

# National Consultation on Financing for Development: Nepal's Role and Responsibilities in the FfD4

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## Background

The Fourth International Conference on Financing for Development (FfD4), scheduled for 30 June – 3 July 2025 in Seville, Spain, presents a critical opportunity to reshape the global development financing landscape so that it better serves both people and the planet. It may well be our final chance to rescue the SDGs.

Since its inception in Monterrey in 2002, the FfD process has focused on strengthening international financial cooperation for development, mobilising domestic resources, addressing debt, promoting fair trade, and unlocking financial flows, particularly for developing countries. The goal has been to eradicate poverty, foster sustained economic growth, and promote sustainable development as part of a transition to a fully inclusive and equitable global economic system.

The FfD4 aims to assess progress in implementing existing global frameworks for development financing – especially the 2015 Addis Ababa Action Agenda (AAAA), the outcome of FfD3 – and to develop new strategies in response to today's evolving global challenges, including the climate crisis, rising debt burdens, and geopolitical instability.

The Conference aims to scale up investments to accelerate progress on the Sustainable Development Goals (SDGs) while pushing for reforms within the international financial architecture, with equity and justice at its core. Strengthening multilateral

cooperation among governments, financial institutions, businesses, and civil society is a central priority, ensuring coordinated efforts toward development financing. Additionally, FfD4 seeks to close financing gaps for climate action and critical public services, including health, education, energy, and social protection, by making financial flows more accessible to vulnerable communities.

The first draft of the FfD4 outcome document was released in March 2025, followed by intersessional negotiations and consultations. In June, UN member states reached an agreement on the final draft, 'Compromiso de Sevilla,' which is recommended for adoption at the FfD4 conference in Sevilla at the end of June.

In the context of Nepal, an UN-designated Least Developed Country (LDC) – the development challenges include limited domestic resource mobilization, heavy reliance on foreign aid, ineffective aid utilization and weak local alignment, a rising debt-to-GDP ratio, vulnerability to external shocks, a large informal economy, and growing investment needs in infrastructure, education, health, and social protection.

Amid shrinking commitments from traditional development partners, driven in part by rising conservative governments and ongoing global conflicts, there is a growing urgency to reform development cooperation architecture in Nepal. In

addition, for climate-vulnerable countries like Nepal, there is also an urgent need for fair, adequate, and non-debt-creating climate finance grounded in justice.

The FfD4 conference offers a key moment to align climate finance with development goals and ensure sustainable, equitable, and inclusive financing solutions. In addition to Official Development Assistance (ODA), alternative funding mechanisms such as South-South and triangular cooperation should be actively explored. In this context, the Government of Nepal has registered the Alternative Development Finance Mobilization Bill at the Parliamentary Secretariat. The bill proposes establishing a fund with an authorized capital of Rs 100 billion and a paid-up capital of Rs 25 billion, aimed at financing infrastructure. A broader discussion is needed to ensure this initiative effectively mobilises alternative finance with a focus on sustainable domestic revenue generation and diversified climate finance sources.

In light of these challenges and opportunities, Centre for Democracy, Development and Diplomacy of Rural Reconstruction Nepal (RRN) in partnership with the National Planning Commission (NPC) and United Nations in Nepal, on 24 June 2025, organized an event titled **“National Consultation on Financing for Development: Nepal’s Role and Responsibilities in the FfD4”** in Kathmandu, Nepal. The NGO Federation of Nepal (NFN), the South Asia Alliance for Poverty Eradication (SAAPE), and LDC Watch were the co-organisers of the event. The organisers have been actively involved in the FfD4 preparatory process, participating in calls for inputs, bringing civil society perspectives to global discussions, and ensuring that the voices of the people are heard in official meetings and forums.

The Consultation held special relevance, given Nepal’s key global leadership roles, including co-chairing the FfD4 Preparatory Committee alongside Mexico, Norway, and Zambia. As a current ECOSOC member (2024–2026), Nepal has committed to aligning global policy frameworks to advance the SDGs. It also chairs the Global Coordination Bureau of LDCs (2023–2026), coinciding with its planned graduation from LDC status by the end of 2026.

This Consultation sought to create a platform for dialogue on key issues related to financing for development in Nepal. It aimed to facilitate the exchange of best practices, identify critical financing challenges in sustainable development, and explore opportunities for mobilizing additional financial resources. The Consultation had nearly 200 participants, including lawmakers, former ministers, diplomatic officials, civil society representatives, activists, academics, and media, among others.

## Opening Session

### Opening Remarks by Dr. Arjun Karki, President, Rural Reconstruction Nepal (RRN)

Providing historical context to the FfD process in his opening remarks, Dr. Arjun Kumar Karki, the President of Rural Reconstruction Nepal (RRN), traced the development of the FfD process, referencing key milestones such as the 2002 Monterrey Consensus, the 2008 Doha Declaration, and the 2015 Addis Ababa Action Agenda. He stressed the significance of the upcoming 2025 conference in Seville, Spain, as a vital opportunity to reaffirm and renew global commitments.

Dr. Karki reflected on the longstanding engagement of Rural Reconstruction Nepal (RRN) in the FfD process, highlighting its role in convening national consultations since Monterrey in 2002. He said these efforts exemplify civil society’s commitment to shaping financing for development discourse and advancing social justice.

Referencing the draft outcome document for the 2025 conference, “Compromiso de Sevilla”, Dr. Karki drew attention to its focus on progressive tax systems, the fight against tax evasion and avoidance, and the reinforcement of international development cooperation. Dr. Karki stated, “Platforms like FfD4 are essential for forging alliances among Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs), Small Island Developing States (SIDS), and the Like-Minded Developing Countries (LMDCs), to collectively demand financing equality, justice, and stronger climate financing commitments.”

He commended the Government of Nepal for its active role as co-facilitator in the negotiation of the FfD4 outcome document, representing the collective interests of developing and least developed countries.

### Keynote Address by Honourable Prof. Dr. Shiva Raj Adhikari, Vice Chairperson, National Planning Commission

Hon. Prof. Dr. Shiva Raj Adhikari delivered the keynote address, outlining Nepal’s critical financing challenges amidst the current geopolitical situation. He emphasized that Nepal is currently facing structural constraints ranging from limited fiscal space and static institutional performance to insufficient investment in research and innovation. He also flagged concerns about Nepal’s international financial







standing, including its credit rating and the risk of being grey-listed by the Financial Action Task Force (FATF) in 2025.

In a candid assessment, Dr. Adhikari highlighted that Nepal's financial trajectory is strained by both internal inefficiencies and external shocks, such as the lingering effects of the COVID-19 pandemic and the repercussions of an increasingly inward-focused global economic order. He expressed his concerns, stating, ***"There is no growth in revenue, and we are increasingly relying on loans. The poorest countries are ironically forced to pay the highest interest rates."***

He stressed the need for a transformative behavioural shift in policy implementation and institutional responsiveness. Dr. Adhikari also pointed out the urgency of aligning domestic planning instruments with evolving realities, stating, ***"We are functioning in a static manner in a dynamic world."***

A central theme of his address was the critical need for policy coherence and integration. Dr. Adhikari emphasized the importance of synergizing Nepal's 16th National Plan, Sustainable Development Goals (SDGs), and the LDC Graduation Strategy to ensure resource optimization, cost-efficiency, and strategic coherence. He reiterated the staggering costs associated with achieving the SDGs, noting that Nepal requires an estimated USD 163 billion to meet these targets and explained that ***"Nearly 50% of Nepal's GDP would need to be invested to meet the current SDG costing and financing strategy, which assumes 60% of financing will come from the public sector."***

While acknowledging that Nepal has met the three criteria required for LDC graduation, including achieving a per capita income of USD 1,404, Dr. Adhikari flagged the risks associated with environmental vulnerability and cautioned, ***"Graduating from LDC status will lead to the loss of several preferential benefits, particularly in trade and bilateral aid."*** He also

noted the dual impact of both internal constraints and external trade and financing shocks.

Challenging the adequacy of the current global financing architecture, Dr. Adhikari questioned whether the SDG framework, as it stands, truly reflects national priorities. He emphasized, ***"There might be goals that may not align with our immediate needs, and a one-size-fits-all model does not work; rather, they increase our cost burden."*** He called for a deliberate evaluation of SDG targets to identify those that are most urgent and relevant to the national context.

Dr. Adhikari concluded his remarks, underscoring the necessity for inclusive dialogue, improved resource mobilisation, and context-responsive development planning, and urged to think about how Nepal can generate additional benefits from the SDGs without making the process unjust or uneven.

### **Keynote Address by H.E. Ms. Singer-Hamdy, UN Resident Coordinator in Nepal**

United Nations Resident Coordinator to Nepal H.E. Ms. Hanna Singer-Hamdy emphasized that Nepal stands at a pivotal moment in its development journey that calls for collective reflection, particularly as the world grapples with war, geopolitical fragmentation, climate-induced disasters, and the erosion of international legal norms, which are testing the boundaries of multilateralism.

Ms. Singer-Hamdy stressed that such forces must not be allowed to dismantle multilateral cooperation. Rather, they demand a reimagining and reshaping of global systems, stating, ***"Multilateralism is being reshaped by crisis, but they must not break it."*** In this context, Ms. Singer-Hamdy highlighted the relevance of the Compromiso de Sevilla as a bold, forward-looking answer to these global challenges that offers a vision for a new global financing compact, one that reflects both the urgency of the present and the diversity of development pathways.

Turning to Nepal's forthcoming graduation from LDC status, she acknowledged it as a moment of pride but one that comes with caution, noting, ***"Graduation is not an endpoint, it is a launching pad for greater ambition, deeper responsibility, and a vulnerable transition."*** Nepal's structural vulnerabilities, including its exposure to climate risks, continued reliance on remittances, and the underdevelopment of infrastructure and domestic industry, must be addressed to ensure a smooth and equitable transition.

Ms. Singer-Hamdy commended the Government of Nepal and its partners for their broad and inclusive

approach to shaping the FfD4 process, underscoring the importance of co-creating a financial architecture that truly serves those who need it most. She called for fair and inclusive global trade rules that allow developing countries to compete, not merely survive. She stressed the importance of securing predictable assistance to prevent a post-graduation “cliff,” and urged stronger capacity for negotiation and compliance with global standards, particularly in relation to the Global North.

To achieve sustainable development financing, she advocated for bold innovations from leveraging green bonds and climate-resilient debt mechanisms to debt-for-nature swaps. She emphasized the need to mobilize more internal resources, strengthen data systems for evidence-based policy decisions, and build robust public institutions capable of withstanding shocks while delivering dignity. The digital transition, she said, must also be accelerated to create future-ready infrastructure and inclusive growth.

Ms. Singer-Hamdy acknowledged the country's efforts to introduce new tools such as green funds and infrastructure financing models to develop integrated financing frameworks that harmonize planning, budgeting, and external support. However, she cautioned that plans alone are insufficient and stated, ***“Policies need clear processes. Laws require leadership. And strategies must be backed by implementation that delivers real results.”*** In closing, she issued a strong call to action, urging government agencies, the private sector, civil society, and multilateral organizations to come together and champion Nepal's transition from LDC status, stating, ***“Nepal's graduation must stand as a symbol of possibility for landlocked and climate-vulnerable countries alike.”*** She concluded by underscoring the importance of FfD4, noting: ***“This is not just another meeting. It is a blueprint for financing that should work for all, especially for those who need it the most.”***

### Remarks by Mr. Arjun Bhattarai, President, NGO Federation Nepal

The President of NGO Federation Nepal Mr. Arjun Bhattarai termed the Seville outcome document as a compromise, listing out the reservations:

- The call to end conditional loans has not been reflected in the outcome document. This is a serious oversight, especially for Least Developed Countries (LDCs) that continue to bear the burden of debt tied to harmful conditions.
- The demand for a UN Tax Convention – an essential step toward fair and inclusive global tax governance – has not been outrightly accepted.

- The overall outcome does not adequately represent the interests of LDCs. Instead, it primarily reflects the priorities of the Global North, which undermines the principle of equity.
- Proposals around climate finance have also been neglected. Not only has dedicated climate finance not been accepted, but the bureaucratic and inaccessible structure of climate finance mechanisms remains intact.
- The current international financial architecture remains profit-driven, serving corporate and geopolitical interests. It must be fundamentally transformed to uphold human rights and put people at the center.
- We need an integrated financial strategy that is inclusive, not only of governments and private actors, but also of civil society and marginalised communities who are often left behind.
- Inequality, both within and among nations, is a root cause of unsustainable development and must be addressed squarely in any financing strategy.
- With the withdrawal of USAID funding and widening financing gaps, there must be a government plan to address the funding gaps.
- Official Development Assistance (ODA) must be recognized as a right of the Global South, particularly of LDCs. It must be unconditional and concessional, not imposed with geopolitical or market-driven conditions.
- While the involvement of the private sector is welcome, it should not come at the expense of public accountability. A tripartite approach involving the government, the private sector, and civil society is essential to ensure transparent and equitable financing.

### Remarks by Mr. S. P. Kalaunee, Chair, Association of International NGOs in Nepal (AIN)

Mr. S. P. Kalaunee opened his remarks raising a critical question about development finance: he warned that without adequate, just, and sustainable financing, the global promise to achieve the Sustainable Development Goals (SDGs) risks remaining unfulfilled.

Reflecting on the global financing trajectory since Monterrey, Doha, and Addis Ababa, Mr. Kalaunee noted that while the international community has made commendable strides in defining the principles and mechanisms for development finance, the world today is grappling with deepening and compounding challenges. These include growing debt distress in developing nations, an alarming gap in climate finance, shrinking fiscal space, and limited access

to private capital, issues exacerbated by overlapping global crises.

He emphasized that the failure to ensure just and sustainable financing is a direct failure to the most vulnerable. He stated, “We are failing our farmers, our women entrepreneurs, and our youth if progress remains unequal and disconnected from people’s lives.” He called for transparent financial systems, fair debt resolution frameworks, and accessible climate finance that truly reach those on the margins. He stressed, “Development isn’t just about mobilizing money, it’s about people, planet, and prosperity.”

Mr. Kalaunee acknowledged the ongoing efforts of the Government of Nepal in opening financial pathways for development, including resource allocation for youth employment and entrepreneurship, legal reforms to streamline business environments, and initiatives aimed at reducing bureaucratic bottlenecks. However, he emphasized that these efforts remain insufficient unless they are further strengthened and institutionalized.

Illustrating the existing barriers, he shared the challenges faced by INGOs operating in Nepal, where excessive bureaucratic procedures often delay and dilute the effectiveness of development interventions. He remarked, **“Too much time and energy is spent on administrative approvals rather than delivering results,”** urging the government to address such systemic inefficiencies with urgency.

He also highlighted the critical role of civil society organizations, which have long served as both watchdogs and partners in the development process. Yet, despite their commitment, progress remains slow and uneven. He expressed deep concern over the global trend of diverting development finance toward militarization, noting, **“In a world where development funding is being directed to war, we are moving away from our commitments to peace and prosperity.”**

In concluding, Mr. Kalaunee laid out a clear set of priorities to steer the FfD process forward:

- Establish just and transparent financial mechanisms, rooted in tax justice and tax avoidance.
- Create fair and inclusive debt resolution frameworks, ensuring the full participation of countries most affected by debt crises.
- Prioritize climate financing that addresses the disproportionate impacts of climate change on vulnerable nations and communities.
- Strengthen domestic financial systems and align SDG implementation with investments from both the private and non-profit sectors.

- Protect civic space and public participation, noting that no financial strategy can succeed without the meaningful inclusion of civil society actors.

Mr. Kalaunee concluded with a powerful reminder that **“Financing for development is not just about mobilizing money, it is about mobilizing political will, social justice, and human dignity. This upcoming conference must be a turning point, a moment when the world chooses people over profit, climate over capital, and justice over charity.”**

## Ministerial Session

Dr. Bimala Rai Paudyal, Former Minister of Foreign Affairs moderated the session comprising of former foreign ministers of Nepal. Setting the context she highlighted Nepal’s important position in global and multilateral negotiations, stating, **“As the current Chair of the LDC Group and co-facilitator of the negotiation process of the FfD4 outcome document, Nepal holds a significant platform to amplify the collective voice of vulnerable nations in global development discourses.”**

## Hon. Dr. Prakash Sharan Mahat, Member of Parliament and Former Minister of Finance

While acknowledging the significance of Nepal’s role in the global financing dialogue, Hon. Dr. Prakash Sharan Mahat expressed scepticism over the FfD4 outcomes, stating that he is “not very hopeful,” given the “transactional approach” and “the prioritization of strategic and security interests” of the Global North. Development finance is rapidly shrinking, posing new challenges for countries like Nepal. Dr. Mahat emphasized that Nepal must raise its voice collectively for a fair international financial architecture in order to have a better impact.

Speaking on the inefficiencies in public spending, Dr. Mahat stressed, **“Our main problem is not just financial constraints, but the inefficient mobilisation of available resources.”** He added that with better planning and allocation, Nepal could achieve far more with existing funds. Furthermore, he called for a more strategic and selective approach to accepting bilateral and multilateral loans. He criticized the current trend where external agencies design the projects and Nepal passively accepts them, often with minimal benefits. He cautioned against accepting costly loans tied to donor interests, urging that only multilateral loans that align with Nepal’s priorities and benefit the country in a meaningful way should be considered. On internal financing, he suggested that increasing domestic borrowing could be viable, provided that it is guided by clarity on the purpose and returns of such expenditures.





He further criticized the implementation of Asian Development Bank (ADB)-funded projects, noting that there is little domestic participation in planning, which leads to overlaps and duplicated efforts. Pointing to a systemic issue in project ownership and budget alignment, he stated, ***“Finance ministers are often left with no choice but to sign off on projects that were neither designed nor prioritized by the government.”***

Climate change was another key area he emphasized. Dr. Mahat stressed that Nepal is already experiencing the devastating impacts of climate change, such as glacial melting, flooding, and ecosystem disruption, despite contributing minimally to global emissions. Thus, climate finance must be a central demand from Nepal at the global stage.

### **Surendra Prasad Pandey, Former Minister of Finance**

Mr. Surendra Prasad Pandey began by emphasizing the prevailing mentality of expecting free services, which he believes must change if Nepal is to build a sustainable development path. ***“There is no free lunch,”*** he remarked, urging stakeholders to recognize that development demands both strategic investment and shared responsibility.

He criticized the lack of balance between soft and hard investments and raised the issue of aid effectiveness. He further warned about the rising trend of illegal capital flight: ***“More than 1.5 million people are heading to the U.S., often by selling property in Nepal. The money is going out through informal channels like ‘hundi’ systems, and this is largely unchecked.”***

On the issue of governance, he called for greater accountability and efficiency in the use of public resources. Underscoring the importance of transparent governance and fiscal discipline he stated, ***“The taxes paid out of the hard-earned income of the people should not be misused.”***

Hon. Pandey also noted that several structural and institutional barriers, such as red-tapeism through

regulatory bodies like the Social Welfare Council (SWC), may be impeding rather than enabling development. He suggested that unnecessary bureaucratic hurdles be restructured or removed to support a lean and effective governance system focused on productivity and results. In conclusion, Hon. Surendra Prasad Pandey emphasized the importance of bold reforms, strategic financing, and efficient resource utilization as essential steps toward achieving sustainable development.

### **Hon. Janardan Sharma, Member of Parliament and Former Minister of Finance**

Opening with pessimism over the geopolitics, he stated, ***“We are on the brink of a third World War. The global order is shifting rapidly as nations prioritize defense and security over development and human rights. In this environment, we continue to expect development financing, but I am not optimistic.”***

In this evolving world order, Hon. Sharma emphasized the critical need for internal financing mechanisms. He noted that neo-liberalism has taken a direction that contradicts its founding principles, and even socialism, in its current form, has failed to address the widening inequality. ***“The question now is what kind of financing model can promote social justice and revive the spirit of humanity?”*** he asked.

Touching on the climate crisis, he expressed deep concern that, despite Nepal’s minimal contribution, it bears the brunt of the climate crisis. He was critical of policy-linked investments that are not aligned with Nepal’s national priorities, stating, “Our investments come tied with policy implications that often restrict our ability to act in our interest.” He emphasized that grants and aid should be accepted only if they align with our constitutional values and development priorities, rather than being subject to external conditionalities.

He also highlighted the importance of empowering marginalized communities, stating that targeted investment must be made to uplift Dalits and other socially excluded groups.

He concluded his remarks urging a rethink of national financing strategy, emphasizing that the way forward lies in appropriately utilizing our own resources, asserting local ownership over policies, and ensuring that development financing reflects social justice, sustainability, and national interest.

### **High-Level Panel Financing for Development: Ground Realities, Key Challenges and Way Forward**

Moderating the session, Madhu Raman Acharya,

former Permanent Representative of Nepal to the United Nations, reflected on the early principles of the FfD process, emphasizing the importance of national ownership over development agendas, with the understanding that the international community would provide the necessary support and means of implementation. However, he noted a concerning decline in such support, pointing out that the number of countries allocating 0.15% to 2% of their Gross National Income (GNI) to development aid has decreased from nine to just four countries. He stressed that the current global environment is increasingly unfavourable for development cooperation and called for more assertive and unified advocacy efforts from the Global South.

Citing data from SIPRI, Acharya noted that global military expenditure has reached USD 2.7 trillion, while total Official Development Assistance (ODA) remains around USD 212 billion, less than 10% of the defence budget. He remarked that even a modest reduction in global defence spending could significantly boost ODA, potentially doubling or more the resources available for development. Acharya warned that without stronger and more strategic advocacy, developing countries risk becoming increasingly marginalized within the global development framework.

### **Binod Shrestha, President, General Federation of Nepalese Trade Unions (GEFONT)**

Mr. Shrestha emphasized that the labour class is the first to be impacted by climate change, yet workers are not represented in climate-related decision-making. He stressed that national development depends not only on infrastructure but also on human capital. He called for the effective implementation of labour laws, occupational safety and health (OSH), decent work, and contribution-based social security.

### **Dilli Raj Khanal, Senior Economist**

Mr. Khanal emphasized the importance of sound fiscal governance, underscoring the strict adherence to rules governing expenditure, revenue, and debt. He called for caution in loan-taking and warned of issues such as tax exemptions and the ineffectiveness of aid. He warned that LDC graduation may reduce aid inflows, especially the grant components.

### **Madhav Karki, Climate Change and Development Expert**

Mr Madhav Karki began by reflecting on Nepal's priorities and how the country can leverage greater access to finance, particularly in the context of climate and development. He acknowledged that while there is ambition, the reality on the ground is complex. It is essential to understand both the context and the

challenges Nepal faces in order to move forward effectively. He referred to recent developments, including the conclusion of the Sagarmatha Sambaad and Nepal's submission of its Nationally Determined Contribution (NDC). These, he noted, reflect Nepal's current priorities – focusing on climate action and sustainable development – and involve multiple ministries and sectors.

He emphasized that all development today must be sustainable development, a principle agreed upon as early as the Rio Conference. In this regard, climate resilience is not optional – it is central.

He mentioned that Nepal had prepared a document mapping the landscape of climate finance. Out of 13 agencies engaged in climate finance-related work, only 4 are purely climate-focused. The rest are primarily development finance institutions and multilateral agencies. Among 18 funding initiatives studied, nine were focused mainly on mitigation, rather than adaptation.

He stressed that most of the projects and financial flows are mitigation-centric and that international partners often require commitments to mitigation and climate-resilient development as preconditions for funding. Climate finance, he said, is performance-based. Citing the Green Climate Fund, he noted that while Nepal has been allocated USD 87 million, disbursement depends on the country's capacity to spend and deliver results. He gave examples such as the Melamchi disaster and the Kavre and Thame losses, where climate-related events resulted in estimated economic losses of over 47 million rupees. These setbacks demonstrate how vulnerable Nepal is—and how much is at stake.

Mr Karki emphasized that Nepal's leadership must be proactive in showcasing the country's vulnerability in international negotiations. When advocating for financial support, Nepal must ground its demands in frameworks such as the Paris Agreement and the Sustainable Development Goals (SDGs). Notably, Goal 13 of the SDGs and the Paris Agreement both prioritize climate action and resilience as integral to development financing. He concluded by stating that climate-resilient finance is not a choice – it is a necessity. If Nepal fails to integrate resilience into its development strategies, the cost of inaction will far outweigh the cost of action.

### **Tripti Rai, Country Director, OXFAM in Nepal**

Ms. Rai emphasized the critical importance of equity and gender justice in the Financing for Development (FfD) agenda, urging that inequality, particularly structural and gendered, must be placed at the centre of international financing discourse. She warned that current global realities, marked by multiple overlapping

crises, have deepened existing inequalities and pushed the world into what she termed a “polycrisis,” further distancing the development narrative from those most affected.

She emphasized that this is central to Oxfam’s work and should serve as a guiding principle for broader development efforts in the country. Drawing attention to Oxfam’s recent inequality report, she highlighted that in Nepal, the top 10% of the population earn 39% of the national income. Bottom 50% earn 13% of the national income. The top 1% of the population hold over 25% of the total wealth in the country.

On climate finance, Rai expressed deep concern that although Nepal accessed the funding amounting to USD 6 billion between 2011 and 2021, the majority of these funds were in the form of loans, raising ethical questions about the fairness of burdening vulnerable countries with debt for problems they did not cause. She concluded by stressing that if FfD frameworks are to be meaningful, they must prioritize redistributive justice, target systemic inequalities, and centre the voices of marginalized groups, especially in international financing discussions.

### **Ruby Karki, Centre for Democracy, Development and Diplomacy**

Ruby Karki from the Centre for Democracy, Development and Diplomacy (RRN) highlighted the pivotal role of civil society organizations (CSOs) in shaping policy and advocating for inclusive development financing, while also acknowledging significant challenges in access and capacity, particularly for youth-led networks. She noted that despite a traditionally valuable relationship between government and civil society at various administrative levels, youth and marginalized groups often remain excluded from meaningful engagement and decision-making processes.

According to Karki, while CSOs may critique their governments in domestic settings, they tend to stand united with them at international negotiations, advocating collectively for debt-free financing and equitable development solutions. This alignment is driven by a shared commitment to national interests, particularly in negotiations on global platforms.

She emphasized the importance of SDG 17, which champions partnerships between governments and CSOs, and underscored that these relationships must extend beyond rhetoric to genuine collaboration, especially in global forums like COP and FfD4.

Furthermore, she raised concern over a recurring argument made by some actors in the Global North: that countries in the Global South lack the “absorption capacity” to effectively manage development and climate finance. She argued that efforts should be directed toward strengthening their capacity to equitably and wisely utilize available resources, with a particular emphasis on the inclusion of women, youth, and gender minorities.

She further expressed concern that while large sums of climate finance are pledged by the Global North, there is often little transparency or clarity about how these funds are spent locally, and whether they adequately address the needs of gender minorities and youth. Stressing the urgency of youth engagement, she urged that the financing debate must “follow the money,” pointing to a \$2.5–3 trillion global financing gap that threatens the future of young people worldwide. Ruby warned that recent draft language at FfD4 risked diluting critical reforms, framing this as a dangerous gamble with the planet’s future. She urged civil society to intensify efforts to push for a strong, just UN tax convention and to ensure that mobilized funds are directed meaningfully and transparently, thereby securing development outcomes that truly benefit the most vulnerable populations, including youth.

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