Tomorrow's Affairs
Analysis of today
Assessment of tomorrow

By: Jozef Síkela

International cooperation on sustainable development is a strategic imperative

“Poverty,” Aristotle famously observed, “is the parent of revolution and crime.” History has repeatedly proven the point: inequality often fuels political and social instability, giving rise to conflict and despair.

Today, in the face of widening economic disparities and climate disruption, international cooperation on sustainable development is no longer just an expression of solidarity – it is a strategic imperative.

Yet just as development challenges grow increasingly urgent, the resources to confront them are steadily declining.

In 2015, world leaders adopted the United Nations Sustainable Development Goals (SDGs), outlining a shared vision for a more equitable, low-carbon future.

Since then, however, overlapping global crises – from the COVID-19 pandemic to rising geopolitical tensions and escalating climate change – have reversed much of the progress made over the past 25 years.

The realities of our increasingly multipolar world call for a shift in mindset.

Policymakers must focus on doing more with less, which means fostering effective partnerships between the public and private sectors.

This was my main takeaway from the Fourth International Conference on Financing for Development (FfD4) in Seville, Spain: to meet climate and social targets, we must rethink how development is financed – and by whom.

Public funding alone is not enough

While every country relies on access to financing to manage crises, support growth, and provide essential services, this need is especially acute in developing countries, where investment in infrastructure and human capital is crucial to long-term progress.

To achieve the SDGs, developing countries will need to raise roughly $4 trillion annually. With development budgets under pressure globally, it is clear that public funding alone is not enough, and that closing today’s investment gap requires mobilizing private capital.

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That’s the thinking behind the European Union’s Global Gateway initiative, which focuses on creating the conditions necessary for sustainable financing.

By combining guarantees, grants, and long-term loans, it aims to reduce risk, unlock private capital, and enable transformative investments in high-quality infrastructure projects, with a strong focus on education, job training, health, and climate resilience.

At FfD4, for example, we signed a €75 million ($88 million) guarantee agreement with Spain’s COFIDES to expand off-grid energy access in underserved regions across Sub-Saharan Africa, Latin America, and the Caribbean.

Projects like these often cannot move forward without effective risk mitigation. By reducing financial exposure, EU guarantees help make long-term financing viable and more accessible.

We are also developing innovative financing vehicles such as the Digital Leap Fund, which uses grants, guarantees, and first-loss equity to attract private investors to projects they might otherwise avoid.

The goal is to mobilize up to €500 million for digital infrastructure, including 5G networks, data centers, and broadband connectivity.

How to remove barriers to

investment?

At the same time, we are working to remove barriers to investment. As a former international banker, I understand that investors tend to seek safe, long-term returns – the kind that well-designed development projects can offer. But they also need predictability, transparency, and robust regulatory frameworks.

Our local partners, for their part, need the capacity to build value chains that align with their strengths and priorities.

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A cashew grown in Africa may be shipped to Asia for processing and then exported to Europe, delivering limited benefits to local communities while imposing a high environmental cost.

The EU's value-based model tackles this imbalance head-on by focusing on three key areas: job creation and investment in skills, education, inclusion, and sustainability; high-quality infrastructure; and supporting local ownership, governance reform, and stable investment conditions.

This approach is already being implemented in Angola and Zambia, where we are helping to transform the Lobito Corridor – an EU-backed project to renovate the railway linking Angola to landlocked, mineral-rich regions in Zambia and the Democratic Republic of the Congo – into more than just a trade route for critical raw materials.

Local communities must take the lead on meaningful reform

To ensure that the economic benefits remain in the region, we are supporting vocational training, education, and local processing.

In Zambia, we are using grants to strengthen sustainable agriculture, combining value-chain development with technical training in beekeeping, agro-processing, and rural entrepreneurship.

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Meanwhile, in Angola, we are investing in vocational programs tailored to the transportation, logistics, and energy industries.

Achieving lasting impact requires long-term planning, which is why our approach is demand-driven, skills-oriented, and focused on creating good jobs and promoting local ownership.

The Namibia Green Hydrogen Program, which aims to help Namibia realize its green hydrogen potential while supporting Europe's energy transition, is a prime example.

Led by national institutions and developed with private partners like Hyphen Hydrogen Energy, the project provides specialized training for workers in the hydrogen and electricity sectors.

In fragile settings, the stakes are even higher. When institutions and basic services break down, instability and unrest often follow.

With nearly one-quarter of the world’s population living in areas affected by conflict, natural disasters, and displacement, initiatives like the Global Gateway help bridge the gap between humanitarian aid and long-term development by working to restore essential services and build resilience where it is needed most.

Europe has the tools to lead this effort, but lasting progress depends on local ownership, commitment, and resolve.

National governments and local communities must take the lead on meaningful reform, effective governance, and sustainable development. Our role is to stand beside our partners and provide reliable, transparent support.

Jozef Síkela is European Commissioner for International Partnerships.