023^[4]), "2023 Trade Finance Gaps, Growth and Jobs Survey", <https://www.adb.org/publications/2023-trade-finance-gaps-growth-jobs-survey> and WTO (2024^[5]), Trade and tariff data, https://www.wto.org/english/res_e/strat_e/strat_e.htm.

The global trade finance gap, or the difference between requests and approvals for financing to support imports and exports, is now estimated to be USD 2.5 trillion annually, a substantial increase from 2016 and 2018 estimates of USD 1.5 trillion annually.¹⁸⁵ The increase was driven by factors including slow economic growth, geopolitical fragmentation and rising inflation.

Aid for trade is growing but support to LDCs remains insufficient.



Source: Author's calculations based on OECD (2024^[6]), Aid for Trade at a Glance 2024, https://www.oecd.org/en/publications/aid-for-trade-at-a-glance-2024_7a4e356a-en.html

Aid for Trade reached a record high of USD 51.1 billion of disbursements in 2022, with LDCs receiving USD 14 billion, or 29% of the total. Since the initiative was created in 2006, Aid for Trade disbursements have cumulated USD 689 billion, with 56% in economic infrastructure, 42% to build productive capacity, and 2% for trade policy and regulations. Of these, USD 189 billion in disbursements went to LDCs and other low-income countries.

Key performance indicators (full list in statistical annex)

- ↔ In 2022, Aid for Trade support to LDCs reached a record USD 14 billion in disbursements but represented a smaller share of total Aid for Trade than in 2021, which was at odds with the goal of doubling Aid for Trade disbursements to LDCs from 2018 levels by 2031.¹⁸⁶
- ↔ From 2012 to 2023, LDCs' share of global trade hovered around 1% – far from the target of 2%.¹⁸⁷
- ↔ Digitally delivered services in LDCs increased by 44% since 2015 but increased by 100% in the rest of the world. As of 2024, the volume of digitally delivered services in LDCs remains 73% smaller than the global average.¹⁸⁸
- ↑ For 84 of 135 countries, the worldwide weighted average tariff under preferential status decreased over the period from 2015 to 2022.¹⁸⁹

Resource mobilisation potential

- LDCs represent 1% of global trade though they are home to 14% of the world's population. Doubling their share of trade to 2% could generate USD 230 billion per year.
- It is predicted that the African Continental Free Trade Area (AfCFTA) will increase African countries' trade income by USD 450 billion by 2035 and boost intra-African trade by more than 81%.¹⁹⁰
- The value of green exports from Africa such as green hydrogen, critical minerals and export credits could reach about USD 35 billion.¹⁹¹
- Trade increases women's wages and economic equality. Removing import tariffs would produce average real income gains for households headed by women that are 2.5% higher than for households headed by men. In Burkina Faso and Cameroon, for instance, such an increase for women-headed households would be equivalent to one year's spending on education or health.¹⁹² Reduction of gender-biased or so-called pink tariffs could reduce average tariffs by 6 percentage points in some countries.¹⁹³

Key areas of progress

Developing countries have been the main driver of global trade growth.

Trade growth has been largely driven by trade between developing countries. Their share of global trade rose from 9.8% in 1995 to 24.6% in 2022, representing up to 54% of developing country exports. Likewise, the integration of developing countries into GVCs, with backward and forward GVC participation rates increasing from 25.2% of total exports in 1995 to 44.6% in 2015 and 48.7% in 2022, translated into a tripling of trade in intermediary goods since 2000.¹⁹⁴ Services trade has become a source of strong growth for developing countries in combination with digital trade opportunities: for instance digitally delivered services exports doubled between 2005-15 and doubled again between 2015-23. After two decades of strong growth, however, the developing country share of world trade remained flat in the 2010s and early 2020s at about 40% and at 30% for services.¹⁹⁵

Regional trade integration between and with developing countries has progressed along with trade flows. South-South trade increased from USD 600 billion in 1995 to USD 5.3 trillion in 2021, and its volume is now higher than that of North-South trade and growing faster than the world average.¹⁹⁶ By eliminating barriers to trade in Africa, the AfCFTA could lift 30 million people out of extreme poverty and another 68 million people out of moderate poverty.¹⁹⁷ Yet, interregional trade today, especially in developing countries, is often underestimated by traditional data sources. Recent estimates find that interregional trade in West Africa, for example, is 2.5 billion USD per year, twice higher than traditional estimates, and this could be up to 10 billion USD per year.

Helped by improved trade facilitation, tariffs and trade costs continue to decline.

The WTO TFA entered into force in 2017. Estimates suggest that full implementation of the TFA could reduce trade costs by an average of 14.3% and boost global trade by up to USD 1 trillion per year, with the biggest gains in the poorest countries.¹⁹⁸ As of 2024, global implementation of TFA commitments stands at 80.2%, with 74.1% for developing countries and LDCs and 49% for LDCs alone.¹⁹⁹

After two decades of decreases from the mid-1990's to the mid-2010's, when tariffs fell from 13.1% in 1996 to 9.1% in 2015, the simple average most-favoured nation tariff applied by WTO members stood at 8.8% in 2022. In 2022, LDCs had duty-free access on 62.9% of tariff lines, a level that has been stable since 2015. SIDS enjoyed duty-free access on 74.3% of product lines in 2022, a 12% increase from 2015.²⁰⁰ Tariffs applied in LDCs (included preferences) are seven times higher than those in developed regions²⁰¹ (SDG 17.10.1).

Trade costs have been generally declining. Between 2008-20, they fell by 2% for manufacturing goods but increased by 1.5% and 0.5%, respectively, in agriculture and services after sharp declines of -8.1% for manufacturing goods, -8.3% for agriculture and -6.5% for services.

The WTO's 2022 Agreement on Fisheries Subsidies aims to reduce the approximately USD 22 billion spent annually on harmful subsidies, thereby showcasing the potential of trade reform to redirect resources effectively.²⁰² In 2023 and 2024, 52 WTO members ratified the agreement.²⁰³

Persistent challenging areas

Developing countries have been increasingly marginalised in global trade amid the turmoil following the global financial crisis and the COVID-19 pandemic.

The 2008-09 global financial crisis and COVID-19-related trade tensions have put an end to the rapid growth of the developing country share of global trade that occurred in the early 2000s, driven by the

extension of GVCs and trade in intermediate goods. Since the COVID-19 crisis, risks of decoupling have increased, with blocks experiencing 4%-6% lower growth in trade than internal trade within blocks.²⁰⁴ Friend-shoring has risen by 6% since 2021. Near-shoring has shown stability with no clear trend observed, but trade concentration has increased by 5% over 2021.²⁰⁵

Technical barriers are on the rise and affect 70% of all trade.²⁰⁶ Potentially trade-distortive state interventions surged after the COVID-19 pandemic and added to historical forms of subsidies. For example, agricultural support measures peaked at USD 851 billion in 2022 in high-income and emerging countries, hindering the competitiveness of LDCs and their global trade participation.²⁰⁷ The growing use of government subsidies by large (OECD and non-OECD) economies to promote strategic industries will likely undermine the trade competitiveness of most developing (and non-developing) countries who do not have the same fiscal space to compete subsidy with subsidy. More international co-operation is needed to have a co-ordinated approach toward subsidies.²⁰⁸ In addition, while new norms in advanced countries aim to achieve legitimate environmental objectives, developing countries need additional support to cope with the adjustment cost and avoid negative impacts on export capacities.

Certain groups remain marginalised in international trade.

Fast-growing developing countries have driven the expansion of both trade and investment, but this growth has largely bypassed the poorest countries.²⁰⁹ In 2021, the value of LDCs' services exports was 32% below pre-pandemic levels, reflecting the ongoing impacts of the crisis.²¹⁰ Disparities in trade persist: male entrepreneurs are almost twice as likely as females to internationalise²¹¹ and tariffs continue to disproportionately affect sectors employing women and products consumed by women.²¹²

Developing countries' exports remain poorly diversified and with low value-added.

In 2022, the exports concentration index of developing economies stood at 0.10 (and at 0.22 for LDCs and 0.26 for landlocked developing countries), notably higher than that of developed economies (0.07). On average, about 65%% of the exports of LDCs and SIDS were directed to their top ten trading partners compared with 55% for developing countries as a group. In 2022, manufactured goods accounted for 65.5% of total merchandise exports from developing economies, up from 57.8%% in 2012. Although the share of manufactured goods in total exports of LDCs increased from 22% in 2012 to 35.1% in 2022, LDCs' merchandise exports are largely focused on simple manufactured products such as textiles and clothing.²¹³

The reform of the multilateral trading system is still ongoing.

WTO members committed at the 2022 Ministerial Conference and reaffirmed the commitment in the Abu Dhabi Ministerial Declaration in 2024, to work towards necessary reform of the WTO to improve all its functions and acknowledge the progress made in this regard. The General Council will report progress at the 2025 Ministerial Conference on the work done to date to improve the daily functioning of WTO councils, committees and negotiating groups with a view to enhancing the WTO's efficiency, effectiveness and facilitation of members' participation in WTO work. WTO members also conduct discussions aimed at having a fully and well-functioning dispute settlement system accessible to all members.

New and emerging areas

Trade is a driver of the triple transition (digital, environmental and social) and has an increasing role to play in sustainable development.

Trade and digital transformation

Digital connectivity has been crucial in cutting trade costs. A 1% increase in digital connectivity lowers domestic trade costs by 0.3% and international trade costs by 0.1%. Aid for Trade has significantly boosted information and communication technology support, with disbursements up 31% since 2020 and commitments nearly doubling over five years.²¹⁴ Globally, exports of digitally delivered services nearly quadrupled since 2005, hitting USD 3.9 trillion in 2022 to represent 54% of total global services exports and surpassing growth in goods and other services export.²¹⁵

Trade and environmental transformation

In 2021-22, bilateral donors committed USD 20 billion to climate-related Aid for Trade, which accounted for 67% of total pledges. Pledges for mitigation projects increased by 18% but slightly declined for adaptation efforts. In 2021-22, 80% of Aid for Trade focuses on mitigation, suggesting room for more adaptation funding.²¹⁶ Demand for critical minerals for clean energy is increasing and could potentially cause shortages. African countries, with 30% of global mineral reserves, aim to use the AfCFTA to build regional value chains and boost economic development.²¹⁷ Trade agreements increasingly include sustainability considerations – for instance the 2024 Agreement on Climate Change, Trade and Sustainability – although the harmonisation of standards and carbon border adjustment mechanisms remains a challenging issue.

Trade and social transformation

In the Abu Dhabi Ministerial Declaration, WTO members reiterated the centrality of the development dimension in the work of the WTO and the role that the multilateral trading system could play in contributing to achievement of the SDGs. Aid for Trade projects target all SDGs: SDG 9 (industry, innovation and infrastructure) attracted the largest amount of Aid for Trade disbursements, followed by SDG 7 (affordable and reliable clean energy), SDG 2 (zero hunger), SDG 11 (sustainable cities and communities), and SDG 8 (decent work and economic growth).²¹⁸ A number of social and technological innovations can take place in GVCs, which could be made more resilient through adequate policies.²¹⁹

Annex 4.A. International Trade as an Engine for Development

Annex Table 4.A.1. Assessment of the Action Area: International Trade as an Engine for Development

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
79	Promote a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system under the World Trade Organization (WTO) as well as meaningful trade liberalisation.	No	<p>Target 17.10</p> <p>Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO, including through the conclusion of negotiations under its Doha Development Agenda (DDA).</p>	<p>SDG Indicator 17.10.1 Worldwide weighted tariff average</p> <p>In 2022, the global average tariff applied on all products was 3.1% ((most-favoured nation (MFN)) or 1.8% (including preferences) compared with 3.8% and 2.8%, respectively, in 2015. It was three times higher in less developed countries (LDCs) at 9.2% and 7%, respectively, in 2022 compared with 10.6% and 8.7%, respectively, in 2015. (SDG trade monitor)</p> <p>Import and export restrictiveness and multilateral and preferential trade liberalisation.</p> <p>International trade has been largely liberalised owing to both zero MFN tariffs and preferential duty-free access. As of 2022, about two-thirds of international trade is free of tariffs, but tariffs applied to the remainder are often very high. Agricultural trade is largely free from tariffs due to preferential access, but remaining tariffs are fairly high (averaging almost 20%). Preferential access is also important for manufacturing products, for which the simple average tariff is at almost 10%. Preferential access is of limited importance in the case of natural resources as trade in this category is largely tariff free under MFN rates and remaining tariffs are generally low (simple average about 6%). (UNCTAD)</p> <p>Non-tariff measures frequency and coverage.</p> <p>International trade is highly regulated through the imposition of technical barriers to trade, with more than 30% of product lines and almost 70% of world trade affected. Price control measures affect about 15% of world trade. Sanitary and phytosanitary measures affect almost 20% of world trade. Export measures are also frequently applied to international trade, although their use is largely related to agriculture. (UNCTAD)</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
				<p>Services Trade Restrictiveness Index (STRI), Digital STRI and foreign direct investment regulatory restrictiveness.</p> <p>Barriers to services trade continue to be high across countries and sectors as they are influenced by global economic and geopolitical challenges and the introduction in recent years of new policies such as 2023 policies affecting the supply of services through commercial presence and foreign investment. In 2023, the average STRI and Digital STRI for OECD were 0.19 and 0.14, respectively, in a maximum of 1 (e.g. most trade restricted). (OECD)</p>
80	Implement all the decisions of the Bali Package, including on LDCs, small economies and the Trade Facilitation Agreement (TFA).	Yes Ratify TFA.	n.a.	<p>TFA rate of implementation commitments</p> <p>The TFA entered into force on 22 February 2017, following its ratification by two-thirds of the WTO membership. The rate of implementation commitments stands at 80.2% in 2024. (WTO)</p>
81	Expand WTO-compatible trade finance (and call on development banks to provide solutions).	No	n.a.	<p>Trade finance gap (estimates only, which vary significantly; see Asian Development Bank, based on survey).</p> <p>The trade finance gap increased over 2014-22 from USD 1.4 trillion (7.4% of global exports) to USD 2.5 trillion (10.0% of global exports). (ADB)</p>
82	Increase world trade in a manner compatible with the SDGs and integrate sustainable development into trade policy. Support fuller integration of LDCs, landlocked developing countries (LLDCs), small island developing states (SIDS) and Africa into regional and world markets.	Yes Double share of LDCs in global exports by 2020.	<p>Target 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors.</p> <p>Target 17.11 Significantly increase the exports of developing countries, in particular with a view to doubling the LDCs' share of global exports by 2020.</p>	<p>SDG Indicator 17.11.1 Developing countries' and LDCs' share of global exports. (SDG trade monitor)</p> <p>The developing country share of global export of merchandises reached 44.4% in 2021, up from 42.1% in 2015. LDCs' share stood at 1.1% in 2022 compared with 0.9% in 2015. (SDG trade monitor)</p> <p>SDG Indicator 17.11.(i) Ratio of exports over gross domestic product (GDP) (SDG trade monitor).</p> <p>SDG Indicator 17.11.(ii) Share of exports by markets and products. (SDG trade monitor)</p> <p>SDG Indicator 8.2.(i) Export diversification index. (SDG trade monitor)</p> <p>World trade as share of GDP</p> <p>World trade as a share of GDP was 56.5% in 2021 compared with 56.1%</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
				in 2015. (WB WITS)
83	Conclude the negotiations on the DDA. Combat protectionism in all its forms (including discipline on subsidies in agriculture and fisheries). Accelerate accession of all developing countries engaged in negotiations.	Yes Conclude the Doha Development Agenda (DDA); accession of all developing countries engaged in negotiations.	Target 2.B Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect in accordance with the mandate of the Doha Development Round.	SDG Indicator 2.B.1 Agricultural export subsidies. Export subsidy outlays notified to the WTO have decreased significantly, from USD 6.7 billion in 1999 to USD 33 million in 2022. As of January 2024, only least developed countries and net food-importing developing countries can use certain forms of export subsidies. (SDG trade monitor) Record of unilateral commercial policy interventions. (GTA database) In 2015, the Global Trade Alert (GTA) database recorded 343 trade-discriminatory state interventions, down from 1 941 in 2023. (Global Trade Alert) List of WTO members and accessions list Since 2015, four developing countries have completed their WTO accession process: Seychelles (2015), Kazakhstan (2015), Liberia (2016) and Afghanistan (2016). In 2024, Comoros and Timor-Leste handed over their acceptance of the Protocol of Accession, and another 22 countries are still engaged in negotiations. (WTO) Negotiations on the DDA have stalled. Nonetheless, multilateral negotiations delivered a number of advances such as the Nairobi Package, the revision of the TRIPS Agreement (access to medicine), the COVID-19 package and the Agreement on Fisheries Subsidies.
84	Implement and monitor special and differential treatment in accordance with WTO rules.	No	Target 10.A Implement the principle of special and differential treatment for developing countries, in particular LDCs, in accordance with WTO agreements.	SDG Indicator 10.A.1 Proportion of tariff lines applied to imports from LDCs and developing countries with zero tariff. The proportion of tariff lines applied to imports from LDCs has increased from 48.1% in 2005 to 62.9% in 2022 while for other developing countries with zero tariff it has increased from 40.7% to 55.2% over the same period. (ITC, UNCTAD, WTO) SDG Indicator 10.A.(i) Share of exports admitted duty free. (SDG trade monitor) The share of exports admitted duty free to developed regions stood at 75.4% in 2022 for all developing countries compared with 71.4% in 2015

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
				<p>(+4 percentage points). For LDCs, the share declined from 85.4% to 85.0% over the same period but increased for both SIDS and LLDCs from 87.3% to 95.2% and from 94.4% to 95.9%, respectively.</p> <p>In 2022, the share of duty-free products was overall 34.7% (versus 32.3% in 2015) for all developing countries and 39.1% (versus 35.7% in 2015) for LDCs. The shares varied considerably across sectors in all developing countries versus LDCs: 29.8% (26.9% in 2015) and 37.5% (33.2% in 2015), respectively, for agriculture; 37.5% (35.7% in 2015) and 41.1% (38.2% in 2015), respectively, for industry; 63.4% (61.7% in 2015) for oil; 26.2% (23% in 2015) and 31.7% (27.2% in 2015), respectively, for textile; and 20% (15.6% in 2015) and 25.4% (20.4% in 2015), respectively, for clothing. (SDG trade indicator)</p>
85	Implement duty-free, quota-free for LDCs; facilitate market access for LDCs (including rules of origin).	No	<p>Target 17.12</p> <p>Realise timely implementation of duty-free and quota-free market access on a lasting basis for all LDCs consistent with WTO decisions, including by ensuring that preferential rules of origin applicable to imports from LDCs are transparent and simple and contribute to facilitating market access.</p>	<p>SDG Indicator 17.12.1 Average tariffs faced by developing countries, LDCs and SIDS. (SDG trade monitor)</p> <p>Between 2015-22, the average tariff faced (including preferences) in developing countries on all products dropped from 1.7% to 1.3% (i.e. - 0.44 percentage points). The decrease was faster in LDCs (from 3.1% to 2.4%, or -0.7 percentage point) but slower in LLDCs (from 1.7% to 1.3%), -0.34 percentage point) and in SIDS (from 0.52% to 0.32%, -0.2 percentage point). (SDG trade monitor)</p>
86	Accept TRIPS amendment on access to medicines.	Yes	n.a.	<p>Adoption of the TRIPS amendment</p> <p>The TRIPS amendment entered into force in January 2017. More than 50 WTO members have adopted the necessary legislation to use the system for export, and according to informal estimates, the system now covers about 80% of current global medicines export capacity. (WTO)</p>
87	Strengthen regional co-operation and regional trade agreements and coherence and compatibility with WTO rules. Increase support to regional trade integration and integration of small and medium-sized enterprises into global value chains. Address gaps in trade, transport and transit-related regional infrastructure (including for LLDCs, LDCs and SIDS).	No	n.a.	<p>Number of trade agreements in force. (WTO RTAIS and COMTRADE)</p> <p>The number of PTAs in force has approximately doubled from less than 150 in 2005 to more than 350 in 2022. More than half of all trade agreements in force go beyond tariff concessions to cover services and behind-the-border measures. After 2015, the upward trend has been largely driven by new trade agreements covering both goods and services. (UNCTAD)</p> <p>Share of trade between parties of preferential trade agreements (PTAs). (WTO RTAIS and COMTRADE)</p> <p>Although the number of PTAs has significantly increased, the percentage</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
				<p>of trade between countries that are part of PTAs has not increased as much. Overall, and without considering trade within the European Union, about one-third of world trade took place between countries that share a deep trade agreement. (UNCTAD)</p> <p>Aid for Trade to all economic infrastructure subcategories. Aid for Trade disbursements to all economic infrastructure subcategories experienced significant growth over the 2020-22 period, including an increase of 34% for transport and storage (to close to USD 14 billion); 23% for energy generation and supply; and 31% for communications. (OECD)</p> <p>Aid for Trade to regional integration, transport, transit-related infrastructure, etc. (OECD CRS) In 2022, 12% of Aid for Trade projects are not country specific; 87% of partner country respondents to the 2024 Aid for Trade Global Review survey said they see regional integration as a priority for Aid for Trade and 54% of respondents identified regional integration as an area where Aid for Trade has an impact. (OECD, WTO)</p>
88	Strengthen domestic enabling environments and implement sound domestic policies and reforms conducive to realising the potential of trade (role of UNCTAD).	No	n.a.	<p>Aid for Trade to trade policy and regulation. (OECD CRS) A total of 72% of respondents to the 2024 Aid for Trade Global Review survey reported they are seeking support in the broader trade policy and regulations category. However, in 2022, total disbursements for trade policies and regulations reached USD 900 million, down from USD 1.4 billion in 2021 and USD 1.2 billion in 2020. Commitments have also slightly decreased between 2021 and 2022. (OECD, WTO)</p>
89	Endorse the United Nations Commission on International Trade Law.	No	n.a.	n.a.
90	Acknowledge role of Aid for Trade and increase the share for LDCs including to address specific challenges of women and trade- and transit-related logistics technical assistance for LLDCs. (ref to Enhanced Integrated Framework)	Yes Increase the share of Aid for Trade to LDCs.	Target 8.A Increase Aid for Trade support for developing countries, in particular LDCs, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries.	<p>SDG Indicator 8.A.1 Aid for Trade commitments and disbursements. (SDG trade monitor) A total of USD 648 billion has been disbursed for Aid for Trade programmes since 2006. After a drop in 2021, both disbursements and commitments soared in 2022, reaching USD 51.1 billion and USD 65 billion, respectively. (OECD)</p> <p>Aid for Trade disbursements to LDCs reached USD 14 billion in 2022.</p>

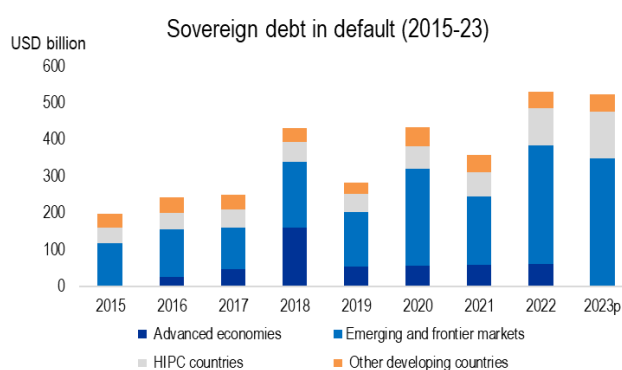
AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
				<p>However, progress remains insufficient to meet the commitments made in 2018 to significantly increase Aid for Trade with the objective of doubling support by 2031 from 2018 levels. (OECD)</p> <p>Aid for Trade to transports and logistics; Aid for Trade with impact on gender. (OECD CRS)</p> <p>Average Aid for Trade commitments from bilateral donors including an objective to promote gender equality grew by 6 percentage points between 2019-20 and 2021-22, reaching 46% of total Aid for Trade commitments, compared with about 32% in 2015-16. (OECD)</p>
91	Craft trade and investment agreements with appropriate safeguards so as not to constrain domestic policies and regulation in the public interest. Implement in a transparent manner and provide capacity building (role of UNCTAD).	No	n.a.	<p>Aid for Trade to trade policy and regulation. (OECD CRS)</p> <p>See para. 88.</p>
92	Combat poaching and trafficking of protected species, trafficking in hazardous waste, and trafficking in minerals (including through capacity building and international co-operation).	No	n.a.	n.a.

5 Debt and Debt Sustainability

Data dashboard

KEY TRENDS

The risk of external public debt distress has increased.



Note: A sovereign is in default or debt distress when it interrupts debt payments or seeks to renegotiate terms, including to reduce principal, lower interest rates or extend maturities. Once restructured, the debt is considered performing and not in default.

Source: Beers et al., (2024⁷⁷), BoC–BoE Sovereign Default Database: What's new in 2024?, <https://www.bankofcanada.ca/wp-content/uploads/2024/07/SAN2024-19.pdf>

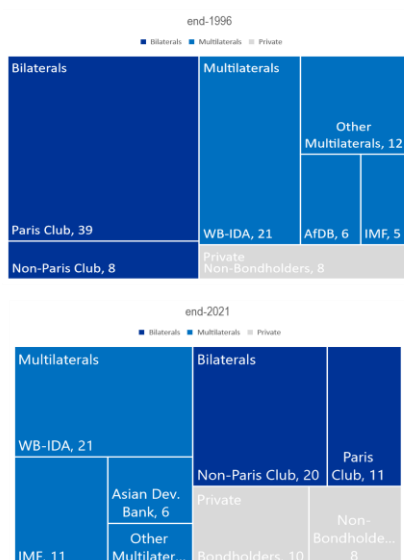
Deteriorating global financial conditions have significantly increased the risk of external public debt distress in developing countries.²²⁰

In 2022, the total amount of defaulted sovereign debt, including non-marketable debt, reached USD 470 billion, up from an average of about USD 200 billion in 2015.

Highly indebted poor countries (HIPC) reached a record high of sovereign debt in default of USD 127 billion in 2023 due in part to the slow pace at which some non-Paris Club official creditors are implementing debt relief.²²¹

Sovereign debt restructuring has become more complex.

Creditor composition in LICs, % of public and publicly guaranteed external debt stock (1996-2021)



Note: The numbers indicate the share of total external debt the respective creditor holds in a given year, WB-IDA: World Bank International Development Association; IMF: International Monetary Fund; AfDB: African Development Bank
Source: IMF 2023

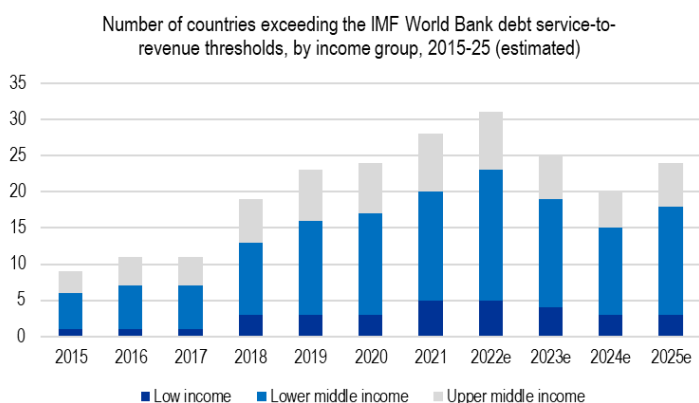
Sovereign debt restructuring has become more complex due to a rise in defaulted debt and a more diverse creditor base, with the private sector and China playing increasingly significant roles.

As demonstrated by the shift in creditor composition in low-income countries, in 1996, Paris Club creditors held 39% of low-income countries' external debt, while non-Paris Club and private creditors each held 8%.

By the end of 2021, this composition shifted significantly, with Paris Club creditors' share dropping to 11%, non-Paris Club creditors increasing to 20%, and private creditors' share more than doubling to 19% of total external debt to low-income countries.

Increasing debt service limits the fiscal space and borrowing capacity of developing countries

Debt service consumes over a fifth of tax revenue in 25 developing countries.²²²



Note: e = estimated. The debt service-to-revenue threshold used in the International Monetary Fund (IMF)-World Bank debt sustainability analysis varies depending on a country's debt carrying capacity. The indicator is calculated as the ratio of a country's total debt service payments (interest and principal) to its government revenues. This metric provides insight into the fiscal burden imposed by debt service and the government's ability to generate sufficient revenue to cover these obligations without compromising other essential spending. After 2021, data are based on estimates.

Source: Adapted from [A bridge to climate action \(findexlab.org\)](https://www.findexlab.org)

92 countries are projected to spend more on external public debt service than on Sustainable Development Goal (SDG) investments in 2024.²²³

In many sub-Saharan African countries, fiscal consolidation is necessary to achieve prudent debt targets, requiring adjustments of 2-3% of gross domestic product (GDP) over 2022-27.²²⁴

Approximately 20 LICs and lower middle-income countries (LMICs) are solvent but face illiquidity issues (i.e. a high debt service-to-revenue ratio) as creditors are reluctant to roll over loans out of concern that others will exit and leave them with riskier claims.²²⁵

Key performance indicators

The statistical annex presents a full list.

It should be noted that the chapter of the Addis Ababa Action Agenda on debt issues does not include quantifiable or timebound commitments.

- ↑ Between 2015 and 2023, debt service on long-term external publicly guaranteed (PPG) debt as a percentage of exports of goods and services in least developed countries (LDCs) nearly doubled from 7.6% to 13.2% while in high-income developing countries the percentage remained stable at around 3.5%.²²⁶
- ↑ The proportion of LICs in debt distress or at high risk of debt distress has more than doubled between 2015 and 2023 from 27% in 2015 to 56% in 2023.²²⁷
- ↑ In 2023, a record 54 developing countries, nearly half of them in Africa, have net interest payments exceeding 10% of their revenues.²²⁸
- ↑ In 2020-22, a total 3.3 billion people resided in the 48 countries where interest payments exceed expenditures on either education or health.²²⁹

Resource mobilisation potential

- Implementing an HIPC-like programme today would likely cost between USD 100 billion and USD 200 billion, considering inflation, current debt levels and the broader scope of economic challenges.²³⁰
- Debt-for-nature swaps could help redirect USD 100 billion of debt in developing countries to nature restoration and climate adaptation.
- Up to USD 80 billion could be unlocked by rechanneling special drawing rights (SDRs) via multilateral development banks through the purchase of hybrid capital instruments.

Key areas of progress

Debt relief provided under HIPC and Multilateral Debt Relief Initiative programmes provided crucial support.

By the end of 2020, the HIPC and related Multilateral Debt Relief Initiative (MDRI) programmes had relieved 37 participating countries, 31 of them in Africa, of more than USD 100 billion in debt. Implementing HIPC-like initiatives today would be more challenging due to hidden debt and a more diverse creditor landscape. Since the mid-1990s, private sector debt in LICs has more than doubled from 8% to 19%. Additionally, creditor co-ordination and geopolitical fragmentation might undermine the efficiency of these programmes.²³¹

The sovereign bond market in emerging markets and developing economies has grown significantly.

The sovereign bond markets of emerging markets and developing economies (EMDEs) have expanded significantly since 2007, with particularly strong growth since the onset of the COVID-19 pandemic. The annual gross issuance of bonds by EMDEs has nearly quadrupled from approximately USD 1 trillion in 2007 to almost USD 4 trillion by 2023. China's share of this borrowing also rose significantly from 15% in 2021 to 37% in 2023.²³² LICs experienced the most significant growth in sovereign bond issuances, with their markets expanding more than tenfold, followed by LMICs with a nearly a ninefold increase.

The substantial growth in sovereign gross issuances for LICs and LMICs is primarily driven by efforts to finance net borrowing needs through marketable debt instruments rather than an increase in overall borrowing requirements. Between 2009 and 2019, net borrowing for LICs and LMICs remained between 4% and 6% of GDP, without a consistent upward trend. Thus, the rise in gross issuances reflects the growing reliance on bond issuances to meet borrowing needs, indicating the development of LICs' and LMICs' sovereign bond markets.²³³

The proportion of EMDEs' local currency fixed rate sovereign bonds increased from 57% in 2000 to 66% in 2023, and the increase was accompanied by longer average maturities. However, both the volume of this debt and its maturity period are still lower for EMDEs than for OECD countries, and the gap is particularly pronounced in smaller economies.²³⁴

By the end of 2023, the global outstanding value of official sector and corporate and sustainable bonds reached USD 4.3 trillion, a significant increase from USD 641 billion in 2018.²³⁵ Nonetheless and despite recent rapid growth, sovereign sustainable debt instruments still make up a small share of total sovereign bond issuances, averaging 2.2% for advanced economies and 8.1% for EMDEs in 2022. Green bonds dominate this market, representing over 75% of sovereign sustainable instruments, and are primarily issued by advanced economies.²³⁶

Debt management support and capacity building continues to expand.

The IMF and World Bank, together with implementing partners, have been implementing a multi-pronged approach to address debt vulnerabilities, including through the Debt Management Facility that had facilitated more than 463 technical assistance initiatives across 78 countries and 20 subnational entities by December 2022.²³⁷ The IMF spends about one-third of its resources on capacity-development activities, which include technical assistance and training programmes to strengthen debt management practices in developing countries.²³⁸

New incentives have been set by official development assistance rules to strengthen debt sustainability of concessional finance.

The 2014 official development assistance (ODA) rules implemented a stricter measure of concessionality than previous guidelines, with discount rates set at 9%, 7% and 6% and thresholds at 45%, 15% and 10%, in contrast to the previous 10% discount rate and 25% threshold. Consequently, lenders are required to offer more concessional loans for these to qualify as ODA, which particularly affects LDCs. Additionally, the rules introduced new provisions in the ODA criteria concerning debt sustainability. Under these provisions, loans that do not adhere to the IMF Debt Limits Policy and/or the World Bank's Non-Concessional Borrowing Policy and Sustainable Development Finance Policy cannot be reported as ODA.

Persistent challenging areas

Rising interest rates and high refinancing needs threaten debt sustainability in developing countries.

Developing countries' average interest cost on external borrowing is three times higher than that of developed countries.²³⁹ Every 1% increase in the interest rate represents an additional USD 35 billion in interest payments that LICs and middle-income countries must make to creditors.²⁴⁰ LICs face significant debt repayments and need to refinance about USD 60 billion of external debt in 2024-26, which is triple the average of the decade from 2010-20.²⁴¹ Since 2016, Eurobonds and syndicated loans from private banks have surged while grace periods have shortened and spreads have become more volatile.²⁴²

High refinancing requirements in an environment of elevated interest rates, could strain national budgets and jeopardise foreign market access for certain countries. Between 2024 and 2026, over USD 4.5 trillion in bond debt from EMDEs will mature. For LICs, the proportion of debt maturing in 2024 is particularly high at approximately 20%, and is nearly 25% for countries with credit ratings indicating high credit risk or default (i.e. rated single B or below) compared with an average of 15% in other groups.²⁴³

Countries with low credit ratings are also more exposed to refinancing needs in foreign currency. For countries with credit ratings above single B, the average share of foreign currency debt maturing between 2024-26 is below 8%. In contrast, the average share exceeds 30% for countries with lower credit ratings. Among the 16 countries where more than 30% of foreign currency-denominated debt is due by end 2026, 10 have credit ratings of BB- (reflecting high risk) or lower. While defaults on local currency debt are rare, substantial refinancing needs in local currency during periods of high yields can significantly impact government budgets and reduce fiscal space for other priorities.²⁴⁴

Debt and debt service levels have risen, increasing the risk of debt default.

Recent crises have increased risks of debt defaults as well as the cost of debt service. Currently, 13 countries – 7 of them LMICs or LICs – are in or nearly in default, according to credit rating agencies, the highest number in 24 years. As of 2023, these 13 countries collectively have about USD 1.4 trillion in GDP, slightly over 1% of global GDP, and a combined population of nearly 400 million, or 5% of the world's population. Another 13 countries are at significant risk of default, representing total GDP of USD 1.7 trillion and with a combined population of more than 700 million. Taken together, this group of countries at either substantial risk of default or in default account for about 3% of global GDP but 15% of the world's population.²⁴⁵

The largest relative increases in sovereign debt default following the COVID-19 crisis were seen in eligible countries of the HIPC and MDRI, at 62.70% and 52.56%, respectively.²⁴⁶ In 2022, developing countries paid USD 49 billion more to their external creditors than they received in fresh disbursements, resulting in

a negative net resource transfer. Developing countries pay the highest price: debt service on external public debt reached USD 365 billion in 2022, equivalent to 6.3% of export revenues. Over USD 4.5 trillion of EMDE bond debt matures between 2024 and 2026.²⁴⁷ The number of low-graded EMDEs accessing international markets fell from 20 on average in 2015-21 to approximately 10 in 2022-23.²⁴⁸ ODA debt outstanding, defined as the amount of principal of ODA loans yet to be repaid by developing countries, amounted to USD 220 billion to USD 250 billion in 2019-21.²⁴⁹

The Group of Twenty's (G20) Debt Service Suspension Initiative (DSSI) provided temporary relief by pausing USD 12.9 billion in debt service payments for LICs from May 2020 to December 2021. In 2020, the G20 introduced the Common Framework for Debt Treatment, aimed at providing more structured debt relief for these countries. So far, only four countries – Chad, Ethiopia, Ghana and Zambia – have requested assistance under this framework. While Chad and Zambia have reached agreements with their creditors, the negotiations were prolonged and took well over a year to finalise.²⁵⁰ The Global Sovereign Debt Roundtable, established in 2023, aims to improve debt restructuring processes, but private creditor participation remains a challenge.

Credit quality in developing countries has deteriorated since the pandemic.

From 2020 to the first quarter of 2024, there were 224 downgrades but only 105 upgrades for EMDEs. There were more upgrades than downgrades in high-income and upper middle-income countries in 2023 and the first quarter of 2024, while LICs and LMICs experienced more than twice as many downgrades as upgrades. By the first quarter of 2024, nearly 60% of the approximately 100 rated EMDEs were classified as low grade, and more than ten countries were either near default or in default. The number of countries rated C or in default has peaked, including especially LICs and LMICs, while the share of investment-grade countries fell to its lowest point in the first quarter of 2024.²⁵¹ (See the factsheet on systemic issues for information on credit rating agencies and the financial architecture.)

The transparency of sovereign debt remains low.

In 2020-21, 40% of low-income developing countries did not publish any sovereign debt data, and public debt data show discrepancies of up to 30% of GDP across different sources.²⁵² Recent international efforts, including initiatives by the G20, IMF and Institute of International Finance (IIF), aim to enhance debt data reporting and disclosure practices. G20 countries endorsed principles of information sharing and transparency among creditors in their Operational Guidelines for Sustainable Financing, agreed in 2017.²⁵³ The World Bank's Debtor Reporting System and the IIF's voluntary principles for debt transparency are crucial for standardising and monitoring debt data, promoting accountability, and supporting sustainable economic development.²⁵⁴ Other initiatives such as the Joint Debt Hub (by the OECD, IMF, World Bank Group and Bank for International Settlements) also aim to improve statistics on the overall external debt of countries.²⁵⁵

Domestic laws in creditor and debtor countries can strengthen the legal framework to prevent future debt burden.

Several countries are working to strengthen the legal framework to support the litigation efforts of developing countries and have initiated work to increase debt transparency of private creditors.²⁵⁶ Relatedly, there is an increased focus on regulating collateralised lending practices to ensure fairer terms and prevent excessive debt burdens on developing nations. However, a recent IMF study found that only half of the 60 developing countries surveyed have laws that require debt management and fiscal reports and fewer than a quarter of the 60 require disclosure of loan-level information that is crucial for transparency. Key vulnerabilities in domestic laws – including a limited definition of public debt, insufficient

disclosure requirements, confidentiality clauses in public debt contracts and weak oversight – allow debt concealment.²⁵⁷

New and emerging areas

The international debt architecture can be strengthened to support sustainable development, climate goals and address financial inequalities.

Governments, multilateral organisations, and civil society have recently advocated for reform of the international debt architecture that focus on increasing low-cost public finance through reforms of multilateral development banks (MDBs) and the IMF, improving governance and representation within these institutions, and enhancing the agility and flexibility of lending mechanisms, particularly for countries vulnerable to climate change. Proposals also emphasise improving risk assessments to attract investment, reforming debt governance to better manage crises, and fostering coalitions to drive advocacy and policy implementation. Key initiatives such as the Bridgetown Initiative; the United Nations SDG Stimulus; the High-level Working Group of African ministers of finance, planning and economic development: the Vulnerable Twenty Group (V20); and the Paris Pact for People and Planet, among others, collectively aim to address global financial inequalities and support sustainable development. (The systemic issues factsheet provides more information on reform of the global financial architecture more broadly.)

Innovative climate-related financial instruments can help respond to finance needs and debt challenges.

Climate change has increased the debt cost for the V20 countries by USD 62 billion over 2007-16, and the climate premium is expected to more than double from 2019-28.²⁵⁸ 70% of public climate finance is provided by developing countries took the form of loans (69% or USD 63.6 billion).²⁵⁹

While no single instrument can solve a country's debt situation, several climate-related financial instruments can help address both the climate finance needs and debt challenges of developing countries. These include debt-for-climate and debt-for-nature swaps, climate resilient debt clauses (CRDCs), and SDRs, all of which have been used increasingly in recent years though with trade-offs and careful considerations are required in their application. In addition, sustainability-linked bonds (SLBs) are forward-looking performance-based debt instruments that can be linked to existing sustainability targets - including Nationally Determined Contributions (NDCs) – and can help incentivise action towards these.

Debt swaps for climate and nature, applicable to both sovereign and commercial debt, convert debt obligations into grants, allowing countries to redirect funds from debt repayment to climate projects. These swaps could help redirect USD 100 billion of debt in developing countries to nature restoration and climate adaptation, including USD 33.7 billion for LDCs.²⁶⁰ Reducing transaction-related costs, which currently consume 40% or more of financial benefits, could make debt swaps a more viable option for nearly 15% of developing countries. However, several concerns should be taken into account regarding their small scale in relation to a country's debt burden, the conditionality of arrangements and adequate governance and enforcement of conversation.

CRDCs enable the temporary suspension, deferment or restructuring of debt payments when climate-related events, such as hurricanes or floods, occur. Several bilateral and multilateral lenders offer these clauses in contracts, and the International Capital Markets Association also announced that LICs would be able to include CRDCs in bonds. However, as a debt suspension clause, interest continues to accrue while debt is suspended, and a country must be able to fulfill repayment. The parameters for trigger events and thresholds could also be better harmonized.

SDR allocations have provided approximately USD 275 billion to developing countries, with 80 countries utilising them. By March 2024, the IMF gathered about USD 8.4 billion in commitments for its Resilience and Sustainability Trust to support climate activities in developing countries.²⁶¹ By end-February 2024, commitments totalling USD 7.0 billion were approved, yet only USD 1.4 billion had been disbursed to 9 countries, with a further USD 3.4 billion to the 17 countries scheduled to date for 2024.²⁶² SDR rechanneling through MDBs has been part of the MDB Capital Adequacy Framework agenda, and the G20 Independent Experts Group called for MDBs to take steps to boost their lending capacity, including by exploring hybrid capital structures.

Annex 5.A. Debt and Debt Sustainability

Annex Table 5.A.1. Assessment of the Action Area: Debt and Debt Sustainability

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
93	Address debt sustainability challenges, especially for least developed countries and small island developing states, including through initiatives such as the Heavily Indebted Poor Countries (HIPC) initiative and Multilateral Debt Relief Initiative (MDRI). References smooth transition for graduated LDCs.	No	<p>Target 17.4</p> <p>Assist developing countries in attaining long-term debt sustainability through co-ordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of HIPC countries to reduce debt distress.</p>	<p>SDG indicator 17.4.1 Debt service as a proportion of exports of goods and services.</p> <p>In 2022, debt service in LDCs accounted for 8.4% of exports of goods, services, and primary income. This is an increase from 7.6% in 2015. (World Bank)</p> <p>Debt service as percentage of government revenues.</p> <p>In 2023, developing countries' net interest payments on public debt amounted to USD 847 billion, a 26% increase over 2021. Also in 2023, a record 54 developing countries, 38% of the total, dedicated 10% or more of their government revenues to interest payments. (UNCTAD)</p> <p>Developing countries face significantly higher borrowing costs than do developed countries. Interest rates on sovereign debt in developing countries are 2 to 4 times higher than those in the United States and 6 to 12 times higher than those in Germany. (UNCTAD)</p> <p>Debt service as percentage of tax revenue.</p> <p>The COVID-19 crisis deteriorated the fiscal positions of developing countries more than those of developed countries. Debt service now accounts for more than 20% of tax revenue in 25 developing countries. (World Bank)</p> <p>Debt relief provided by the HIPC and MDRI.</p> <p>The HIPC Initiative and the MDRI have relieved 37 participating countries of over USD 100 billion in debt since 1996. (World Bank)</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
				<p>Percentage of official development assistance (ODA) (grants and loans) provided as concessional loans. An increasing portion of ODA is being delivered as concessional loans rather than grants. The proportion of loans in ODA to developing countries rose from 28% in 2012 to 34% in 2022. (UNCTAD)</p> <p>The average grant element of ODA loans to LDCs decreased from 78% in 2015 to 70% in 2021 due to both higher interest rates (from 0.35% in 2015 to 0.63% in 2021) and shorter maturity periods (from 36 years in 2015 to 27 years in 2021). (OECD)</p> <p>ODA allocated to debt-related actions. ODA resources dedicated to debt-related actions such as debt relief, swaps, and restructuring have reached a historic low, dropping from USD 4.1 billion in 2012 to only USD 300 million in 2022. (UNCTAD)</p> <p>Smooth transition for least developed country (LDC) graduates. Since 2015, six countries have graduated from the LDC category and an additional five are recommended for future graduation.²⁶³ The United Nations (UN) Committee for Development Policy (CDP) contributed to the 2024 Economic and Social Council by conducting the triennial review and monitoring of LDCs and discussing graduation in a global context. The CDP monitored the development progress, including debt sustainability challenges, of nine countries that recently graduated or are graduating from the list of LDCs, finding that in several instances natural disasters and/or oil price fluctuations have negatively impacted the debt position of graduated LDCs.²⁶⁴ (For more information see the UN Smooth Transition for LDCs website.)</p>
94	Assist developing countries in achieving long-term debt sustainability through co-ordinated policies on debt financing, relief, restructuring and management. Commit to supporting HIPC-eligible countries completing the process and consider initiatives for non-HIPC nations. Maintain support for countries that have already received relief and achieved	No	Target 17.4 See para. 93.	<p>Number of countries eligible for the HIPC Initiative that have benefited from debt relief. Of the 39 countries eligible for the HIPC Initiative, all 36 countries that reached the decision point have now reached the completion point. (World Bank, 2016)</p> <p><i>Initiatives of the International Monetary Fund (IMF) and the World Bank, in collaboration with their partners, include the Debt</i></p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
	sustainable debt levels.			<p><i>Management Facility, which has supported over 463 technical assistance projects across 78 countries and 20 subnational entities as of December 2022. (World Bank)</i></p> <p>Share of IMF resources allocated to capacity-development efforts. Approximately one-third of the IMF's resources are allocated to capacity-development efforts, which encompass technical assistance and training programmes aimed at reinforcing debt management practices in developing nations. (World Bank)</p>
95	Welcome IMF, World Bank and UN efforts to strengthen debt sustainability and management tools. Use IMF-World Bank debt sustainability analysis as a valuable tool to assess appropriate borrowing levels. Urge these institutions to continue improving their tools in an inclusive process in collaboration with the UN and stakeholders.	No	<p>Target 17.4 See para. 93.</p>	<p><i>The IMF has focused on several key areas to strengthen debt sustainability. In collaboration with the World Bank, for instance, it updated the Debt Sustainability Framework for Low-Income Countries in 2017. This framework helps assess the risks of debt distress in low-income countries (LICs) and guides them in managing their debt levels prudently. The updated framework incorporates more realistic stress-testing and broader macroeconomic factors.</i></p> <p><i>The IMF also revised its debt limits policy in 2020 to offer countries greater flexibility, allowing them to manage their debt according to their development needs while maintaining sustainability. This policy now includes tailored approaches based on country-specific circumstances and risk assessments.</i></p> <p><i>The World Bank has also undertaken several initiatives to improve debt management. For example, a cross-country comparison of Debt Management Performance Evaluations (DeMPA) shows that more than half of the assessed countries do not meet minimum standards for sound sovereign debt management practices. Key weaknesses include poor cash flow forecasting and coordination with debt management, leading to inefficient practices such as issuing new debt while holding surplus cash. Operational risk management is also a significant concern, exposing governments to potential data loss and process failures. However, improvements have been seen in aligning debt management with macroeconomic policies and enhancing legal frameworks (World Bank)</i></p> <p><i>Like the IMF, the World Bank also provides extensive technical</i></p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
				<p>assistance and training to strengthen countries' debt management capacities. It supports the development of medium-term debt management strategies and enhances countries' ability to manage public debt prudently.</p> <p>In addition, the UN plays a vital role in promoting debt sustainability through its various bodies and programmes. An example is the UN Conference on Trade and Development (UNCTAD) Debt Management and Financial Analysis System, which assists developing countries in managing their public debt effectively. The system further helps countries improve their capacity to record, monitor and analyse public debt data, contributing to better debt sustainability.</p>
96	<p>Support ongoing efforts to establish standards and promote public access to data on sovereign and external debt and encourage comprehensive quarterly debt reporting. Advocate for the creation of a central data registry on debt restructurings and urge all governments to enhance transparency in debt management.</p>	No	<p>Target 17.4 See para. 93.</p>	<p>Number of International Development Association (IDA) countries with full debt data accessibility. The World Bank's Debt Reporting Heat Map provides an assessment of how various countries report their debt data, offering insights into debt transparency globally. In 2023, 74 IDA countries reported their data compared with 76 in 2020. (World Bank)</p> <p>Percentage of low-income developing countries reporting sovereign debt data. About 40% of low-income developing countries did not disclose any sovereign debt data in 2020-21, and discrepancies of up to 30% of gross domestic product (GDP) were observed across various sources of public debt data. (BoC)</p> <p>Recent international efforts, including initiatives by the Group of Twenty (G20), IMF and Institute of International Finance (IIF), are focused on improving debt data reporting and disclosure practices. The World Bank's Debtor Reporting System and the IIF's voluntary principles for debt transparency play a crucial role in standardising and monitoring debt data, fostering accountability, and supporting sustainable economic development. (World Bank) Additionally, initiatives such as the Joint Debt Hub (OECD, IMF, World Bank Group, Bank for International Settlements) aim to enhance overall statistics on countries' external debt.</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
97	Enhance collaboration between debtors and creditors to prevent and resolve unsustainable debt situations. Establish global guidelines on debtor and creditor responsibilities in sovereign borrowing and lending, building on current initiatives (such as the UNCTAD principles on responsible sovereign lending and borrowing, the IMF and World Bank's debt limits policies, and the OECD Development Assistance Committee's new safeguards to enhance recipient countries' debt sustainability). Strengthen information sharing and transparency.	Yes Establish global guidelines on debtor and creditor responsibilities.	Target 17.4 See para 93.	<p><i>To date, there are no globally agreed guidelines on sovereign borrowing for debtors and creditors. However, many piecemeal initiatives to design guidelines are in place. For instance, the G20 Common Framework, developed in response to the COVID-19 pandemic, builds on the G20's Debt Service Suspension Initiative (DSSI) to provide a structured approach to debt treatment involving both official and private creditors. The Paris Club of official creditors also has adopted principles and practices that serve as guidelines for restructuring bilateral debt. The IIF, which represents the global financial industry, has developed a set of voluntary principles – Principles for Stable Capital Flows and Fair Debt Restructuring – to guide private sector involvement in sovereign debt restructuring.</i></p> <p><i>Another example is the UN Basic Principles on Sovereign Debt Restructuring Processes, adopted by the UN General Assembly in September 2015 through Resolution A/RES/69/319. These principles aim to provide a framework for fair and orderly sovereign debt restructuring to ensure transparency, accountability and equitable treatment of all creditors and debtors. To date, over 130 UN member states have expressed support for these principles. However, some major economies and financial centres have not fully endorsed them, citing concerns over how these principles would interact with existing legal frameworks and financial markets.</i></p> <p><i>In 2012, UNCTAD introduced the Principles on Responsible Sovereign Lending and Borrowing, which are voluntary and non-binding. No country has officially endorsed the principles.</i></p> <p><i>In 2020, the IMF revised its debt limits policy to provide greater flexibility for countries in managing their debt according to their development needs. The revised policy takes a tailored approach, considering each country's specific circumstances and risk profile.</i></p> <p><i>The IMF and the World Bank also updated the Debt Sustainability Framework for Low-Income Countries in 2017, incorporating more comprehensive stress-testing and broader macroeconomic factors. The updated framework provides a more nuanced assessment of debt risks</i></p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
				<p><i>and supports responsible borrowing.</i></p> <p>ODA concessionality criteria (discount rates and thresholds). The 2014 ODA rules introduced stricter concessionality criteria than earlier guidelines, with discount rates of 9%, 7% and 6%, and thresholds of 45%, 15% and 10% that replaced the previous 10% discount rate and 25% threshold. As a result, lenders must provide more concessional loans in order for them to qualify as ODA, which particularly impacts LDCs. Additionally, these new rules included a new safeguard regarding debt sustainability in the ODA criteria. Under these provisions, loans that do not comply with the IMF debt limits policy and/or the World Bank's Non-Concessional Borrowing Policy and Sustainable Development Finance Policy cannot be reported as ODA. (OECD)</p> <p>The OECD Recommendation on Sustainable Lending Practices and Officially Supported Exports Credits was adopted by the OECD Council meeting (all OECD members adhere) at ministerial level in 2018. It was revised in 2024 to update the references to the World Bank's Sustainable Development Finance Policy. The purpose of the Recommendation is to ensure that officially supported export credits do not contribute to the build-up of unsustainable external debt in lower-income countries. To this end, the Recommendation presents practices that adherents should follow when they are considering the provision of official export credit support to public sector obligors or guarantors in such countries.²⁶⁵</p>
98	Emphasises the importance of debt restructurings being timely, orderly, effective, fair and negotiated in good faith with the aim of restoring public debt sustainability and maintaining favourable access to financing.	No	Target 17.4 See para. 93.	<p>Reducing the time from IMF staff level agreement to delivering financial assurance from creditors for program approval under the Common Framework.</p> <p>Restructurings under the Common Framework have demonstrated a reduction in the delay as stakeholders acquire greater familiarity with the process. (IMF)</p>
99	Limit the presence of sovereign bonds lacking collective action clauses. Improve co-ordination between public and private sectors and debtors and creditors to reduce moral hazards and achieve fair burden sharing in	No	Target 17.4 See para. 93.	<p>Share of Paris Club creditors to LICs.</p> <p>In 2021, the composition of lenders to LICs had shifted significantly compared with the line-up in 1996. The share of Paris Club creditors dropped from 39% to 11%, the share of non-Paris Club creditors more than doubled to 20%, and private creditors' share also more than</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
	orderly debt restructurings. Recognise ongoing efforts by the IMF and the UN in this area, including the Paris Club's Paris Forum initiative.			<p>doubled to 19%. (World Bank) This shift indicates a rise in loans provided at market terms, complicating debt management for developing countries and restricting their access to affordable financing options.</p> <p>Share of developing countries' public debt out of the global public debt.</p> <p>Developing countries' public debt reached USD 29 trillion, representing 30% of the global public debt in 2023. This was a significant rise from 2010, when their share was only 16% share, highlighting the rapid expansion of public debt in developing countries. Public debt in developing countries is increasing twice as fast as in developed countries. (UNCTAD)</p>
100	Urge global action against minority bondholders disrupting majority-supported debt restructurings. Support reforms (including pari passu and collective action clauses) to protect sovereigns from holdout creditors. Provide legal assistance to LDCs and enhance international support for advisory services, including monitoring post-restructuring creditor litigation. Encourage countries issuing bonds under foreign laws to introduce such clauses in all bond issuances. (ref to International Capital Market Association and IMF)	No	Target 17.4 See para. 93.	n.a.
101	Acknowledge the rise in sovereign bonds issued in domestic currency under national laws. Voluntarily enhance domestic legislation to reflect guiding principles for effective, timely, orderly and fair resolution of sovereign debt crises.	No	Target 17.4 See para. 93.	<p>EMDE sovereign bond debt.</p> <p>EMDE sovereign bond debt reached a record high of nearly USD 12 trillion in the first quarter of 2024. (OECD)</p> <p>EMDE borrowing costs.</p> <p>While EMDE borrowing costs in local currency have risen, most remain below early 2000s levels. Real yields at issuance in local currency rose from about zero to 3% between 2020-21 and the first quarter of 2024, to over 7% and 5%, respectively, for LICs and speculative-grade economies. (OECD)</p> <p><i>Recent developments in creditor countries' domestic laws highlight an</i></p>

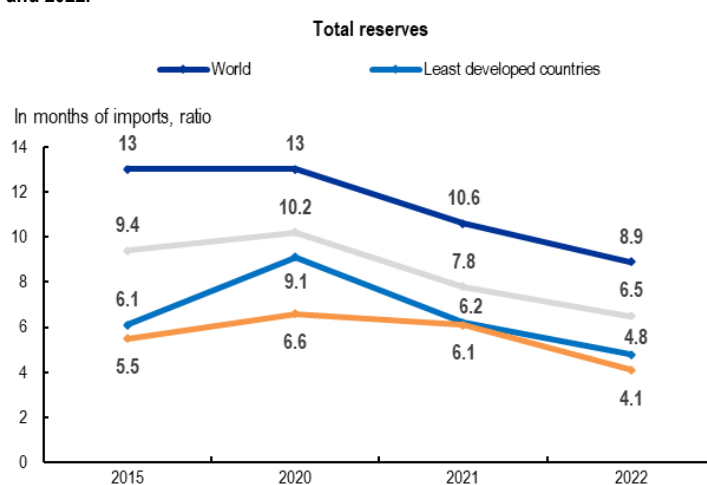
AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using SDG or other relevant indicator (proxy)
				<p><i>increasing commitment to safeguarding developing countries from unsustainable debt. For example, the United Kingdom government has proposed enhancements to the country's legal framework to bolster litigation support for developing countries and has begun efforts to improve the transparency of debt held by private creditors. Likewise, there is a growing emphasis on regulating collateralised lending practices to promote fairer terms and mitigate the risk of excessive debt burdens on developing countries. (World Bank)</i></p>
102	<p>Natural disasters and other shocks can undermine sovereign debt sustainability. Notes importance that public creditors help to ease debt payments. Encourage debt rescheduling and cancellation following shocks as well as the use of new financial instruments where appropriate. References the potential of debt-to-health and debt-to-nature swaps.</p>	No	n.a.	<p>The volume of debt relief provided following environmental, global health and other shocks.</p> <p>The G20's DSSI offered temporary relief by deferring USD 12.9 billion in debt service payments for LICs from May 2020 to December 2021 due to the COVID-19 pandemic. (World Bank)</p> <p>Following the DSSI, the G20 introduced the Common Framework for Debt Treatment to provide more structured debt relief. In addition, the Global Sovereign Debt Roundtable in 2023 aimed to enhance debt restructuring processes. (World Bank)</p> <p>In 2023, around 140 debt-for-nature swaps have been entered into. Using a methodology derived from previous international debt-reduction schemes, the International Institute for Environment and Development (IIED) estimates that debt swaps could free up to USD100 billion to restore nature and help climate change adaptation.(IIED)</p> <p>The Global Fund has operated the Debt2Health programme since 2007, under which ten implementing countries have entered into debt swap agreements with creditor countries, through which more than USD 226 million in cancelled debt repayments have been invested in domestic health programs (Global Fund).</p>

6 Addressing Systemic Issues

Data dashboard

KEY TRENDS

Global reserves (in months of imports ratio) decreased by a third between 2015 and 2022.

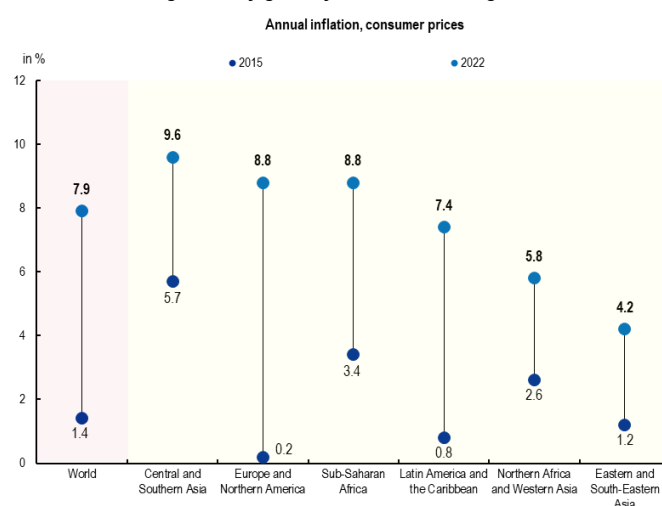


Note: Total reserves consist of monetary gold holdings, special drawing rights, International Monetary Fund (IMF) member reserves held by the IMF and foreign exchange assets managed by monetary authorities. This indicator represents reserves in terms of the number of months of imports of goods and services they could cover.²⁶⁶

Source: unstats.un.org/sdgs/files/report/2024/E_2024_54_Statistical_Annex_I_and_II.pdf

Total reserves worldwide went from 13 months of imports in 2015 to 8.9 months in 2022 (-32%). This trend is also visible in countries most in need, where reserves have decreased by 21% for least developed countries (LDCs), 31% for landlocked developing countries (LLDCs) and 25% for small island developing states (SIDS) over the same period.²⁶⁷

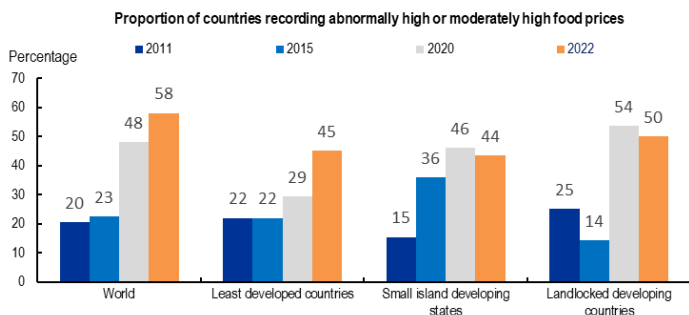
Inflation has risen significantly globally and across all regions.



Source: [E_2024_54_Statistical_Annex_I_and_II.pdf \(un.org\)](https://unstats.un.org/sdgs/files/report/2024/E_2024_54_Statistical_Annex_I_and_II.pdf), based on the World Bank.

Global inflation has surged from 1.4% in 2015 to 7.9% in 2022. This trend has been observed across all regions. Central and Southern Asia recorded the highest inflation rate, reaching 9.6% in 2022, up from 5.7% in 2015. Europe and Northern America experienced the most pronounced increase with inflation rising by 8.6 percentage points over the same period.

Recorded food prices are high, particularly in countries most in need.



Note: Abnormally high values are defined as those for which the indicator of food price anomalies is equal to or exceeds 1. Moderately high values are defined as those for which the indicator is equal to or greater than 0.5 but strictly less than 1
 Source: unstats.un.org/sdgs/files/report/2024/E_2024_54_Statistical_Annex_I_and_II.pdf based on Food and Agriculture Organization of the United Nations (FAO)

High inflationary pressures in the global post-pandemic environment have taken a toll on all countries. In 2022, 58% of countries recorded abnormally high or moderately high food prices, up from 23% of countries in 2015.

The share of developing countries recording abnormally high or moderately high food prices has increased since 2015. In 2022, 45% of LDCs, 44% of SIDS and 50% of LLDCs recorded abnormally high or moderately high food prices compared with, respectively, 22%, 36% and 14% in 2015. The detrimental effect of high inflation on household has been higher for households in extreme poverty.²⁶⁸

Key performance indicators

The statistical annex presents a full list.

It should be noted that the chapter of the Addis Ababa Action Agenda on systemic issues does not include quantifiable or timebound commitments.

- ↑ The global financial safety net was strengthened by the new 2021 allocation of USD 650 billion in special drawing rights (SDRs). About one-third of this allocation went to developing countries, amounting to 0.42% of their gross domestic product (GDP).²⁶⁹
- ↑ Approximately half of the world's economies hold 97% of international reserves, with the remaining 3% held by a group of about 90 vulnerable emerging and low-income countries.²⁷⁰
- ↑ Developing countries hold 37% of the voting rights at the IMF and 39% at the World Bank though they constitute 75% of the membership in these institutions.²⁷¹
- ↑ Non-bank financial intermediation (NBFi) represented 47.2% of total global financial assets in 2022 compared with 48.6% in 2015.²⁷²
- ↑ In a 2023 survey by the OECD,²⁷³ 73% of responding countries identified lack of data and analysis on the transboundary impacts of policies as a key barrier to making progress on policy coherence for sustainable development (PCSD).

Resource mobilisation potential

- Ongoing reforms of multilateral development banks (MDBs) aim to triple total lending volumes by 2030 to reach USD 400 billion per year.
- Climate change could cost the world economy an estimated USD 38 trillion per year by 2050, which would translate to a loss of 19% in income per capita around the world.²⁷⁴
- The cumulative economic costs of the COVID-19 pandemic are estimated at about USD 13.8 trillion in global output loss through to 2024.^{275,276}

Key areas of progress

Efforts to strengthen financial stability and crisis prevention are paying off.

Financial stability measures accelerated in the aftermath of the global financial crisis in 2008-09. Many of these measures were thus in place before the Addis Ababa Action Agenda (AAAA) was adopted in 2015, and they have since contributed to greater resilience in the international financial system. The Early Warning Exercise, a semi-annual assessment that identifies and analyses potential risks to the global financial system that could lead to significant economic disruptions, was created in 2008. A year later, in 2009, the Financial Stability Board (FSB) was established to strengthen financial regulation and prevent future crises. In 2017, the IMF introduced a Macroeprudential Policy Survey feeding the integrated Macroeprudential Policy database, which facilitates quantitative analyses of macroprudential instruments. Basel III standards, a set of regulatory reform measures that cover banks' capital, leverage and liquidity, were finalised in 2018, with full implementation expected by end-2024. An evaluation of the impact and efficacy of these various reforms found that the overall resilience of the banking sector has increased, without affecting the cost of capital of banks. In 2022, banks showed improved performance compared with 2015, a shift driven by ongoing recovery from the COVID-19 crisis. The share of countries reporting a return on assets (ROA) above 1% rose to 77.2%, up from 70.0% in 2021, and the median ROA increased from 1.34% to 1.56%.

However, there are concerns that tighter regulations have led to a reduction in cross-border lending by global banks to developing countries, including for financing infrastructure projects. Tightened bank regulations also gave rise to a greater role for NBFIs, which can exacerbate the volatility of international financial flows. NBFIs grew from USD 165.4 billion in 2015 to USD 217.9 billion in 2022 or by 31.7%. In relative terms, NGFI represented 47.0% of total global financial assets in 2022 compared with 48.6% in 2015 and 42.0% in 2008 and a peak of 50.0% in 2019.²⁷⁷

The global financial crisis also triggered a number of proposals and legislation aimed at strengthening the regulatory and supervisory framework for credit rating agencies (CRAs). In 2010, for instance, the FSB called for a reduction of reliance on CRA ratings, but little progress has been made since (see fact sheet on international development co-operation). The big three CRAs (Moody's, S&P and Fitch Ratings) together hold 95% of the credit rating market and are frequently criticised for their perceived bias towards developing countries. The planned establishment of the pan-African CRA is expected to help make borrowing cheaper for African governments by providing more accurate assessments that take into account regional dynamics and geopolitical factors.

The global financial safety net is stronger but remains uneven.

Countries' own reserves, the largest component of the global financial safety net, have increased in absolute terms but decreased in relative terms since 2015. Countries' reserves covered 8.9 months of imports in 2022, down from 13 months in 2015. The global network of bilateral swap lines provided prompt liquidity support during the pandemic, helping to stabilise the global financial markets and capital flows to EMDEs. The network expanded substantially, from six swap lines in the early 2000s to 160 swap lines in 2024. However, very few developing countries have access to these facilities. According to the IMF, 97% of international reserves are held by approximately half of the world's economies, with a group of about 90 vulnerable emerging market and low-income countries accounting for the remaining 3%.

The IMF has significantly expanded lending while adjusting its toolkit to address evolving needs especially in developing and vulnerable countries. In FY23, the IMF approved about USD 5.7 billion in new concessional lending commitments to low-income countries – more than the three times the volumes in FY15 (USD 1.8 billion). The Resilience and Sustainability Trust, created in 2022, helps countries build resilience to macroeconomic risks arising from longer-term structural challenges, including climate change

and pandemic preparedness. The allocation of an additional USD 650 billion in SDRs²⁷⁸ helped countries address balance of payments needs and improve liquidity. (see fact sheet on debt and debt sustainability) To date, a total of 660.7 billion SDRs (equivalent to roughly USD 943 billion) have been allocated and constitute a significant portion of countries' international reserves. However, SDR distribution is based on IMF quotas, meaning that high-income countries receive the majority of the SDRs.

Calls to reform the international financial architecture are abounding.

Bridgetown 3.0,²⁷⁹ the United Nations SDG Stimulus²⁸⁰ and the Paris Pact for People and the Planet²⁸¹ collectively call for a comprehensive reform of the international financial architecture to enhance support for climate action, sustainable development and economic resilience in vulnerable and developing countries. Reforms under way of MDBs as part of these initiatives focus on increasing the scale and development impact of lending. The World Bank Group's evolution roadmap,²⁸² updated in September 2023, suggests that it could boost its lending capacity by USD 50 billion, to USD 150 billion, over 2022-32 – an annual average increase of from 5 billion to USD 15 billion. In a joint Viewpoint Note²⁸³ released for the 2024 World Bank and IMF Spring Meetings, ten MDBs estimated that their institutions could collectively expand their lending headroom by an additional USD 300 billion to USD 400 billion over the coming ten years, equivalent to an annual average increase of USD 30 billion to USD 40 billion. The projected increases, however, would fall short of initial targets, such as the goal of an additional USD 260 billion per year set by the Group of Twenty (G20) Independent Expert Group,²⁸⁴ in part because current reform initiatives are tilted towards increasing capital efficiency rather than increasing the general capital of MDBs.

Despite the repeated commitments to enhance the voice and participation of developing countries, their representation has not significantly changed in many international financial institutions and standard-setting bodies. Developing countries constitute 75% of the membership of the IMF and the World Bank but hold only 37% and 39%, respectively, of the voting rights in these institutions. While there has been an increase in IMF quota allocations, the quota formula has not been updated to reflect the shifting economic weights of member countries in the world. The current IMF quota formula was agreed in 2008. The 14th General Review of Quotas entered into force (2016), with the 15th review taking place in 2020. The 16th review, which took place in 2023, approved a 50% increase in quota resources, with members' contributions to be in proportion to their current shareholdings – the equivalent of raising the IMF's permanent resources to USD 960 billion.

Persistent challenges

Conflicts are growing in number, driving insecurity, and placing additional burden on countries' financing capacities.

A growing number of conflicts are taking a heavy toll on financing capacities. In 2023, there were 56 active conflicts, the highest number since the end of the Second World War. The global economic cost of violence amounted to USD 19.1 trillion, or 13.5% of global GDP. Spending on peacebuilding and peacekeeping amounted to USD 49.6 billion, accounting for less than 0.6% of total military expenditure in PPP terms.²⁸⁵

Migration is on the rise with opportunities and challenges for financing for sustainable development.

An estimated 281 million people were living in a country other than their country of birth in 2020 – 32 million more than in 2015, 128 million more than in 1990 and more than triple the estimated number in 1970.²⁸⁶ As a consequence, the volume of remittances has also been increasing, representing a crucial source of

income for households and small and medium-sized enterprises (see Fact sheet on domestic international private business and finance).

At the same time, forced migration has increased steeply. At the end of 2022, the number of forcibly displaced people worldwide was estimated at 108.4 million, among them 35.3 million refugees and 5.4 million asylum seekers.²⁸⁷ The majority (76%) of forcibly displaced people worldwide are hosted in low- and middle-income countries, straining the already stretched resources of these countries. (The cost of hosting refugees in donor countries is discussed in the Fact sheet on international development co-operation.)

Policy coherence for sustainable development demands greater political ambition to assess and address policy impacts.

Achieving greater policy coherence for sustainable development (PCSD) remains a major challenge. The interconnected nature of the world economy and between economic, social, and environmental challenges mean that individual countries' policies often have transboundary impacts²⁸⁸ on other countries and the global commons. Despite commitments, governments have made limited progress to assess and address the impacts of their policies on global sustainable development.²⁸⁹ This shortfall is mainly due to insufficient data, limited technical capacity, low political leadership and weak institutional mandates to implement measures with a lack of data and analysis on the potential transboundary impact of policies as a key obstacle. Governments must be better equipped to anticipate, address, and adjust policies to systematically consider their impact on global sustainable development.

Failing to assess, monitor, and address the interactions and impacts of different policies undermines key global objectives and negatively affect the sustainable development prospects of developing countries. For instance, the absence of global co-ordination and policy coherence is hampers developing countries' access to climate finance and the equitable management of shared resources. Due to rising energy prices, direct fossil fuel subsidies rose to USD 1.53 trillion in 2022, a fivefold increase over 2020, thereby reversing progress towards the net zero transition (see Fact sheet on domestic public resources for more information on remittances). Potentially trade-distortive state interventions surged after the COVID-19 pandemic, hindering the competitiveness and global trade participation of LDCs (see Fact sheet on international trade as an engine for development).

New and emerging areas

A new context since the AAAA brings a shift in systemic issues, beyond systemic financial risk.

Since the AAAA was adopted in 2015, shifting global challenges have reshaped the nature of systemic risks demonstrating threats to financing for development beyond those related to the global financial crisis of 2008-09. Emerging threats now include climate change, pandemics, and high debt levels as well as risk posed by artificial intelligence and cybersecurity vulnerabilities. At the same time, geopolitical pressures, including war and violent conflict, have intensified, complicating collective decision making through international and intergovernmental bodies. There is a threat that the world will be divided into rival geopolitical blocs, which would reshape global trade and affect the cross-border allocation of capital. For example, a one standard deviation increase in geopolitical tensions between an investing country and a recipient country could reduce bilateral cross-border portfolio and bank allocation by about 15%.²⁹⁰ The growing complexity and interconnected nature of these systemic risks increases the imperative of governments to strengthen their political commitment to, and tools to ensure, policy coherence and to ensure long-term policy making that takes into account the impact of policies now and into the future.

Climate change and biodiversity loss present a key systemic risk.

Climate change presents a major systemic risk. If no additional measures are taken to address climate change, the negative impact on global annual GDP could range from 1.0% to 3.3% by 2060.²⁹¹ In 2023, 129 countries reported having a national disaster risk reduction strategy that is aligned to the Sendai Framework. However, according to the United Nations Environment Programme, international adaptation finance flows to developing countries fall short of estimated needs ([USD 300 billion annually by 2030](#)) by a factor of five to ten.²⁹² At COP27 in 2022, a [Loss and Damage Fund](#) was established with the aim of providing financial assistance to countries most vulnerable to and impacted by the effects of climate change. The Kunming-Montreal Global Biodiversity Framework, adopted in December 2022, aims to halt and reverse biodiversity loss, which could trigger a collapse in ecosystem services that would result in a USD 2.7 trillion annual decline in global GDP by 2030.²⁹³ The Kunming-Montreal Global Biodiversity Framework includes targets to mobilise at least USD 200 billion per year in financial resources for biodiversity by 2030 from public and private sources.

There is widespread acknowledgement of the need to assess, manage and mitigate the financial vulnerabilities due to climate change, commonly referred to as climate-related financial risks. In 2021, the FSB published a comprehensive roadmap to address climate-related financial risks in four key policy areas: firm-level disclosures, data, vulnerabilities analysis, and regulatory and supervisory practices and tools. Starting in 2015, the now-disbanded Task Force on Climate-Related Financial Disclosures coordinated efforts to improve climate-related disclosures, and the International Sustainability Standards Board currently leading follow-up efforts.

The pandemic highlighted the systemic relevance of global health.

The COVID-19 pandemic caused major disruptions to the global economy and heightened awareness of the critical relevance of global health for sustainable development.²⁹⁴ The G20 High Level Independent Panel estimates that a Global Health Threats Fund would require at least USD 10 billion in additional annual investment and another USD 5 billion is needed to strengthen the World Health Organization (WHO) and other institutions.

Donor investments in global health have increased. The Pandemic Fund was established in 2022 to finance investments to strengthen pandemic prevention, preparedness, and response capacities, with a focus on low- and middle-income countries. In 2023, WHO members agreed on a 20% increase in assessed contributions and the establishment of a replenishment mechanism to raise multi-year voluntary contributions. In 2022, 182 State Parties (representing 93% of anticipated submissions) reported on their implementation of the international health regulations (IHR), which require countries to develop capacities to respond to public emergencies. Overall, IHR capacities improved, albeit modestly, with the average global score rising from 64% in 2021 to 66% in 2022.²⁹⁵ Total net official development assistance disbursements to medical research and basic health sectors totalled USD 21.1 billion in 2022, more than double the 2015 total of USD 10.5 billion.²⁹⁶

Inflationary pressures cause cost of living spikes and diminish access to finance.

High inflationary pressures in the global post-pandemic environment have taken a toll on developing countries. Annual inflation (consumer prices) rose to 7.9% in 2022, up from 1.4% in 2015. In LDCs, inflation reached 9.5% in 2022 compared with 4% in 2015. The share of countries experiencing moderately to abnormally high food prices hit a record high of 58.1% in 2022, a significant increase from 22.5% in 2015. Due to the spike in food prices an estimated 29.6% of the global population – 2.4 billion people – did not have access to adequate food in 2022, 745 million more than in 2015.

Monetary tightening in response to inflation has exacerbated countries' struggle to secure stable and affordable long-term financing to support sustainable development. Developing countries' average interest cost on external borrowing is three times higher than that of developed countries (see debt fact sheet).

Cybersecurity risks could detract from available financing for sustainable development.

See Science, Technology, Innovation and Capacity-building, Fact sheet 7.

Annex 6.A. Addressing Systemic Issues

Annex Table 6.A.1. Assessment of the Action Area: Addressing Systemic Issues

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxy)
103	Emphasise the importance of the coherence and consistency of the international financial and monetary and trading systems in support of development. Enhance global economic governance to develop a stronger, more coherent, inclusive, and representative international framework for sustainable development while respecting the mandates of each organisation.	No	<p>Target 17.13 Enhance global macroeconomic stability, including through policy co-ordination and policy coherence.</p> <p>Target 17.14 Enhance policy coherence for sustainable development.</p> <p>Target 17.15 Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development.</p>	<p>SDG Indicator 17.13.1 Macroeconomic dashboard</p> <ul style="list-style-type: none"> cash surplus and/or deficit as a proportion of gross domestic product (GDP) The global cash deficit was -8.0% of GDP in 2021, greater than -3.7% in 2015. In least developed countries (LDCs), the deficit was -2.2% of GDP in 2018 versus -2.7% in 2015. (World Bank). annual inflation, consumer prices Global annual inflation (consumer prices) rose to 7.9% in 2022, up from 1.4% in 2015. In LDCs, inflation reached 9.5%, more than double the 4% in 2015. (World Bank) annual GDP growth Global GDP grew by 3.1% in 2022, marking a recovery from a decline of -3.1% in 2020 and matching the growth rate of 3.1% seen in 2015, but still lower than the 4.5% growth rate in 2000. For LDCs, GDP growth was 4.5% in 2022 following a contraction of -0.2% in 2020, a 2.7% growth rate in 2015 and a peak growth of 7.3% in 2005. (World Bank) <p>SDG indicator 17.14.1 Number of countries with mechanisms in place to enhance policy coherence of sustainable development. In most countries, governments lack a dedicated resources, leadership and mechanisms to ensure policy coherence on sustainable development (PCSD), making it challenging to track progress on</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxy)
				<p>PCSD. In 2020, 27 countries reported their status by completing the relevant questionnaire, with scores ranging from 43% to 100%. (UNEP)</p> <p><i>In 2024, adherents to the OECD Council Recommendation on PCSD reported similar challenges including limited use of tools to assess the transboundary impacts of their policies.²⁹⁷ The share of adherents to the OECD Council Recommendation on PCSD that report using impact assessments to understand the transboundary impacts of their policies on developing countries was just 16%.²⁹⁸ (OECD)</i></p> <p>SDG indicator 17.15.1 Extent of use of country-owned results frameworks and planning tools by providers of development co-operation.</p> <p>In 2018, it was estimated that 57% of bilateral providers used country-owned results frameworks and planning tools compared with 66% of multilateral providers. (GPEDC)</p>
104	<p>Emphasise the need for robust financial market regulation and a global safety net since the 2008-09 financial crisis. Build on the progress made since Monterrey to build resilience, reduce vulnerability to international financial disruption and reduce spillover effects of global financial crises, including on developing countries. Strengthen International Monetary Fund (IMF) lending capacity and leverage development banks' countercyclical roles during the crisis. Collaborate to reduce systemic risks. (ref. to Basel III).</p>	No	<p>Target 17.13 See para 103.</p> <p>Target 10.5 Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations.</p>	<p>SDG Indicator 17.13.1 Macroeconomic dashboard</p> <ul style="list-style-type: none"> total reserves in months of imports <p>Global total reserves, measured in months of imports, decreased to 8.9 in 2022, down from 13 in 2015. For least developed countries (LDCs), reserves dropped to 4.8 in 2022, compared to 6.1 in 2015. (World Bank)</p> <p>SDG indicator 10.5.1 Financial soundness indicator.</p> <p>In 2022, banks showed improved performance compared with 2015, a shift driven by ongoing recovery from the COVID-19 crisis. The share of countries reporting a return on assets (ROA) above 1% rose to 77.2%, up from 70.0% in 2021, and the median ROA increased from 1.34% to 1.56%. Asset quality also improved, with the median non-performing loans ratio falling from 4.07% in 2021 to 3.52% in 2022. At the same time, the capital buffer remained steady, with the median Tier 1 capital to risk-weighted assets at 16.8%, slightly down from 17% in 2021. (IMF)</p> <p>Allocations to the global financial safety net. Share of the allocation that goes to developing countries.</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxy)
				Approximately half of the world's economies hold 97% of international reserves, with the remaining 3% held by a group of about 90 vulnerable emerging and low-income countries. Following the global financial crisis, the share of bilateral swap lines and regional financing arrangements has grown relative to the IMF, and IMF quota resources have decreased in relative terms compared to borrowed resources (IMF, 2022 data) ²⁹⁹ . The global financial safety net was strengthened by the new 2021 allocation of USD 650 billion in special drawing rights to help countries manage the economic impact of the COVID-19 pandemic. About one-third of this allocation went to developing countries, amounting to 0.42% of their GDP. (OECD)
105	Pursue reforms of the international financial and monetary system to enhance global co-ordination and policy coherence for financial and macroeconomic stability. Mitigate the risk of financial crises, recognising the global impact of national policies. Address risks from volatile capital flows with macroprudential measures and, when necessary, capital flow management.	No	Target 17.14 See para. 103.	See para. 103; see fact sheet on domestic and international private finance for more information on volatility of capital flows. <i>In 2017, the IMF introduced a Macprudential Policy Survey feeding the integrated Macprudential Policy database, a comprehensive historical database that combines information on volatility from various sources and facilitates quantitative analyses. Participation in the annual survey has been increasing, and the database now covers 184 economies. (IMF)</i>
106	Increase the voice and participation of developing countries in international economic decision making and global economic governance (ref. to ratification and implementation of 2010 IMF reforms, governance reform of IMF and World Bank) as well as the contribution of developing countries in norm-setting processes (ref. to Basel Committee on Banking Supervision and other standard-setting bodies). Support transparent, gender-balanced and merit-based leadership selections and the promotion of staff diversity in international financial institutions.	No	Target 10.6 Ensure enhanced representation and voice for developing countries in decision making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions.	SDG indicator 10.6.1 Proportion of members and voting rights of developing countries in international organisations: (a) proportion of developing countries in the membership of international organisations (b) proportion of developing countries' voting rights at international organisations. Emerging and developing economies hold 40.9% of votes and 38.6% of quota shares at the IMF though they generate 58% of global GDP ((purchasing power parity (PPP)) and represent 86.4% of the global population. In contrast, advanced economies, with only 13.6% of the global population and 40.3% of GDP (PPP), hold 59.1% of votes and 61.4% of quotas at the IMF. ³⁰⁰ Developing countries hold 39% of the voting rights at the World Bank, despite constituting 75% of the membership. (DESA/FFDO)

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxy)
				<p>The current IMF quota formula is a weighted average of GDP (weight of 50%), openness to the global economy (30%), economic variability (15%) and international reserves (5%). GDP is measured through a blend of GDP based on market exchange rates (weight of 60%) and on PPP exchange rates (40%). The current IMF quota formula was agreed in 2008. The 14th General Review of Quotas entered into force in 2016) and the 15th review took place in 2020. The 16th review, which took place in 2023, approved a 50% increase in quota resources, with members' contributions to be in proportion to their current shareholdings – the equivalent of raising the IMF's permanent resources to USD 960 billion; the increase is to be effective in late 2024 when members with 85% of the votes will have ratified changes in their quota contributions.³⁰¹ (IMF)</p> <p>A new process for World Bank reform has been underway since 2021. The Intergovernmental Group of Twenty-Four proposed new targets for the IMF and World Bank Group (WBG) reforms. At its 2024 Spring Meetings, the WBG announced that member states committed a total of USD 11 billion for three new financial instruments: the Portfolio Guarantee Platform, the Hybrid Capital Mechanism and the Livable Planet Fund. These resources should enable the WBG to leverage additional lending worth more than USD 63 billion.³⁰²</p> <p>A joint MDB Viewpoint Note estimates that the ten main multilateral development banks (MDBs) could collectively expand their lending headroom by an additional USD 300 billion to USD 400 billion over the coming ten years, equating to an annual average increase of USD 30 billion to USD 40 billion. These gains fall short of the G20 Independent Expert Group target of raising an additional USD 260 billion per year (G20 IEG).</p>
107	Strengthen the international financial safety net and maintain a robust, quota-based IMF with adequate resources. Support collaboration between the IMF and regional financial arrangements, improve early warning systems for financial risks, and	No	n.a.	<p>Allocations to the global financial safety net. Share of the allocation that went to developing countries. See paras. 104 and 106 (on IMF quotas, global safety net).</p> <p>Development and efficiency of early warning systems. Created in 2008 at the request of the Group of Twenty (G20), the Early</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxy)
	advocate for more flexible IMF support for developing countries. Promote financial risk management and capacity building in developing countries, ensuring that international standards align with the SDGs and the post-2015 agenda.			Warning Exercise (EWE) is a semi-annual assessment conducted jointly by the IMF and the Financial Stability Board (FSB). Its primary purpose is to identify and analyse potential risks to the global financial system that could lead to significant economic disruptions. The results of the EWE are presented to senior officials at the WBG and IMF Spring and Annual Meetings. (IMF)
108	Implement measures to avoid excessive volatility of commodity prices, including for food and agriculture and mitigate impact on global food security and nutrition. Urge regulatory bodies to facilitate timely, accurate and transparent market information (acknowledging the Agricultural Market Information System managed by the Food and Agriculture Organization). Support small-scale artisanal fishers by providing access to marine resources and markets while adhering to sustainable management practices and enhancing the value of their products.	No	<p>Target 2.c Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility.</p> <p>Target 14.7 By 2030, increase the economic benefits to small island developing states and LDCs from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism.</p> <p>Target 14.b Provide access for small-scale artisanal fishers to marine resources and markets.</p>	<p>SDG indicator 2.c.1 Indicator of food price anomalies The share of countries experiencing moderately to abnormally high food prices hit a record high of 58.1% in 2022, a significant increase from 22.5% in 2015. For LDCs, this share was 45% in 2022 compared with 22% in 2015. The surge was largely due to major disruptions in logistics and food supply chains following Russia's invasion of Ukraine, which led to higher food and energy prices, especially in the first half of 2022. (FAO)</p> <p>SDG indicator 14.7.1 Sustainable fisheries as a proportion of GDP in small island developing states, LDCs and all countries. The contribution of sustainable fisheries to global GDP fell below 0.10% in 2019. The most significant decline occurred in LDCs, where it dropped from 1.20% of GDP in 2017 to 0.88% in 2019. With nearly 200 million people employed directly or indirectly in fisheries and aquaculture, the sustainable development of this sector is crucial for supporting the livelihoods and food security of many of the world's poorest communities. (FAO, UNEP-WCMC)</p> <p>SDG indicator 14.b.1 Degree of application of a legal, regulatory, policy and institutional framework which recognises and protects access rights for small-scale fisheries. The global application of legal, regulatory, policy and institutional frameworks recognising and protecting access rights for small-scale fisheries was highest in 2022, with a score of 5 out of 5 based on available data. However, this score reflects input from a reduced number of reporting countries. The International Year of Artisanal Fisheries and Aquaculture 2022 was a pivotal event to promote these frameworks, and the upcoming 2024 reporting period is expected to include results from a larger number of countries than in 2022. (FAO)</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxy)
109	Acknowledge the FSB's efforts on financial market reform and commit to strengthening macroprudential regulation and countercyclical buffers. Support reforms in financial market regulation, focusing on reducing systemic risks in shadow banking, derivatives, securities lending and repurchase agreements. Address too-big-to-fail risks and improve cross-border resolution of systemically important financial entities.	No	n.a.	<p>Non-bank financial intermediation (NBF) volumes as a share of total. (FSB)</p> <p>NBFI represented 47.2% of total global financial assets in 2022 compared with 48.6% in 2015 and a peak of 50.4% in 2019. In volumes, NBFI grew from USD 165.4 billion in 2015 to USD 217.9 billion in 2022. (FSB)</p> <p><i>The FSB was established in 2009, in response to the global financial crisis, to strengthen financial regulation, improve the resilience of financial institutions and prevent future crises. It monitors and makes recommendations about the global financial system to promote stability. The FSB regularly reports to the G20, but has a broader membership and, since 2011, has established six regional consultative groups that enable it to reach out to 70 non-G20 member countries and jurisdictions. (FSB)</i></p>
110	Reduce reliance on credit rating agency assessments, including in regulations. Improve the quality of rating, promote competition, address conflicts of interest and support greater transparency in credit rating agencies' evaluation standards (ref. FSB). Continue to address these issues, including within the United Nations.	No	n.a.	<p><i>The 2008-09 global financial crisis triggered a number of proposals and legislation aimed at strengthening the regulatory and supervisory framework for credit rating agencies (CRAs) – for example, the European Union rules adopted in 2009 and 2013 and the creation in 2011 of the European Securities and Market Authority. In 2010, the FSB called for a reduction of reliance on CRA ratings, but little progress has been made since.³⁰³ (FSB). The big three CRAs (Moody's, S&P and Fitch Ratings) together hold 95% of the credit rating market.</i></p>
111	Engage globally to ensure safe, orderly migration while respecting human rights. Enhance co-operation on benefit portability, recognition of foreign qualifications and lower recruitment costs. Combat unethical recruiters, promote positive narratives about migrants and fight xenophobia. Support social integration, protect migrants' rights and uphold the human rights of all migrants, especially women and children, regardless of their status.	No	<p>Target 10.7</p> <p>Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.</p>	<p>SDG indicator 10.7.2 Proportion of countries with migration policies that facilitate orderly, safe, regular and responsible migration and mobility of people.</p> <p>In 2021, 62.3% of countries worldwide had migration policies designed to facilitate orderly, safe, regular and responsible migration and mobility, and 58.1% of LDCs had such policies. (DESA Population Division, IOM)</p> <p>Estimated number of international migrants and forcibly displaced people worldwide.</p> <p>The estimated number of international migrants has increased to reach 3.6% of the population in 2020. An estimated 281 million people were</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxy)
				<p>living in a country other than their country of birth in 2020 – 32 million more than in 2015, 128 million more than in 1990 and more than triple the estimated number in 1970. Europe and Asia hosted, respectively, about 87 million and 86 million international migrants, or 61% of the global international migrant stock. (IOM) Remittances are increasing as a result (see fact sheet on domestic international private business and finance). At the end of 2022, the number of forcibly displaced people worldwide was estimated at 108.4 million, among them 35.3 million refugees and 5.4 million asylum seekers.</p> <p>Proportion of refugees hosted by country groups. Low- and middle-income countries hosted 76% of the world's refugees and other people in need of international protection. LDCs provided asylum to 20% of the total. (UNHCR). In 2021, the estimated average annual cost of providing education to refugee students in low-, lower-middle and upper middle-income host countries was USD 4.85 billion. (UNHCR/World Bank).</p>
112	Enhance regional, national and local institutions to prevent violence, combat terrorism and crime, and eliminate human trafficking and exploitation, especially of women and children. Strengthen national efforts to fight money laundering, corruption and terrorism financing. Improve global co-operation to build capacity, particularly in developing countries. Ensure the effective implementation of the United Nations Convention against Transnational Organized Crime (UNTOC).	No	<p>Target 16.4 By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets, and combat all forms of organised crime.</p>	<p>SDG Indicator 16.4.1 Total value of inward and outward illicit financial flows (in current US dollars). (See the statistical annex on domestic public resources for information on illicit financial flows.)</p> <p>The UNTOC Review Mechanism was established October 2018. As of August 2024, 80 reviews account for 42.4% of UNTOC parties. (UNODC) Transnational organised crime is estimated to generate USD 870 billion a year. (UNODC).</p>
113	Enhance the coherence and alignment of multilateral financial, investment, trade, development and environmental institutions and platforms. Increase co-operation among major international institutions while respecting their mandates and governance structures. Improve the use of relevant United	No	<p>Target 17.14 See para. 103.</p> <p>Target 17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilise and share knowledge,</p>	<p>SDG indicator 17.14.1 See para. 103.</p> <p>SDG indicator 17.16.1 Number of countries reporting progress in multi-stakeholder development effectiveness monitoring frameworks that support the achievement of the SDGs. For information on multi-stakeholder development effectiveness, see</p>

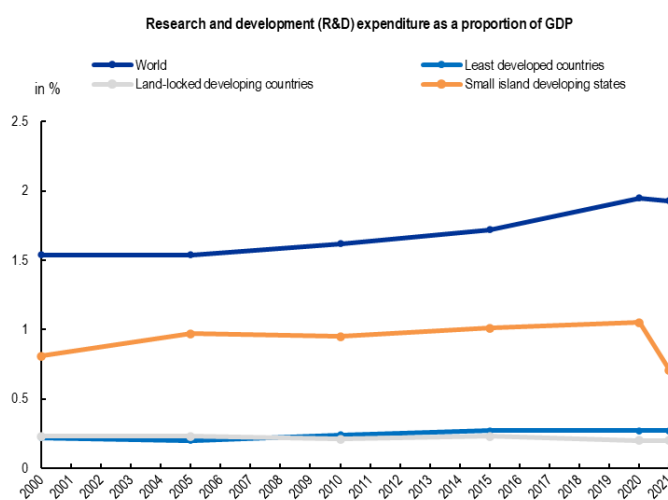
AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxy)
	Nations forums to promote universal coherence and reinforce global commitments to sustainable development.		expertise, technology and financial resources to support the achievement of the SDGs in all countries, in particular developing countries.	<i>the statistical annex on international development o-operation.</i>

7 Science, Technology, Innovation and Capacity-building

Data dashboard

KEY TRENDS

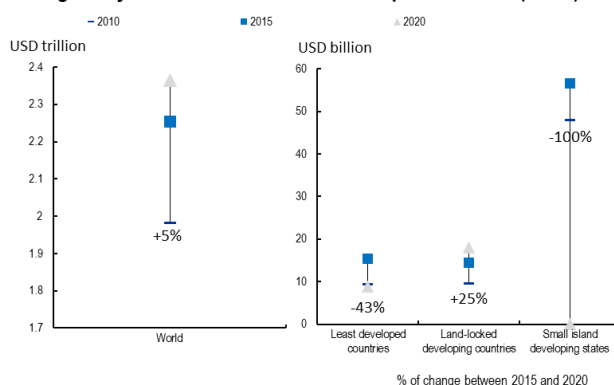
Research and development (R&D) expenditure as a proportion of gross domestic product (GDP) has risen globally since 2015 but has flatlined in developing countries.



Source: Author's based on [UN ECOSOC \(2024\), Progress towards the Sustainable Development Goals, Statistical Annex](#)

Global R&D expenditure as a proportion of GDP rose by 12% since 2015 and 25% since 2000, reaching 1.93% in 2021. But the R&D share remained flat in countries most in need, and in many countries, GDP grew faster than leading to a decline in this ratio in 2021, particularly in the recovery period after the COVID-19 crisis.

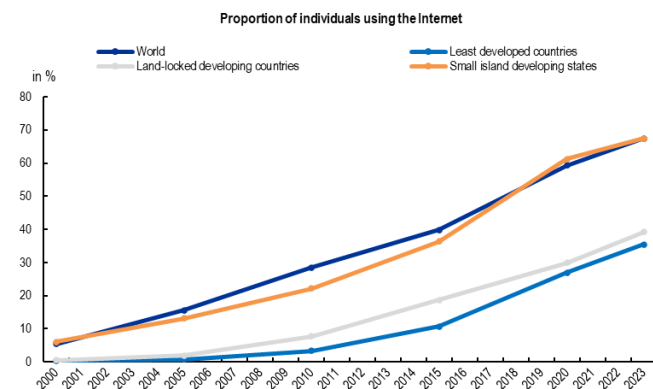
Global trade in tracked environmentally sound technologies (ESTs) has increased globally but decreased in least developed countries (LDCs).



Source: Author's based on: [UN ECOSOC \(2024\), Progress towards the Sustainable Development Goals, Statistical Annex](#)

Global trade in ESTs, or technologies traded that are deemed environmentally sound according to specific sectors,³⁰⁴ totalled USD 2.36 trillion in 2020, up 5% from USD 2.25 trillion in 2015. However, for LDCs, this trade declined by 43% from USD 15.28 billion in 2015 to USD 8.78 billion in 2020.

The share of the world population using the internet significantly increased since 2015.



Source: Author's based on: [UN ECOSOC \(2024\), Progress towards the Sustainable Development Goals, Statistical Annex](#)

From 2015 to 2023, the world experienced a nearly 70% growth in the proportion of individuals using the internet (from 40% to 67%). In LDCs, the growth rate was much higher, increasing more than threefold from 11% to 35%.³⁰⁵

While the share of the population using the internet in countries most in need increased rapidly, universal connectivity remains a distant goal in LDCs and land-locked developing countries, where only 35% and 39% of the population, respectively, were online in 2023. In small island developing states, two-thirds of the population were online, in line with the global average.

Key performance indicators (selected quantifiable commitments). (The statistical annex contains the full list)

- ↑ Total official development assistance (ODA) disbursements to science, technology and innovation (STI) increased from USD 7.69 billion in 2015 to USD 9.33 billion in 2022, reflecting 21.33% growth over this period.
- ↑ The global coverage of at least a 3G mobile network for the population rose notably from 78% to 95% between 2015 and 2023, approaching universal access. Coverage in LDCs also grew significantly from 53.2% to 82.0% over the same period.
- ↑ Fixed broadband subscriptions have steadily increased at an average annual growth rate of 6.4% between 2015 and 2023, reaching 19 subscriptions per 100 inhabitants in 2023 globally, compared to 11 in 2015. However, in LDCs, progress has been slower, with only 1.8 subscriptions per 100 inhabitants in 2023, up modestly from 0.8 in 2015.
- ↓ The contribution of medium and high-tech manufacturing value added to the total value added have remained stable globally, accounting for 46.2% of the total value added in 2021, a similar level from 46.3% in 2015 and 45.8% in 2000. However, LDCs saw a sharp decrease in this proportion from 14.5% in 2000 to 9.1% in 2015 and only 8.4% in 2021.³⁰⁶

Resource mobilisation potential

- Increasing internet access to 75% of the population in developing countries would increase their GDP by USD 2 trillion and create 140 million new jobs.³⁰⁷
- Boosting women's participation in the science, technology, engineering and mathematics, or STEM, field could increase women's cumulative earnings by USD 299 billion over the next ten years.³⁰⁸

Key areas of progress

Progress is being made towards universal and affordable access to the internet by 2030

Bridging the digital divide will require efforts to improve digital connectivity globally. Approximately 67% of the world's population, or 5.4 billion people, were online in 2023, a nearly 50% increase since 2015 that was accelerated by the COVID-19 pandemic. Significant progress has also been made in mobile network coverage. The global population coverage of at least a 3G mobile network increased from 78% in 2015 to 95% in 2023, nearing universal access. LDCs also experienced substantial growth in coverage, from 53.2% to 82.0% over the same period.

Support to strengthen country-driven capacity building has increased

In 2022, development finance for capacity building and national planning reached USD 54.9 billion, a 50% increase over 2015, with significant support directed towards public administration, health and financial policy sectors. Support to health policies and administration in developing countries increased by 26%, to USD 6.5 billion, primarily in response to the COVID-19 pandemic. Knowledge sharing is central to South-South and triangular co-operation modalities. From 2019 to 2022, South-South co-operation activities grew by 64%, though their total volume decreased from USD 12.8 billion to USD 10.4 billion. Triangular co-operation activities increased substantially, rising 268% from USD 84.23 million in 2019 to USD 424.82 million in 2022.

International flows in support of STI have increased, in part due to increased funding of medical research and COVID-19 control

Total ODA disbursements to STI increased from USD 7.69 billion in 2015 to USD 9.33 billion in 2022, or 21.33% growth over this period.³⁰⁹ Since 2015, the share of ODA to STI in the total ODA has generally increased, ranging from about 0.9% in 2015 to a peak of roughly 1.6% in 2018 before stabilising at 1.2% to 1.4% from 2019 to 2021. However, estimates of ODA in support of STI vary as there is no internationally agreed methodology. For example, one OECD study found that between 2010 and 2016, total development finance supporting STI, including concessional and non-concessional financing from official providers and private philanthropy, averaged USD 14 billion annually.³¹⁰

Among STI sectors, research and/or scientific institutions and medical research consistently accounted for substantial portions of the total, each accounting for approximately 0.2% to 0.5% throughout these years. In 2022, total net ODA for basic health and medical research reached USD 21.1 billion, more than double the USD 10.5 billion in ODA they received in 2015 of . A significant portion of this assistance focused on COVID-19 control, accounting for 42% of ODA for basic health care, with USD 8.8 billion dedicated to this effort and USD 1.6 billion specifically for COVID-19 vaccine donations. The Access to COVID-19 Tools Accelerator (ACT-A) and its COVID-19 Vaccines Global Access, or COVAX, facility played crucial roles in distributing vaccines to low- and middle-income countries, although vaccine nationalism and delayed agreements limited the timely delivery of doses. By October 2022, only 25% of the population in low-income countries had received at least one vaccine dose in stark contrast to 72% in high-income countries. Disbursements from OECD Development Assistance Committee countries to developing countries in the information and communications technology sector more than tripled from USD 68.9 million in 2015 to USD 246.0 million in 2022. Other categories, namely fishery research and educational research, remained smaller, each contributing less than 0.1% consistently from 2015 to 2021.³¹¹

Persistent challenging areas

The concentration of innovation and investment stifles technological progress in developing countries

Innovation activity has been highly concentrated in a few countries, with the top ten countries accounting for at least 87% of global patent applications. This concentration is even more pronounced in specific sectors: 90% of patenting activity in smart manufacturing occurs in just ten countries and industrial firms from just seven countries represent 90% of all patenting activity in green technology.^{312,313} Additionally, there is a significant imbalance in health research funding, with developing countries bearing 90% of the world's disease burden but receiving only 10% of such funding.³¹⁴

Global innovation trends, as tracked by the 2023 World Intellectual Property Organization's Global Innovation Index (GII), show that the results of investment in innovation were mixed in 2022. While scientific publications, R&D, venture capital deals and patents continued to grow, the growth rates were lower than the exceptional increases observed in 2021. The share of medium- and high-tech manufacturing value added globally remained relatively stable, at 45.07% in 2020 and 45.62% in 2000. However, this share decreased in LDCs from 16.10% in 2000 to 10.56% in 2022, highlighting a widening gap in technological advancement.³¹⁵

An enhanced enabling environment and more strategic use of intellectual property rights could further unlock innovation, boost trade, attract investment and promote technological upgrading

Intellectual property rights have the potential to be a game changer for developing countries, including LDCs. For example, in Cambodia, the registration of premium pepper originating from Kampot as a geographic indication helped farmers more than triple their income since 2010; in Ethiopia, trademarking has contributed to a 275% increase in coffee exports since the early 2000s. However, an innovation gap persists: applications for trademarks averaged 2 197 annually between 2017 and 2021 in LDCs, far below the global average of 26 034 and the average of 24 789 in other developing countries. Annual applications in LDCs for patents and utility models, both of which protect inventors' rights, totalled just 55 and 24, respectively over the same period. LDCs, often are at the bottom of the [GII](#) rankings, also have the lowest level of productive capacities and readiness to harness frontier technology.³¹⁶

The gender gap in global internet usage persists, despite progress towards parity

In 2022, 63% of women globally used the internet compared with 69% of men, with an even wider gap in lower-income countries where only 21% of women were online compared with 32% of men. In 2023, 65% of women and 70% of men worldwide used the internet. The gender parity score, which indicates parity when between 0.98 and 1.02, has improved from 0.90 in 2019 to 0.92 in 2023. However, this score does not fully capture the divide as women, who make up about half of the global population, increasingly represent a larger portion of those offline, with the gap between women and men not using the internet users at 17% in 2023, up from 11% in 2019.³¹⁷

Countries most in need, particularly LDCs, still struggle to narrow costly digital divide

The Doha Programme of Action for the Least Developed Countries for the Decade 2022-2031 highlights STI alongside structural transformation as crucial for overcoming economic, social and environmental challenges facing LDCs. However, there are significant barriers. In LDCs, 18% of the population still lack access to a 3G mobile broadband and fixed broadband penetration remains low, with just 1.8 subscriptions per 100 inhabitants in 2023.³¹⁸ The cost of broadband access in many LDCs exceeds the affordability

target set by the Broadband Commission for Sustainable Development, and only 35% of the population is currently online.³¹⁹ Despite a more than threefold increase in digital connectivity from 11% to 35% between 2015 and 2023, universal access remains a distant goal in LDCs.

Efforts to improve digital infrastructure face numerous challenges, including frequent internet shutdowns due to political and security issues as well as unreliable power systems and other infrastructure shortcomings. Moreover, there are significant barriers related to usability, cost-effective technology and financial constraints.³²⁰ Of the 32 LDCs assessed on the GII, 21 are in the bottom quartile, underscoring a persistent lag in innovation and adoption of new technologies. This gap is exacerbated by limited infrastructure, insufficient financial and technical resources, and inadequate investment in education, skills development and STI R&D.

International mechanisms that have been established to facilitate technology transfer to countries most in need struggle with funding

The United Nations (UN) technology facilitation mechanism (TFM) was established by the Addis Ababa Action Agenda in 2015. The TSM consists of four key elements: the UN Interagency Task Team on STI for the SDGs, the 10-Member Group of High-level Representatives, the annual Multi-stakeholder Forum on STI for the SDGs and the online platform "TFM 2030 Connect," which serves as a central hub for accessing information on existing STI initiatives, mechanisms, and programs.³²¹ The TFM also supports the development of STI roadmaps. Six pilot countries (Ethiopia, Ghana, India, Kenya, Serbia and Ukraine) and two international partners (the European Union and Japan) have participated in the first phase of the programme since 2019.

The UN General Assembly agreed to establish the technology bank for LDCs on 23 December 2016.³²² However, the government of Türkiye is the sole volunteer donor of the Technology Bank, providing USD 1.7 million annually, an amount that covered only 60% of staff costs in 2023.³²³

Nonetheless, substantial efforts have been invested in technology transfer for climate. Technology-related climate development finance grew substantially from USD 13.3 billion in 2015 to USD 28.6 billion in 2019. During this period, the proportion of climate-related activities with a technology transfer component increased from 27% to 36%. Over the same period, mitigation-related technology transfer comprised 69% of the total technology-related climate development finance. The primary sectors targeted were energy, transport and storage, and agriculture. Debt instruments were the most frequently used financial tools for climate technology transfer projects, accounting for 68% of total development finance resources, while grants represented 30% and equity investments 2%.³²⁴

New and emerging areas

Renewable energy and climate technologies can help developing countries transition towards more circular and greener economies

Technological advances have significantly reduced the costs of some renewable energies, making them competitive with fossil fuels. For example, the cost of solar photovoltaic technology, which was 710% higher than that of fossil fuels in 2010, became 29% cheaper than the least expensive fossil fuel option by 2022.³²⁵ While global trade in ESTs, or technologies that have the potential to significantly improve environmental performance relative to other technologies, increased from USD 2.25 trillion in 2015 to USD 2.36 trillion in 2020, total trade of ESTs in LDCs, dropping from USD 15.28 billion to USD 8.78 billion over the same period. The Global Environment Facility (GEF) remains the largest public sector funding source for transferring ESTs, with a record USD 5.33 billion pledged by 29 donor governments for its eighth replenishment cycle (2022-26), a 30% increase over the previous cycle.³²⁶ Technology transfer has been

a major component in most adaptation projects carried out by the GEF in LDCs, addressing climate resilience in diverse fields including water management, disaster risk management, food security and agriculture, coastal management, and infrastructure development.

A shared digital future: generative artificial intelligence, data privacy and safety

The artificial intelligence (AI) market could add USD 15.7 trillion to the world economy by 2030, with the greatest economic gains of 27% in China.³²⁷ For developing countries, the AI market presents opportunities in precision agriculture, medical diagnostics, teacher support and virtual tutoring, and efficient use of water and energy.³²⁸

An analysis of 14 OECD countries indicates that the share of online vacancies requiring AI skills increased by 33% between 2019 and 2022.³²⁹ Over 2000-21, nearly half of the 438 619 AI-related publications issued were published in three countries: China, the United Kingdom and the United States.³³⁰ This dominance has left behind many countries, especially the least developed ones, which are often confined to the role of data providers.³³¹ Furthermore, AI technology present high-level risks, including the amplification of misinformation, increased harmful bias and discrimination, privacy breaches, and data governance risks at various levels.³³² To tackle these risks, the Global Digital Compact, adopted at the Summit of the Future, is an initiative to establish common principles for a secure, open and inclusive digital future.³³³ It aims to address issues such as digital connectivity, internet fragmentation, data protection and the application of human rights in the online sphere.

Cybersecurity risks could cause disruption to financing for sustainable development

Cyberattacks are nearly twice as frequent as they were before the COVID-19 pandemic. While most reported losses from these attacks are relatively minor, averaging about USD 500 000, the potential for severe losses (of up to USD 2.5 billion) and systemic disruption has grown significantly.³³⁴ Cyberattacks to the financial sector, in particular, could threaten economic stability by eroding confidence in the financial system, disrupting critical services or causing spillovers to other institutions. However, cybersecurity policy frameworks, especially in developing countries, are often insufficient. For example, only about half of the countries surveyed by the International Monetary Fund reported having a national financial sector-focused cybersecurity strategy or dedicated cybersecurity regulations.³³⁵

Annex 7.A. Science, Technology, Innovation and Capacity-building

Annex Table 7.A.1. Assessment of the Action Area: Science, Technology, Innovation and Capacity-building

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxy)
114	Promote information and communications technology infrastructure and rapid, universal and affordable access to the Internet in least developed countries (LDCs), small island developing states (SIDS) and land-locked developing countries (LLDCs). Advance access to technology and science for women, youth and children while enhancing the availability of accessible technology for persons with disabilities.	Yes Universal and affordable access to the Internet	Target 9.c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in LDCs by 2020 Target 17.6 Enhance North-South, South-South, and triangular regional and international co-operation on and access to STI; enhance knowledge sharing on mutually agreed terms, including through improved co-ordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism	SDG indicator 9.c.1 Proportion of population covered by a mobile network, by technology In most developing countries, mobile broadband (3G or above) is the primary means of Internet access, available to 95% of the global population. However, the remaining 5%—especially in Oceania, sub-Saharan Africa, and least developed countries (LDCs)—still lack coverage, with gaps as high as 31% in Oceania and 17% in sub-Saharan Africa. 18% of the population in LDCs and LLDCs does not have access to mobile broadband. These regions continue to fall short of SDG target 9.c, which aims for universal and affordable Internet access in LDCs by 2020. (ITU) Since 5G deployment began in 2019, coverage has expanded to 40% of the global population by 2023, with 4G serving as a strong alternative where 5G is unavailable. While 90% of the world is covered by 4G, 55% of those without access live in low-income countries. In these countries, only 39% of the population is covered by 4G or above, with 3G being the dominant, and often sole, technology for Internet access. (ITU) SDG indicator 17.6.1 Fixed broadband subscriptions per 100 inhabitants, by speed Fixed broadband subscriptions continue to grow steadily at an average annual growth rate of 6.4% between 2015 and 2023. In contrast, LDCs had only 1.8 subscriptions per 100 inhabitants in 2023, an increase from 0.8 in 2015. (ITU) SDG indicator 17.8.1 Proportion of individuals using the Internet In 2023, 67% of the global population, or 5.4 billion people, were online, marking a 4.7% growth from 2022, up from 3.5% growth the previous year. The offline population dropped to 2.6 billion, or 33% of the world. While internet use surged

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxy)
				<p>during the COVID-19 pandemic, growth rates have returned to pre-pandemic levels over the past three years.</p> <p>Universal connectivity also remains a distant prospect in LDCs and LLDCs, where only 35% and 39% of the population, respectively, are online. (ITU)</p> <p>For more information, see SDG extended Report Goal 9 and 17.</p>
115	<p>Calls for the creation of multi-stakeholder partnerships to strengthen country-driven capacity building and human resource development (including for public finance, debt management, gender-responsive budgeting, financial regulation, climate services, etc.) in developing countries, including LDCs, LLDCs, SIDS, African nations, and countries in conflict or post-conflict situations.</p> <p>Strengthening institutional capacity and human resource development, emphasising the importance of national capacity-building efforts in developing countries across areas such as public finance, social and gender-responsive budgeting, agriculture, debt management, climate services, and water and sanitation.</p>	No	<p>Target 17.9 Enhance international support for implementing effective and targeted capacity building in developing countries to support national plans to implement all the SDGs, including through North-South, South-South and triangular co-operation</p> <p>Target 17.19 By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product (GDP) and support statistical capacity building in developing countries</p>	<p>SDG indicator 17.9.1 Dollar value of financial and technical assistance (including through North-South, South-South and triangular co-operation) committed to developing countries Between 2019-22, the number of South-South co-operation activities reported under total official support for sustainable development, or TOSSD, increased by 64% from 5 558 to 9 092 while the total volume declined from USD 12.8 billion in 2019 to USD 10.4 billion in 2022. Triangular co-operation activities grew by 268% from 382 to 1,404. This was equivalent to USD 84.23 million in 2019 and USD 424.82 million in 2022. (OECD)</p> <p>SDG indicator 17.19.1 Dollar value of all resources made available to strengthen statistical capacity in developing countries The Partner Report on Support to Statistics by PARIS21 showed a resurgence in international support for data and statistics development, reaching USD 799 million in 2021, a 14% increase from 2020 and a 44% rise from 2015. Sub-Saharan Africa and Least Developed Countries received an increasing share of this funding. This recovery helped mitigate pandemic-induced impacts on national statistical systems. For the first time, multilateral aid providers became the primary source of funding in 2021. (Paris21)</p> <p>However, most of the increase was driven by one donor, while contributions from others decreased, and funding for gender data remained low at USD 65 million. Less than 5% growth in funding for 2022 was projected. (Paris21)</p> <p><i>Policy reforms carried out through Integrated National Financing Frameworks (INFFs) in 17 countries have leveraged USD 16 billion for SDG investments and offer the potential to align an additional USD 32 billion. The INFF Facility, launched in 2022, provides technical assistance to and supports capacity building to</i></p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxy)
				<i>countries preparing or implementing INFFs to enable them to bring innovations to scale in line with growing demand. (UNDP). (See para 9 of the Addis Ababa Action Agenda and the international development co-operation statistical annex for more on INFFs.)</i>
116	Incentivise research and innovation, recognise the importance of an enabling environment, including regulatory and governance frameworks, nurturing science and innovation (including social), the dissemination of technologies and industrial diversification, and the protection of intellectual property (including patent pooling).	No	<p>Target 9.b Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for industrial diversification and value addition to commodities, among other things.</p>	<p>SDG indicator 9.b.1 Proportion of medium- and high-tech industry value added in total value added</p> <p>The contribution of medium and high-tech manufacturing value added to the total value added have remained stable globally, accounting for 46.2% of the total value added in 2021, a similar level from 46.3% in 2015 and 45.8% in 2000. However, LDCs saw a sharp decrease in this proportion from 14.5% in 2000 to 9.1% in 2015 and only 8.4% in 2021. (UNIDO)</p> <p>Patent and utility model applications by LDCs</p> <p>Despite a rise in international patent filings in LDCs, these are still a small portion of the global total. Between 2017 and 2021, LDCs averaged 2 197 trademark applications annually, far below the global average of 26 034. Annual applications in LDCs for patents and utility models, both of which protect inventors' rights, totalled just 55 and 24 respectively, over the same period.³³⁶</p> <p>World Intellectual Property Organization (WIPO) Global Innovation Index (GII) and Tracker</p> <p>The 2023 WIPO GI, which uses 80 indicators to track global innovation trends in over 130 economies, found that results of investments in innovation were mixed in 2022. Scientific publications, research and development (R&D), venture capital deals, and patents continued to increase. However, growth rates were lower than the exceptional increases seen in 2021. In addition, the value of venture capital investment declined, and international patent filings stagnated in 2022.³³⁷ (WIPO)</p>
117	Foster knowledge sharing and promote co-operation and partnerships among stakeholders – including governments, businesses, academia and civil society – in sectors that contribute to achieving sustainable development goals. Promote entrepreneurship (ref. to	No	n.a.	<p>Official development assistance (ODA) to science, technology and innovation (STI)</p> <p>Total ODA disbursements to STI increased from USD 7.69 billion in 2015 to USD 9.33 billion in 2022, reflecting a 21.33% growth over this period. (OECD)</p> <p>Since 2015, the share of ODA to STI in the total ODA has generally increased, ranging from about 0.9% in 2015 to a peak of roughly 1.6% in 2018 before stabilising at about 1.2% to 1.4% from 2019 to 2021. (OECD)</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxy)
	business incubators); facilitate technology, knowledge and skills transfers; and protect traditional knowledge.			<p>ODA to information and communication technologies (ICT) sector</p> <p>Disbursements from Development Assistance Committee (DAC) countries to developing countries in the ICT sector more than tripled from USD 68.9 million in 2015 to USD 246.0 million in 2022. (OECD)</p>
118	Consider using public funding to keep critical projects in the public domain and strive for open access to research from publicly funded projects where appropriate. Explore establishing innovation funds, on an open and competitive basis, to support innovative enterprises, particularly during the research, development and demonstration phases.	No	n.a.	n.a.
119	Increase investment in science, technology, engineering and mathematics, or STEM, education, and enhance technical, vocational and tertiary training, ensuring equal access for women and girls. Increase number of scholarships for students from developing countries to pursue higher education. Strengthen co-operation to bolster tertiary education systems and increase access to online education focused on sustainable development.	No	<p>Target 4.5</p> <p>By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, Indigenous peoples and children in vulnerable situations</p> <p>Target 4.b</p> <p>By 2020, substantially expand globally the number of scholarships available to developing countries, in particular LDCs, SIDS and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries</p> <p>Target 17.9</p> <p>See para 115.</p>	<p>SDG indicator 4.5.1 Parity indices (female/male, rural/urban, bottom/top wealth quintile and others such as disability status, Indigenous peoples and conflict-affected as data become available) for all education indicators on this list that can be disaggregated</p> <p>SDG indicator 4.b.1 Volume of ODA flows for scholarships by sector and type of study</p> <p>The volume of ODA (gross disbursements) for scholarships amounted to USD 1.67 billion in 2022 compared with USD 1.39 billion in 2015. The volume in 2022 was 1.8% lower than the level in 2019, which was a peak year. (OECD)</p> <p>SDG indicator 17.9.1</p> <p>See para 115.</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxy)
120	<p>Encourage environmentally sound technologies to developing countries on favourable terms, including concessional and preferential terms (refer to environmentally sound technologies)</p> <p>Enhance international co-operation, including ODA, in support of more sustainable patterns of consumption and production, including through implementation of the ten-year framework of programmes on sustainable consumption and production patterns and particularly for LDCs, LLDCs, SIDS and African nations. References sustainable consumption and production, ten-year framework programmes.</p>	<p>Yes</p> <p>Implementation of ten-year framework programmes on sustainable consumption and production</p>	<p>Target 12.a Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production</p> <p>Target 17.7 Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed</p>	<p>SDG indicator 17.7.1 Total amount of funding for developing countries to promote the development, transfer, dissemination and diffusion of environmentally sound technologies</p> <p>The global trade in tracked environmentally sound technologies (ESTs) totalled USD 2.36 trillion in 2020, up from USD 2.25 trillion in 2015. However, for LDCs, ESTs trade declined from USD 15.28 billion in 2015 to USD 8.78 billion in 2020. (UNEP-CTCN)</p> <p><i>See para 35 in the international and domestic private business and finance statistical annex for the latest progress report on the ten-year framework of programmes on sustainable consumption and production patterns (ECOSOC, May 2024) or the OECD report on climate finance provided and mobilised by developed countries in 2013-21.³³⁸</i></p>
121	<p>Support the R&D of vaccines, medicines and preventive measures for both communicable and noncommunicable diseases, with a focus on those that disproportionately affect developing countries. (ref. Gavi, the Vaccine Alliance)</p> <p>Increase investment and international co-operation in agriculture and technology to boost food security and productive capacity in developing countries, especially LDCs. (ref to plan and livestock gene banks)</p>	<p>No</p>	<p>Target 2.c Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility</p> <p>Target 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services, and access to safe, effective, quality and affordable essential medicines and vaccines for all</p> <p>Target 3.b Support the R&D of vaccines and medicines for</p>	<p>SDG Indicator 2.c.1: Indicator of (food) price anomalies</p> <p>As of 2024, food inflation higher than 5% is being experienced in 59.1% of LICs, 63% of LMICs, 36% of upper middle-income countries and 10.9% of high-income countries.³³⁹</p> <p>SDG indicator 3.b.1 Proportion of the target population covered by all vaccines included in the national programme</p> <p>In 2022, coverage for the third dose of the diphtheria, tetanus, and pertussis vaccine increased to 84%, up from 81% in 2021, but still below the 86% level seen in 2019. (WHO, UNICEF)</p> <p><i>Global immunisation efforts have saved at least 154 million lives over the past 50 years. For each life saved through immunisation, an average of 66 years of full health were gained – with a total of 10.2 billion full health years gained over the five decades.³⁴⁰At the start of the COVID-19 pandemic, the international community launched the Access to COVID-19 Tools Accelerator (ACT-A) to</i></p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxy)
	Increase scientific knowledge in marine technology for ocean health and marine biodiversity, particularly in SIDS and LDCs. (ref to Criteria and Guidelines on the Transfer of Marine Technology by Intergovernmental Oceanographic Commission)		the communicable and noncommunicable diseases that primarily affect developing countries; provide access to affordable essential medicines and vaccines in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health; and, in particular, provide access to medicines for all	<p><i>provide vaccines, tests, treatments and personal protective equipment to low- and middle-income countries, with the COVID-19 Vaccines Global Access, or COVAX, Facility receiving the most funding (USD 16 billion in commitments) to purchase vaccines for low-income countries (LICs) and lower middle-income countries (LMICs) through its Advance Market Commitment using donor-raised funds. Largely due to the vaccine nationalism of high-income countries, by the first quarter of 2022, COVAX had delivered just 1.4 billion of the 2.3 billion doses it aimed to distribute.³⁴¹ Most (60%-75%) of the delay in COVID-19 vaccine deliveries to lower middle-income countries (LMICs) was attributable to their signing of purchase agreements later than did high-income countries, highlighting the need for preparation and preparedness support. There were 92 lower-income countries eligible to receive free doses and support thanks to more than USD 12 billion in donor funding for Gavi, the Vaccine Alliance COVAX Advance Market Commitment. Nearly 90% of the nearly 2 billion doses provided through the Facility went to lower-income economies.³⁴² As of October 2022, only 25% of the population living in LICs had received at least one dose of a vaccine, in contrast with 72% of the population in high-income countries that had been vaccinated with at least one dose.³⁴³</i></p> <p>SDG indicator 3.b.2 Total net ODA to medical research and basic health sectors</p> <p>The total net ODA disbursements to medical research and basic health sectors was USD 21.1 billion in 2022, compared to USD 10.5 billion in 2015. For LDCs, the total net ODA to these two sectors was USD 6.4 billion in 2022, up from USD 4.9 billion in 2015. (OECD)</p> <p>ODA in support of COVID-19 pandemic activities</p> <p>DAC donors spent 10.5% of their combined net ODA, or a total of USD 18.7 billion, on COVID-19-related activities in 2021, which accounted for— up from USD 16.6 billion or 10.2% of total DAC ODA in 2020. (OECD)</p> <p>International finance in support of agriculture and technology in developing countries</p> <p>From 2017 to 2021, food security and nutrition received less than a quarter of total ODA and other official flows, averaging USD 76 billion annually, and only 34% targeted the primary causes of food insecurity and malnutrition.³⁴⁴ ODA alone in support of food security increased from USD 10.243 billion in 2018 to USD 11.650</p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxy)
				<p>billion in 2022. (OECD Data Explorer – DAC5)</p> <p>ODA in support of marine technology in developing countries ODA in support of the ocean economy remained flat at roughly USD 2.6 billion in both 2015 and in 2021, though it spiked in 2017 to USD 5.6 billion.³⁴⁵</p>
122	Strengthen coherence and synergies among UN initiatives such as the Commission on Science and Technology for Development, the UN Framework Convention on Climate Change Technology Mechanism, the Climate Technology Centre and Network, the WIPO's capacity building, and the UN Industrial Development Organization's National Cleaner Production Centres.	No	n.a.	n.a.
123	Establish a technology facilitation mechanism (TFM), now set to be launched at the UN summit for adopting the post-2015 development agenda, that aims to support the SDGs (ref. to TFM).	Yes Establish a Technology Facilitation Mechanism (TFM)	<p>Target 9.5 Enhance scientific research; upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing both the number of R&D workers per 1 million people and public and private R&D spending</p> <p>Target 17.6 Enhance North-South, South-South, and triangular regional and international co-operation on and access to STI; enhance knowledge sharing on mutually agreed terms, including through improved co-ordination among existing mechanisms, in particular at the UN level, and through a global TFM</p>	<p>SDG indicator 9.5.1 R&D expenditure as a proportion of GDP From 2015 to 2021, the global R&D expenditure as a proportion of GDP increased from 1.72% to 1.93%, reflecting a consistent upward trend apart from a slight decline in 2021. R&D expenditure in LDCs remained very low at 0.27% from 2015 to 2021. (ECOSOC, Annex)</p> <p><i>The United Nations (UN) technology facilitation mechanism (TFM) was established by the Addis Ababa Action Agenda in 2015 and reaffirmed in paragraph 70 of the 2030 Agenda. The TSM consists of four key elements: the UN Interagency Task Team on STI for the SDGs, the 10-Member Group of High-level Representatives, the annual Multi-stakeholder Forum on STI for the SDGs and an online platform "TFM 2030 Connect".</i></p> <p><i>The TFM also supports the development of STI roadmaps. Six pilot countries (Ethiopia, Ghana, India, Kenya, Serbia and Ukraine) and two international partners (the European Union and Japan) have participated in the first phase of the programme since 2019.</i></p> <p><i>For more information, see the UN Technology Facilitation Mechanism (TFM) platform.</i></p>

AAAA paragraph	Commitment	Specific target or objective	Matching Sustainable Development Goal (SDG) target (where available)	State of implementation or progress made since 2015, using selected SDG or other relevant indicators (proxy)
124	Await the recommendations of the UN Secretary-General's High-level Panel on the feasibility and operations of a proposed technology bank and innovation capacity-building mechanism for LDCs. Consider its advice on the bank's scope, functions, and organisation, aiming to make it operational by 2017, while fostering synergies with the TFM. (ref to the Technology Bank for LDCs).	Yes Operationalise the Technology Bank and STI capacity-building mechanism for LDCs by 2017.	Target 17.8 Fully operationalise the Technology Bank and STI capacity-building mechanism for LDCs by 2017 and enhance the use of enabling technology, in particular ICT	<p><i>The UN General Assembly approved the establishment of the Technology Bank for LDCs on 23 December 2016.³⁴⁶ However, the government of Türkiye is the sole volunteer donor of the Bank, providing USD 1.7 million annually, an amount that covered only 60% of staff costs in 2023.³⁴⁷</i></p> <p><i>The Doha Programme of Action for the Least Developed Countries for the Decade 2021-2030, endorsed by the UN General Assembly in March 2022, calls for the Technology Bank to serve as "a focal point" for LDCs "to strengthen their science, technology and innovation capacity towards building sustainable productive capacities and promoting structural economic transformation".</i></p> <p><i>The support that the Technology Bank provides to LDCs is currently focused in four thematic areas – agriculture, environment, health and education – that are derived from the 14 technology needs assessments that the Bank has completed to date.</i></p> <p><i>For more information, see the Technology Bank for LDCs platform.</i></p>

Notes

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