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Chair: Mr. Abudu-Birresborn (Vice-Chair) . . . . (Ghana)

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In the absence of Mr. Amorín (Uruguay), Mr. Abudu-Birresborn (Ghana), Vice-Chair, took the Chair.

The meeting was called to order at 3.05 p.m.

Agenda item 16: Macroeconomic policy questions (*continued*)

(a) International trade and development (*continued*) (A/78/15 (Part I), A/78/15 (Part II), A/78/230 and A/78/506)

(b) International financial system and development (*continued*) (A/78/178)

(c) External debt sustainability and development (*continued*) (A/78/229)

(d) Commodities (*continued*) (A/78/231)

(e) Financial inclusion for sustainable development (*continued*)

(f) Promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development (*continued*) (A/78/186)

(g) Promoting investments for sustainable development (*continued*)

(h) Promotion of inclusive and effective international cooperation on tax matters at the United Nations (*continued*) (A/78/235)

Agenda item 17: Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development (*continued*) (A/78/190 and A/78/93-E/2023/90)

1. **Mr. Ladeb** (Tunisia), speaking on behalf of the Group of African States, said that structural reforms were needed to successfully diversify economies in Africa, eradicate poverty and create decent jobs. Rising interest rates and the tightening of monetary policies by central banks had contributed to the worsening of the already limited fiscal space, with Africa recording a fiscal deficit of 5 per cent and a debt-to-gross domestic product (GDP) ratio of 64.5 per cent in 2022. There was an urgent need to stimulate economic recovery and to protect populations against soaring inflation.

2. The operationalization of the African Continental Free Trade Area would potentially expand intra-African trade in agrifood services and industry by around 40 per cent, and in energy and mining by around 16 per cent, thereby accelerating the continent's industrialization. Cross-border investment was needed to develop regional projects related to energy, transboundary waters, information and communication technologies, value chains and trade.

3. As of March 2023, more than 24 of the 54 African countries were either already in debt distress or at a high risk of it. Addressing that issue required extending debt relief, debt suspension and debt cancellation, and reforming the mechanism for rechanneling special drawing rights (SDRs), including the on-lending of SDRs to regional development banks to support African development financing priorities. There was also a need to overhaul the Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative of the Group of 20 (G20) to make it more effective, transparent and comprehensive and to extend it to more countries, including heavily indebted middle-income countries. In addition, an enhanced regulatory framework for credit rating agencies should include objectivity and transparency in rating methodologies and processes, provide proper oversight and establish a fair external recourse mechanism to dispute ratings. He expressed support for the call of the Secretary-General for reform of the global financial architecture and a Sustainable Development Goal stimulus to address both short-term crises and long-term sustainable development.

4. Illicit financial flows resulting from tax evasion and tax avoidance also needed to be addressed. Besides draining foreign exchange reserves, reducing domestic resource mobilization, preventing foreign direct investment (FDI), exacerbating insecurity and worsening poverty and economic inequality, such flows also undermined the rule of law and worsened macroeconomic conditions in affected countries.

5. African countries needed to effectively mobilize domestic resources to fully implement Agenda 2063: The Africa We Want and the 2030 Agenda for Sustainable Development, including by enhancing tax policies and administration to maximize revenues and address harmful tax practices, which drained the resources needed for development. Global cooperation on tax matters must be inclusive and focus on cooperation structures that eliminated tax evasion, tax base erosion and profit-shifting and that ensured that all taxpayers, including multinational companies, paid taxes to the Governments of countries where economic activity occurred and value was created. It was also important to promote the taxation of income derived from the provision of cross-border services. He reiterated the call of the Group of African States for the adoption of a convention on international tax cooperation.

6. **Mr. Reta Haddad** (Mexico) said that there was an urgent need to reform international financial institutions so that they analysed more than just economic risks and to expand the capacities of multilateral development banks to distribute SDRs. Such an approach should take into account non-economic factors such as gender inequality, climate change, loss of biodiversity and social exclusion, as well as the provision of debt relief to developing countries, in particular middle-income countries and small island developing States. Indices needed to be developed that enabled the consideration of non-economic factors resulting from multidimensional vulnerability in granting concessional and non-concessional finance to the most vulnerable countries, including middle-income countries. Such actions would support debt relief initiatives that went beyond the Debt Service Suspension Initiative and the Common Framework for Debt Treatments, which had proven insufficient. An increase in financing for development and climate financing was also needed.

7. Nations that depended on commodities exports should promote domestic economic activity, for which significant investment in capital goods, technology and human capacity was required. He called on States to promote commercial liberalization schemes that permitted the inclusion of local production chains in international trade flows. It was particularly important to ensure the participation of micro-, small and medium-sized enterprises in global trade, since they generated the majority of employment in developing countries. Strengthened multilateralism that included the private sector as a strategic ally was needed to achieve the Sustainable Development Goals. Mexico would continue to promote the issuance of bonds linked to sustainable development, the empowerment of women, environmental protection and the achievement of the Goals.

8. **Ms. Banaken Elel** (Cameroon) said that she welcomed the emerging consensus on the challenges facing the world. It was important, however, to translate words into action. The international financial and trade architecture needed urgent reform to orient its focus towards resolving questions related to the debt of developing countries, the fight against illicit financial flows, climate finance and access for countries of the South to capital markets under equitable, just and transparent conditions, taking into account their specificities and vulnerabilities. Such actions would help to ensure financing for vital projects for developing countries, as well as the development of research, science, technology and affordable clean energy.

9. Cameroon was one of the pioneers in operationalizing the African Continental Free Trade Area and had adopted a national development strategy for implementing the Sustainable Development Goals and Agenda 2063 and for becoming an emerging country by 2035. It would pursue those objectives through reforms designed to promote sustainable economic and social development, as well as good governance, and to allow all of its citizens to participate fully in the country's affairs.

10. **Mr. Cruz** (Angola) said that the African continent faced a significant discrepancy between the ideals of achieving the Sustainable Development Goals and the reality of scarce resources due to limited budgets, competing priorities and unequal access to global funding streams. Africa needed approximately $66 billion annually to invest in its health systems and infrastructure, but at the same time required between $137 billion and $177 billion annually through 2025 to close its infrastructure deficit. Multilateral development banks, financial institutions and other development partners could play a key role in attracting private investment, which was essential to addressing the financing gap for the Goals. Instruments such as blended finance and guarantees could leverage additional private funds. The international institutions should issue green bonds to attract environmentally conscious investors and mobilize private capital for sustainable development while demonstrating commitment to climate action.

11. Angola had been implementing reforms to boost its international reserves, including by liberalizing the exchange rate and ensuring a business climate that was conducive to a more diversified economy. An SDR allocation of approximately $1 billion in August 2021 had strengthened those reserves. By the end of that year, SDRs had represented around 8 per cent of the country's official reserve assets and an important mitigating factor to the impacts of the coronavirus (COVID-19) pandemic. Angola had also managed to postpone the payment of part of its debt service until 2023 under the Debt Service Suspension Initiative after successful debt reprofiling negotiations with key large creditors of oil-backed facilities.

12. **Mr. Al-Niami** (Iraq) said that the economic performance of individual countries could not be viewed in isolation. International challenges such as climate change and widening financial and technical gaps particularly affected developing countries. Those countries must be assisted in grappling with low productivity, falling international competitiveness and vulnerability to external economic shocks. A just and equitable international trade system would include preferential treatment for developing countries, the removal of barriers, the creation of stable policies,

especially in the food and energy sectors, and the opening of markets to the exports of developing countries, in particular competitive commodities. Technological and financial gaps between developed and developing countries must be narrowed, in particular those related to the mobilization of resources for sustainable development. Developing countries must be assisted in achieving adaptation and adding value to their exports. Efforts to combat illicit financial flows and restore stolen funds were also needed.

13. Iraq was one of the countries that was most vulnerable to climate change. More action was needed in that regard, in conformity with the principle of common but differentiated measures, taking into account economic conditions, which differed from State to State. His country looked forward to cooperation with the international community in implementing national policies and strategies to alleviate and adapt to climate change. Iraq was also using its export revenues to carry out economic reforms and diversify its economy and its exports, with a view to preventing fluctuations in the price of basic commodities. It was also investing in young people by providing them with the skills they needed to adapt to economic impacts.

14. **Ms. Alomair** (Saudi Arabia) said that her country had played a pivotal role in global collaboration on matters of macroeconomic policy as part of its Vision 2030 initiative, which provided support to many financial and macroeconomic projects. By virtue of its geostrategic position, Saudi Arabia played a pivotal role in supporting private sector and international trade. It had adopted measures to bring further stability to the global oil market, which showed that it was capable of addressing global challenges in a balanced, fair and just manner.

15. Corruption had become one of the main obstacles to achieving the Sustainable Development Goals. To further support the global community in that regard, Saudi Arabia had launched the Riyadh Initiative for enhancing international anti-corruption law enforcement cooperation, which included the establishment of the Global Operational Network of Anti-Corruption Law Enforcement Authorities, a platform that brought together anti-corruption agencies from around the world. She urged parties to the United Nations Convention against Corruption to actively participate in the platform to address crimes related to cross-border corruption.

16. Islamic Shariah law made it incumbent on Saudi Arabia to help those in need. Her country provided assistance to the least developed countries and the most impoverished segments of society through development and relief programmes, the Saudi Fund for Development and the King Salman Humanitarian Aid and Relief Centre. In 2022, Saudi Arabia had provided $2.7 billion in official development assistance (ODA), overperforming the United Nations target of 0.7 per cent of gross national income (GNI).

17. **Mr. Sapkul** (Thailand) said that developing countries, which made up two thirds of the world, needed to play a more significant role in shaping international finance and macroeconomic policies. Greater access to development finance would ensure that economic development and sustainability could go hand in hand. He urged developed countries to fulfil their ODA commitments. Furthermore, finance must respond to the needs and priorities of each country. Thailand supported expanding the lending capacity of multilateral development banks to better leverage private capital for development projects. Expanding access to concessional loans for developing countries was essential to build the economic foundation necessary to boost economic growth and create a resilient future. Such efforts must not risk destabilizing the fiscal stability of international financial institutions, however.

18. An inclusive rules-based multilateral trade system and greater connectivity to facilitate cross-border trade would contribute to a resilient global supply chain, offer protection from future disruptions and enable better implementation of the 2030 Agenda. Immense investments in digital infrastructure were needed to help countries seamlessly transition to a low-carbon economy and gain greater access to sustainable financial services with reduced transaction costs, in particular for micro-, small and medium-sized enterprises. Such a transition would require a holistic approach to investment, including close cooperation with the private sector.

19. **Ms. Naanda** (Namibia) said that it was disconcerting that, despite collective efforts to eradicate poverty and hunger, nearly 29.6 per cent of the global population lacked constant access to food and 8.4 per cent continued to live in extreme poverty. That situation was further complicated by debt vulnerabilities, limitations in mobilizing domestic resources and constrained fiscal space for investing in sustainable development. Pervasive inequalities, both within and among nations, demanded immediate attention. It was essential to acknowledge that the number of unilateral economic measures had continued to rise in the two years since the previous report of the Secretary-General on that topic (A/76/310), further deepening inequalities and undermining the human rights of the most vulnerable populations.

20. Reform of the global financial architecture was imperative, as it was a core transformative element that could have a positive impact on the lives of citizens. There was a pressing need for financing for development, incorporating debt sustainability analysis and orderly sovereign debt restructuring processes. The proposal by the African Development Bank to redirect SDRs to multilateral development banks had significant potential to amplify the impact of SDRs.

21. Emerging opportunities, such as new partnerships for facilitating international trade and adaptive grants, merited careful consideration. Namibia, in its commitment to a sustainable future, had successfully incubated the green hydrogen economy and was prioritizing initiatives to transition from being an importer to a supplier of electricity. In addition, it had established an autonomous revenue authority to increase tax, customs and excise compliance, as well as revenue collection.

22. **Mr. Zuhuree** (Maldives) said that more than 40 per cent of small island developing States were either at a high risk of or on the verge of debt distress. Those States required tailored solutions as part of an equitable recovery plan, with a particular emphasis on debt relief and concessional financing. Climate- and debt-vulnerable countries, such as Maldives, required increased access to concessional resources and grants. He implored all stakeholders to heed the call of the Secretary-General for the utilization of multidimensional vulnerability criteria and to support the adoption and implementation of the multidimensional vulnerability index for small island developing States. Funding rules, processes and applications needed to be harmonized, including for multilateral funds and climate-related financing, to ensure that countries that had graduated from least developed country status were not penalized for non-concessional borrowing undertaken for development purposes.

23. He expressed the hope that the thirteenth Ministerial Conference of the World Trade Organization (WTO), to be held in Abu Dhabi in 2024, would be a step towards reining in subsidies that contributed to overcapacity and overfishing, as well as towards offering appropriate and effective special and differential treatment for developing countries. Maldives, which was known for its sustainable fisheries practices, faced significant tariffs on its tuna exports. The international trading system should provide tariff relief as a way of recognizing and supporting his country's sustainability efforts. Developed countries must significantly increase climate finance, for adaptation as well as loss and damage. At the twenty-eighth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, States needed to agree on the modalities for the full operationalization of the loss and damage fund, as well as on loss and damage funding arrangements.

24. **Ms. Nzumbu** (Kenya) said that many developing countries, already grappling with debt unsustainability, had been forced to borrow at exorbitant rates, intensifying the vicious cycle of relying on expensive loans to finance government budgets, which for many such countries were already significantly dedicated to servicing existing debts. Compounding that dire situation were the various debt relief programmes initiated during the COVID-19 pandemic, such as the Debt Service Suspension Initiative and the Common Framework for Debt Treatments, and the inadequacy of SDR allocations. Rectifying that situation required, at a minimum, the establishment of at least $650 billion in new SDRs and the channelling of unused SDRs to countries in need, the operationalization of the multidimensional vulnerability index for small island developing States and a review of credit rating systems, with an emphasis on reform of the multilateral credit agencies and greater coordination with private credit rating agencies.

25. It was imperative to promulgate an instrument aimed at closing tax loopholes, curbing tax evasion and ensuring that multinational corporations paid their fair share of taxes in the countries where they operated. For that reason, Kenya supported the creation of a United Nations convention on international tax cooperation. In addition, it was necessary to foster an environment that encouraged both public and private sector investment in sustainable development. That required renewed and augmented financial commitments and the political will to accelerate trade and development. The international financial architecture should be reformed so that it was agile, responsive to the needs of developing countries and fit for purpose, with strengthened participation of developing countries in international economic decision-making, norm-setting and global economic governance.

26. **Ms. Kavaleuskaya** (Belarus) said that the use of politically motivated unilateral coercive measures, and the failure to respect national traditions and cultures, hindered trade and the achievement of the Sustainable Development Goals. She expressed concern at the scale of such measures and called on States to renounce them. The use of economic, trade and financial pressure on developing States was unacceptable; it violated the principles of multilateral trade and created serious obstacles to the development of those States, specifically in the context of post-pandemic recovery and global crises. Member States and organizations of the United Nations system should closely adhere to the

principles of free trade and avoid protectionist measures.

27. Improving environmental resilience was vital, taking into account the risks of environmental protectionism and the creation of new trade barriers. Developing countries lacked access to the advanced energy technology that could ensure their energy sovereignty and economic growth. Another pressing problem was food supply. Serious distortions in international trade had been caused by measures adopted by developed countries to protect and subsidize their agricultural producers, as well as unilateral bans on the export of specific products from several countries. The food crisis had been created by humans, and it could be resolved quickly by eliminating illegal sanctions and barriers.

28. Joint efforts by regional economic associations could strengthen international trade and enhance resistance to external shocks while improving economic and political stability. Her country supported strengthening global partnerships and interregional integration, with a view to broadening trade and exchanging best practices related to achieving Goals.

29. **Mr. Bokoum** (Burkina Faso) said that current challenges had had a significant impact on his country's socioeconomic development and the achievement of the Sustainable Development Goals. Despite concerted efforts to reassert control over its entire territory and ensure a stable political transition, the country continued to face repeated terrorist attacks. The Government and people of Burkina Faso were working together to restore security and create a budget environment that was favourable to development. Security was the country's absolute priority, and support from the international community and new strategic partners was crucial. Terrorism had aggravated the global economic upheavals of the years 2020 to 2022, especially in terms of health, geopolitics and climate. The decade before 2020 had been marked by sustained economic growth averaging 5 per cent, but the COVID-19 pandemic had led to a sharp decline, with growth of only 2 per cent in 2020. Despite rebounding to 6.7 per cent in 2021, the growth rate had dropped again in 2022, to 1.5 per cent, as a result of terrorist attacks.

30. Notwithstanding the usual narrative on aid, Africa continued to meet a substantial portion of its economic needs by mobilizing its own internal resources, generating four times as much in public revenue and private savings as it received from external financing, including FDI. Despite the draining impact of illicit financial flows from Africa, using untapped resources such as pension, insurance and sovereign funds and addressing ineffective public spending and redundant fiscal incentives could bolster the continent's potential to finance its development. With higher debt levels and a change in the composition of debt having led to an increase in lending costs and greater uncertainty about debt sustainability, prudent debt management and innovative financial mechanisms were needed to guarantee long-term debt sustainability. The establishment of a sovereign debt restructuring mechanism was essential to resolving the debt crisis in a fair and effective manner, as were measures aimed at increasing concessional financing, rechannelling unused SDRs and reforming the governance of international financial institutions.

31. **Mr. Hua** Chenghang (China) said that, for the first time, the human development index had declined for two consecutive years, with growth slowing in most countries. Monetary tightening in developed countries had posed serious challenges for developing countries in terms of rising living costs and reduced investment and capital outflows. The international community must therefore strengthen its solidarity in order to put the Sustainable Development Goals back on track.

32. Macroeconomic policy coordination should be strengthened, with the major economies adopting responsible fiscal and monetary policies to avoid negative spillover effects and the exacerbation of rising inflation, exchange rate volatility and high debt. Unilateralism and protectionism must be opposed. In addition, it was important to fully mobilize development resources, honour ODA and climate commitments, increase financial, technological and capacity-building support for developing countries and, with multilateral and private creditors, implement the Common Framework for Debt Treatments. New SDRs should be allocated to countries in need and the international financial architecture should be reformed to enhance the voice and representation of developing countries in order to ensure their full participation in the decision-making processes of international financial institutions and access to more concessional funds. Furthermore, the International Monetary Fund (IMF) should complete its sixteenth general review of quotas and the World Bank should conduct a shareholder review.

33. With WTO at its centre, the multilateral trading system must be safeguarded to promote trade and investment liberalization, oppose the politicization of economic trade issues, ensure the balanced recovery of international trade and maintain the supply and price of commodities such as food and energy.

34. China had launched the Global Development Initiative: building on the 2030 Agenda for Sustainable Development for stronger, greener and healthier global development, to refocus the international community's development efforts and mobilize resources. It had also set up the $4 billion Global Development and South-South Cooperation Fund and planned to increase its contribution to the United Nations peace and development trust fund. The country's financial institutions would launch a $10 billion special fund to support the Global Development Initiative, under which more than 200 bilateral and multilateral cooperation projects had been implemented and 40,000 training places provided through human resources projects in member countries of the Group of Friends of the Global Development Initiative.

35. **Ms. Gahlot** (India) said that her country, during its G20 presidency, had successfully concluded a road map to make global trade inclusive and progressive, while also recognizing the role of WTO in promoting economic growth and sustainable development. The international financial system, anchored in the practices of the previous century, could no longer address the development needs of the global South without considering the scale of the needs and depth of the shocks affecting developing countries. Multilateral development banks must update their vision, structure and capacities to mobilize investments for sustainable development and climate action.

36. To prevent debt distress in the global South from affecting sustainable development programmes in developing countries, India had stepped up its implementation of the Common Framework for Debt Treatments. Action was also needed to address the volatility of commodity prices, especially for food, fuel and fertilizer, because of the threat to food security. India had promoted the cultivation, production and marketing of millets in 2023, the International Year of Millets, as they were both economical and climate-resilient.

37. Slow progress on financial inclusion had sharpened inequalities and represented a major setback for achieving the Sustainable Development Goals. Digital public infrastructure projects for financial inclusion in India had been transformative, having incentivized small-scale vendors to participate in the formal economy. Since illicit financial flows had prevented steady economic growth and sustainable development in the global South, India had supported global efforts to seize and confiscate criminal proceeds and return them to victims and States, in line with its international obligations and domestic legal frameworks. Inclusive and effective international tax cooperation was also necessary to address the development needs of the global South, with greater engagement by Member States in intergovernmental discussions and consideration of existing multilateral and international arrangements.

38. India had taken a whole-of-government approach to financing the Goals, in line with its commitment to the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, while also recognizing the supplemental role of private climate finance. It was therefore essential to encourage the development of financing mechanisms such as blended finance, de-risking instruments and green bonds for projects in developing countries.

39. **Mr. Budhu** (Trinidad and Tobago) said that, although his country had limited the pervasive effects of the ongoing global crises on its economy and people, the hard-won progress of developing countries was in peril and their prospects of achieving sustainable development were bleak or, in many cases, receding. The rigid structures of the international financial architecture were no longer fit for purpose, since developing countries, lacking alternatives, had been forced to amass unsustainable levels of debt. The Committee must therefore focus its discussions on a paradigm shift in development cooperation and finance to ensure that the international economic and financial system responded better to the needs and development interests of the global South and positioned developing countries as active decision makers.

40. Real progress could be achieved by ensuring that reforms to the international financial architecture abandoned old, anachronistic approaches that had suffocated development. Along with the Bridgetown Initiative, the multidimensional vulnerability index could open up limited fiscal space, serving as a vital tool to assist developing countries in securing access to concessional financial resources and services, increasing liquidity and employing effective debt relief mechanisms. In addition, to address the impacts of de-risking and the arbitrary labelling of countries as non-cooperative tax jurisdictions, which had affected economic activity and services in developing countries, Committee members should engage in constructive deliberations on the draft resolution on international tax cooperation in order to find a more equitable, inclusive and universal approach to dealing with gaps in the current tax governance structure. Furthermore, careful consideration of the scope and objectives a possible fourth International Conference on Financing for Development in 2025 was needed to ensure that it would not dilute the commitments of the Addis Ababa Action Agenda but reinforce them to better support developing

countries in implementing the 2030 Agenda while facilitating reforms to the international financial architecture.

41. **Mr. Gana Alkali** (Nigeria) said that rising interest rates in developed economies had had a negative effect on developing countries' access to affordable credit, complicating debt management, affecting capital flows and exchange rates and hampering efforts to achieve sustainable development, and that the situation had been exacerbated by the current geopolitical landscape. As part of its commitment to macroeconomic policies that were conducive to investment and sustainable economic growth, Nigeria had established a task force to review fiscal policy and tax reform and had passed measures aimed at curbing double taxation, boosting investor confidence and ensuring that investment profits were fair and secure.

42. Likewise, the Committee should agree on targeted measures to address the developmental concerns of developing countries. For example, building on General Assembly resolution 77/244 on the promotion of inclusive and effective international tax cooperation at the United Nations, the Committee should work towards the completion of a framework convention on tax matters in order to address unfair taxation and the short-changing of developing countries' economies, especially in Africa. The international financial architecture also needed reforming, including with comprehensive debt relief measures, to enable sustainable financing for development, and the Committee should therefore prioritize the easing of the unsustainable debt burden on developing countries and strengthen their ability to finance the Sustainable Development Goals. Furthermore, a United Nations-backed investment fund should be established that focused on high-impact sectors, such as renewable energy, agriculture and digital technology in African countries.

43. It was important for the Committee to promote international collaboration to assist developing countries in closing leakages from illicit financial flows, including through the timely repatriation of assets and accrued interest.

44. **Mr. Vorshilov** (Mongolia) said that, although it was true that 62 countries were spending more on debt servicing than on health, most Governments had in fact increased their expenditure for social welfare and wage increases to help citizens during economic hardship. The increased expenditure had enlarged deficits, exacerbated fiscal risks and fuelled debt accumulation in many countries. Nevertheless, the availability of debt for climate, health and nature swaps provided a win-win opportunity in terms of both the creditor's mandate to finance the Sustainable Development Goals and fulfil climate commitments and the debtor's wish to allocate resources to sustainable development agendas. However, progress was needed to make such swaps a prevalent and common practice.

45. Middle-income countries with frontier markets, which, being entitled to commercial lending terms, had a larger proportion of floating-rate debt in their debt portfolios, faced higher interest costs. For Mongolia, the recent surge in the Secured Overnight Financing Rate had increased the annual interest cost by 28.5 per cent within a year.

46. Mongolia had graduated as a lower-middle-income countries in 2012, shifting its borrowing status from highly concessional terms to being a blend country and thereby gaining access to commercial borrowings from the international capital market and international financial institutions. The country had used that opportunity to expand borrowing in order to finance socioeconomic projects, but after a decade the repayments had put a heavy strain on the budget owing to multiple global crises. The ratio of government debt to GDP had peaked at 93.1 per cent in 2015, but Mongolia had worked hard to decrease the debt burden, reducing it to 49.8 per cent by 2023. To ensure that debt remained at a sustainable level, debt management strategies had been adopted since 2019 so that external securities were issued only for the purpose of refinancing existing debt and paying off outstanding commercial debt. As a result, debt servicing costs currently represented less than 15 per of budget revenue. There had been some challenges during the process, such as the contagious effect of the debt crisis in some Asian countries in 2022, which had hit the Mongolian economy hard. In response, the country had sought to bolster foreign exchange reserves and maintain its credit rating, rapidly restoring investor confidence.

47. **Mr. Rupende** (Zimbabwe) said that the reports of the Secretary-General had reaffirmed the urgent need to reform the global economic structure in order to achieve the Sustainable Development Goals. Fairer allocation of financial and technological resources to the countries most in need, in particular those struggling to meet basic human development needs, would assist in tackling poverty, health-care and education issues and reducing inequalities. Furthermore, to promote inclusive and sustainable international trade as a powerful driver of economic growth and development, while also contributing to increased domestic revenue generation and mobilization, it was necessary to eliminate trade barriers, facilitate fair trading practices and ensure that trade agreements benefited all nations. Countries would

then be able to create growth opportunities aligned with the Goals that improved citizens' lives and livelihoods.

48. With unsustainable external debt stifling the economies of most countries in the global South and diminishing their ability to invest in critical components of the Goals, it was imperative to provide debt relief to heavily indebted countries, promote responsible lending and borrowing practices and establish a transparent and equitable framework for debt resolution informed by experience and hindsight. In addition, a stable and fair international financial system that promoted inclusiveness, transparency and accountability was essential for global economic stability, and should also tackle illicit financial flows and tax evasion and support developing countries' access to finance and technology transfer.

49. Zimbabwe was committed to restoring macroeconomic stability and creating fiscal space for priority spending, as well as to engaging with external creditors through a debt resolution and arrears clearance strategy while also enhancing debt management and transparency. However, efforts had been severely hampered by unilateral coercive measures that restricted trade, foreign investment and access to financial markets, exacerbated inequalities and disproportionately affected vulnerable populations. Progress towards achieving the Goals, through trust and international cooperation, had been impeded by difficulties in accessing support, expertise and resources. Unilateral coercive measures therefore needed to be removed immediately and unconditionally, not just in Zimbabwe, but in all affected countries.

50. **Ms. Marin Sevilla** (Bolivarian Republic of Venezuela) said that her country was 1 of more than 30 countries subjected to a criminal policy designed to inflict maximum cruelty, namely the illegal imposition of unilateral coercive measures by the United States of America, the European Union and their allies. Although the reality had sometimes been minimized or concealed, the Committee should be aware than the more than 930 so-called sanctions suffered by the Bolivarian Republic of Venezuela were lethal for its people and had led to the loss of more than $232 billion, including the plundering of assets within the country and the appropriation of more than 30 tons of gold reserves in the Bank of England.

51. Unilateral coercive measures were not simply human rights violations, but crimes against humanity. In 2020, for example, the United States had imposed sanctions on companies transporting Venezuelan oil under an oil-for-food programme. The following year, a Swiss bank had blocked $10 million earmarked for the acquisition of vaccines for 20 per cent of the Venezuelan population, and another European bank had blocked payment to the Pan American Health Organization for 13 million vaccines and 30 million medical syringes.

52. Thanks to the macroeconomic and other policies adopted by the Government, however, her country had shown signs of recovery, with growth expected to exceed that of other countries in the region. Resources existed to close the financing gap and create conditions for new financing, and it was time to use them for development and to ensure strict compliance with the principle of common but differentiated responsibilities.

53. **Ms. Zamora Zumbado** (Costa Rica) said that the global economy had slowed to 3.1 per cent in 2022 and that, owing to growing uncertainty, capital had been invested in safer assets that were not available in developing countries. External debt had reached record levels, especially in low- and middle-income countries, including the 52 countries that were home to half the world's population living in extreme poverty, where the cost of finance was excessively high. For 16 countries, including Costa Rica, rising charges and surcharges could lead to accumulated interest payments of almost $44 million by 2030.

54. Costa Rica had achieved fiscal sustainability by increasing tax revenue and controlling public spending, which had helped it to achieve a primary surplus for the first time since 2008. Debt, however, still represented about 60 per cent of GDP and approximately half of the country's budget; 50 per cent of that debt was due within five years, even though interest payments were rising sharply at the same time. Internal changes and vulnerability to external shocks such as natural disasters, increased migration and organized crime also affected the debt situation.

55. Costa Rica was not alone. Only 28 per cent of middle-income countries and 2 per cent of the least developed countries had access to swap lines when liquidity was limited. The international financial architecture therefore needed to be more inclusive and resilient, so that it could act as a safety net in the face of volatility. Current deficiencies in debt processing frameworks must be resolved, including re-evaluating interest rates to free up fiscal space for investment in development, broadening the eligibility of countries that were already or nearly overindebted, and incorporating the possibility of deferred payment owing to external shocks into vulnerability clauses.

56. Minimum liquidity levels needed to be ensured to guarantee resilience programmes as well as to improve existing and provide new financial mechanisms, such as debt swaps for climate and nature and for Sustainable

Development Goal bonds. Banks should be strengthened and recapitalized to work towards development, and SDRs allocated on the basis of the needs and vulnerabilities of countries rather than participation quotas.

57. Lastly, the international financial system must be capable of addressing current challenges, such as the fragmentation and dispersal of funds, access to financing and alignment with the commitments of the 2030 Agenda, including climate and biodiversity financing.

58. **Ms. Bayramli-Hamidova** (Azerbaijan) said that, in the aftermath of the COVID-19 pandemic, many countries were struggling to obtain essential resources to address immediate needs and invest in vital transformations for the future. The High-level Dialogue on Financing for Development and the Sustainable Development Goals Summit in 2023 had both served as reminders that rapid, collective action was needed to achieve the Goals and that a multidimensional approach was necessary to address existing financing and investment gaps.

59. Environmental, social and governance risks and green finance opportunities were the two priorities set out in the sustainable finance road map published by the Central Bank of Azerbaijan for the period 2023–2026, with milestones aimed at aligning the financial sector with the Goals. Similar strategic plans for the agriculture, education and environment sectors were also planned. As public-private collaboration and international partnerships were important to unlock resources for sustainable development, Azerbaijan was finalizing a national framework to identify and implement policies and reforms aimed at aligning financing with sustainable development and enhancing coherence between public, private, domestic and international funds.

60. Many developing countries were unable to invest in a sustainable recovery owing to limited fiscal space and a lack of access to affordable funding. Recognizing the finance gap between developed and developing countries, Azerbaijan had therefore offered humanitarian and development assistance to over 130 countries, including 43 of the 46 least developed countries. It had also allocated $1 million for post-pandemic recovery efforts in both Africa and small island developing States, reflecting its commitment to addressing global challenges and offering meaningful support where it was most needed.

61. **Mr. Sowa** (Sierra Leone) said that, at a time of global uncertainty, his country had advanced several financing efforts, such as a national financial inclusion strategy to mobilize deposits for the banking system. It had also scaled up financial literacy by engaging with informal sector groups, which dominated economic activities in the country, and promoting financial digitalization. A people-centred financing framework had been rolled out to support local participation in planning processes through social cohesion and peacebuilding in villages and local communities, and the investment potential of the diaspora was being assessed, following a study of the barriers to and enablers of women's participation in domestic resource mobilization.

62. For developing countries to tackle debt and financial distress and achieve the Sustainable Development Goals, effective international policy action, including debt relief initiatives for the least developed countries and increased grants-based ODA, was needed. Debt service relief and debt restructuring were essential for fragile economies on the brink of recession or collapse, and debt cancellation and highly concessional loans from international finance institutions should be considered, where appropriate, for vulnerable and fragile countries. The Common Framework for Debt Treatments must be accelerated, and unused SDRs must be rechannelled, or new ones allocated, to countries with a high debt burden. Development partners should scale up ODA commitments, adopt fair trade policies and provide climate finance to ensure a sustainable recovery for all countries. Trade barriers must be lifted and aid for trade increased to reduce inequalities within and among countries, bridge the digital gap, address the threat of food and nutrition insecurity and provide capacity-building for domestic resource mobilization to implement the Goals.

63. Tackling illicit financial flows and returning assets as part of the broader fight against corruption were key factors in dealing with financing challenges. Since, low-income countries, however, did not have the capacity to deal with the complex global dimension of illicit flows, there was a constant need to leverage international development cooperation, with the United Nations expected to provide a common platform for engagement.

64. **Ms. Somoly Heng** (Cambodia) said that her country was committed to securing long-term funding from all development partners to achieve the Sustainable Development Goals, despite its limited capacity and resources. Financial strategies and policies tailored to specific development needs should be adopted to enhance allocation efficiency, implementation effectiveness and private sector contributions, and gradual financial reforms should be

undertaken in alignment with socioeconomic development requirements.

65. The financial reforms of the past two decades had helped Cambodia to become an upper-middle-income country, enabling it to significantly boost national revenue and reduce its reliance on foreign loans. During the past 30 years, the proportion of the national budget funded by foreign sources had fallen from about two thirds to less than a quarter. Public financial management reforms had continued in 2023 with efforts to improve performance accountability and strengthen the effectiveness of public budget management and investment.

66. In an increasingly interconnected world, an equitable international tax system was needed to ensure that all countries, regardless of size or wealth, received their fair share of tax revenue and that developing countries in particular mobilized the resources required for investment in their people and in the Goals. Tax reform was a priority for her Government, which had scaled up technology to improve tax administration and made it easier for businesses and individuals to meet tax obligations, while also improving physical and administrative facilities. Moreover, her country supported the Secretary-General's call for a stimulus for the Goals, in order to invest in long-term financing for sustainable development and climate action.

67. **Mr. Hossain** (Bangladesh) said that recent crises had jolted his country's growth trajectory and put its economy under stress, resulting in a $4.7 billion loan package from IMF to curb inflation, manage the balance of payments and maintain development expenditure. Discussions during the recent High-level Dialogue on Financing for Development and Sustainable Development Goals Summit had focused on reforming the international financial architecture, delivering climate and ODA commitments, operationalizing the stimulus package for the Goals and addressing a host of other issues, including debt distress, innovative and blended finance, international development cooperation and domestic resource mobilization. With global investable assets valued at more than $250 trillion in 2022, the world certainly had enough resources to invest in achieving the Goals, but those resources were not aligned with the Goals or channelled at the necessary scale or speed.

68. Since international public finances were often costly or beyond the reach of developing countries, it was important to find ways to divert available resources, including by delivering concessional resources, in particular to climate- and debt-vulnerable countries. Multilateral development banks, international financial institutions and private lending agencies should realign their priorities and mobilize additional funds at low-cost, concessional rates while also incorporating disaster clauses so that vulnerable countries could absorb shocks during crises. Furthermore, fair and effective debt relief measures should be prioritized based on coordination and transparency among creditors, and SDR borrowing limits should be established on the basis not of quotas but of needs and vulnerability, with an easy lending process. The global credit rating system should be reformed, since the existing system restricted access to funds for many low- and middle-income countries, limiting their voting rights, quotas and representation in multilateral development banks and international financial institutions and undermining their bargaining power.

69. Lastly, development partners must fulfil their ODA and climate financing commitments in order to equip climate-vulnerable countries with much-needed funds for adaptation and mitigation. An inclusive and representative international financial system would be able to respond to the expectations of developing countries.

70. **Ms. Shafiq** (Pakistan) said that the international community was lagging considerably behind on its journey to achieve the Sustainable Development Goals. While financing was a fundamental pillar in the implementation of the 2030 Agenda, the inequitable international financial and economic system was currently hampering progress. Recent global challenges had exposed the shortcomings of the current system and highlighted the need for urgent action to close the Goals financing gap. The international financial and economic architecture should be reformed to ensure equity and give a voice and enhanced representation to developing countries, while addressing the latter's specific needs. Such a reform would have to include a review of the governance of international financial institutions. Accordingly, voting rights within IMF and the World Bank should reflect equity, as well as the vulnerabilities and specific needs of developing countries.

71. Furthermore, the $500 billion stimulus for the Goals proposed by the Secretary-General should be implemented to support financially distressed developing countries, as called for in the political declaration recently adopted at the Sustainable Development Goals Summit. Debt relief should be prioritized and an agreement should be reached on establishing an equitable sovereign debt structure that would extend the suspension of debt payments, suspend IMF surcharges and establish debt swap mechanisms for advancing the Goals. Efforts should focus on fair and inclusive debt suspension, reduction and liquidation

processes aimed at enhancing debt sustainability. The unutilized $400 billion in SDRs should be urgently rechannelled for development, and future SDR allocations should be distributed based on liquidity needs, rather than IMF quotas. The WTO development agenda should be revitalized, with a focus on promoting export-led growth and preferential trade access in and for developing countries. At the same time, the international community should guard against unilateral protectionist measures.

72. There should be greater international cooperation to ensure asset return and curb illicit financial flows. In that respect, Pakistan welcomed the recommendations of the High-level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda. Her delegation wished to foster inclusive and effective international cooperation in that area and would champion the proposal made by the Group of African States for a United Nations international tax treaty. There was a need to increase investment in reliable, sustainable and resilient infrastructure, including through the utilization of the United Nations development system to coordinate, scale up and channel public and private finance and technical assistance. The Organization should establish a mechanism to facilitate public and private investment in sustainable infrastructure in developing countries. Her delegation would revive consultations in that regard through the Group of Friends for Sustainable Infrastructure Investment.

73. **Mr. Aiello** (United States of America) said that the United States recognized the need for international tax cooperation and had played a leading role in the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes and the Inclusive Framework on Base Erosion and Profit Shifting. While his delegation welcomed the Secretary-General's report on the promotion of inclusive and effective international tax cooperation at the United Nations (A/78/235), it was disappointed that the report did not fully capture or acknowledge the progress made by Member States, regional groupings and civil society in advancing inclusive and effective international tax cooperation within the context of the Organisation for Economic Co-operation and Development (OECD). The options contained in the report presented potential paths for furthering discussions on the matter, but were not exhaustive.

74. The work of the United Nations in the area of international tax cooperation should complement and not duplicate existing efforts. The Organization should lead broad discussions on tax policy in support of the Sustainable Development Goals, without interfering in OECD negotiations. Tax authority capacity-building and domestic resource mobilization were essential for making progress towards achieving the Goals. Their positive impacts were even further amplified when activities were guided by an organization that had the necessary expertise and resources, and the United Nations could perhaps focus its discussions on those areas. On the contrary, focusing on the allocation of corporate income tax would be duplicative of existing efforts and insufficient to achieve the Goals.

75. The Inclusive Framework on Base Erosion and Profit Shifting had a membership of over 140 jurisdictions and showed significant potential to deliver inclusive and effective outcomes. Its consensus-based processes and the extensive technical support provided by the OECD secretariat afforded every member a real and equitable voice in decision-making. The expertise and inclusivity of OECD processes helped to advance constructive discussions in that delicate policy area and facilitated the actual implementation of the consensus outcomes. OECD efforts had already led to the channelling of at least $43 billion in tax revenue to developing countries, and the implementation of the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalization of the Economy was expected to raise $220 billion in global tax revenue, annually, with the largest proportional increases in low- and middle-income countries.

76. Simultaneous negotiations on the same issues within different forums would undermine the achievement of meaningful results. United Nations negotiations on a global minimum corporate tax rate could, for instance, derail OECD efforts to implement the agreed 15 per cent global minimal rate. Restarting negotiations would be very costly, at a time when urgency was needed, and would possibly squander the progress already made. Instead of creating uncoordinated competition in its efforts to solve the problem, the international community should discuss how the United Nations and OECD could best collaborate, in order to maximize progress towards achieving the Goals. A two-pronged approach should be used to do so, aimed at improving capacity-building and domestic resource mobilization, under the expert leadership of the United Nations, and updating the international tax architecture, on the basis of the Inclusive Framework on Base Erosion and Profit Shifting.

77. **Ms. Van Doimen** (Guyana) said that there had been significant regression in the implementation of the 2030 Agenda. Only 15 per cent of the Sustainable Development Goals were on track, over 50 per cent of indicators showed little or no progress, and the funding

gap for the Goals had doubled, especially in small island developing States, the least developed countries and landlocked developing countries. Such grim statistics should spur Member States to take concrete and ambitious actions for transformational change. Discussions on macroeconomic policy issues should take account of the challenges affecting both developed and developing countries, and prioritize solutions for addressing them.

78. With respect to the discrepancy between global development needs and the existing financial architecture, her delegation believed that the latter, which was outdated and ill-suited, reinforced inequalities and hindered the growth and development of the most vulnerable. The Committee should therefore focus on reforming the international financial architecture to meet the needs of the global community. That reform should deliver scaled-up, affordable and accessible long-term development finance, and expand concessional finance. It should also restructure the governance of multilateral development banks and international financial institutions, and make decision-making processes more inclusive. Transformative efforts should be synergistic, collaborative and strategic. Guyana continued to support the full implementation of the Bridgetown Initiative, the operationalization of the loss and damage fund, and the finalization and use of the multidimensional vulnerability index. The use of debt swaps and blended finance, among other initiatives, could serve to boost inclusive economic growth.

79. Guyana supported the elimination of unilateral coercive measures and all barriers to trade. International trade was an important component of sustainable and resilient development, and different rules should not be applied to different countries during pandemics and conflicts. To revitalize true multilateralism, development partners should meet unfulfilled commitments to contribute 0.7 per cent of GNI as ODA, provide $100 billion annually in climate finance, increase financing for climate adaptation and operationalize the loss and damage fund. Earnest consideration should also be given to the rechannelling of unutilized SDRs, and greater efforts should be made to foster debt sustainability.

80. Her delegation looked forward to the convening of the fourth International Conference on Financing for Development in 2025, to chart the way forward towards a more sustainable, resilient and inclusive global economy.

81. **Mr. Ipo** (Côte d'Ivoire) said that financing for development was a major challenge in the quest to eradicate global poverty and inequalities. Close to 850 million people lived in extreme poverty, without access to drinking water, education or health care. Economic difficulties brought about by drastic reductions in ODA and tighter financing conditions were considerably limiting States' fiscal space. While greater efforts were needed to honour international commitments to achieve the Sustainable Development Goals, it was also critical to explore other sources of funding for sustainable development. The recent Sustainable Development Goals Summit had given rise to creative potential solutions, such as reforming the international financial system, combating tax evasion and building developing countries' domestic resource mobilization capacity.

82. Côte d'Ivoire remained committed to implementing and monitoring the 2030 Agenda, which had been incorporated into its national development plan for the period 2021–2025. The plan provided a framework for achieving the Goals, through economic, social and cultural transformation. In the light of resource mobilization challenges, his Government had established a consultative group with the aim of mobilizing over $98 billion in investments for the plan, primarily from the private sector. It had also introduced reforms to ensure optimal management and effective coordination in the mobilization and allocation of resources destined to finance the Goals. In addition to public-private partnerships, various mechanisms were used to raise innovative funding for specific programmes, and several other sources were being explored, including climate adaptation funds and a carbon tax. His Government had launched discussions on the objectives and opportunities of a carbon tax, within the framework of the Partnership for Market Readiness and the Carbon Pricing Leadership Coalition.

83. **Ms. Adnan** (Malaysia) said that the current international financial architecture had not effectively provided the funding required to realize the Sustainable Development Goals. Many developing countries had found it challenging to increase their public funding and investments, owing to fiscal space constraints and difficulties in accessing cost-effective long-term financing. As such, there was a need to carry out essential reforms, bridge gaps within the sovereign debt framework and enhance the operations of multilateral development institutions. The *Financing for Sustainable Development Report 2023* of the Inter-Agency Task Force on Financing for Development underscored the presence of significant debt-related challenges in 52 developing countries. It was critical for multilateral and commercial creditors to take immediate action and ensure that adequate assistance was provided to all developing countries in need.

84. The imposition of unilateral coercive measures was counterproductive and hindered collective efforts aimed at fostering economic recovery and development. The focus should instead be placed on enhancing the global multilateral trading system through fair and inclusive policies that enabled the achievement of the Goals. In that regard, Malaysia would continue to advocate for free and open trade. External economic shocks, rising commodity prices, climate change and geopolitical tensions had disproportionately affected the most vulnerable countries, making it increasingly vital for development partners to uphold their ODA commitments. Furthermore, SDRs should be reallocated to the countries most in need. It was crucial to maintain robust governance, transparency and accountability in the allocation and utilization of SDRs, to ensure their efficacy in promoting economic growth and alleviating poverty.

85. International investment in renewable energies had almost tripled since the adoption of the Paris Agreement under the United Nations Framework Convention on Climate Change, albeit in developed countries for the most part. That imbalance highlighted the need to focus more on assisting developing countries. It was unfortunate that over 30 developing countries had failed to attract any international renewable energy projects since 2015. The commitment by developed countries to provide $100 billion annually in climate finance could potentially help to close the climate action gap. At the same time, it was important to combat greenwashing, which could create a misleading perception of climate efforts and thereby impede progress towards achieving authentic environmental objectives.

86. The digital economy was projected to account for 25.5 percent of Malaysia's GDP by 2025. As part of its commitment to advance digitalization, her Government had introduced the Malaysia Digital Economy Blueprint, which sought to generate 500,000 jobs within the digital economy, support the establishment of 5,000 start-ups over a five-year period and attract $15 billion in new investments in the digital sector. To maintain an open and equitable digital landscape, the international community should promote inclusive digital ecosystems that facilitated cross-border trade and transactions. Her delegation welcomed the increased presence of foreign digital investments and digital entrepreneurs in Malaysia, which hoped to become a gateway to regional markets.

87. **Ms. Kardash** (Russian Federation) said that the inability of the international financial system to deal with current global challenges had been exacerbated by a reduction in global solidarity, mutual respect and equity. Existing multilateral mechanisms for cooperation on tax matters, specifically under OECD, were neither inclusive nor effective. The United Nations should play a leading role in establishing a global tax architecture and ensuring the equal participation of all States in decision-making. The creation of an effective and fair United Nations tax mechanism would help to accelerate the implementation of the 2030 Agenda. Her delegation had submitted proposals for reforming the international tax architecture to the Secretariat and hoped to actively participate in discussions in that regard.

88. The current global financial architecture catered to the interests of a small group of Western countries and did not fulfil the requirements of a multipolar world. There was a clear need to reform the Bretton Woods institutions, with a view to increasing the representation of developing countries within their governing bodies and completing the sixteenth general review of quotas by IMF. At the same time, countries that wished to pursue an independent foreign and domestic policy should strengthen their financial and economic sovereignty and reduce their dependence on the United States dollar, the euro and the payment systems controlled by the West. Some countries had adopted a policy of applying illegitimate restrictions and using the smoke-screen of a green climate agenda to exclude others from the value chain, which had fragmented the international trade system and destabilized trade and investment flows.

89. Trade was an engine of development that should be based on honest and reasonable competition, and take into account the vulnerabilities of developing countries. Special attention should be paid to the illegitimate unilateral trade restrictions applied by Western countries against Russia and several other countries. The negative impact of such restrictions on most global economies was mentioned in the *World Trade Report 2023*. According to WTO, approximately 12 per cent of world trade was currently affected by trade restrictions introduced for political reasons. It should also be noted that sanctions had an economic impact on the sanctioning States themselves, as well as on third countries, which became hostages of aggressive trade policies that violated international trade rules. The recognition of the harmful nature of international sanctions by influential organizations such as WTO gave rise to the hope that politicization would eventually be replaced by a rational approach. Her delegation expected similar objectivity from the Secretariat of the United Nations and the United Nations Conference on Trade and Development, and remained open to

discussing the methodology for measuring progress beyond GDP in the interest of all vulnerable countries.

90. **Mr. Martín Couce** (Spain) said that the international community was not on track to achieve the Sustainable Development Goals. It was therefore essential to ensure that countries had access to the finance they needed, regardless of their income levels. Development aid would continue to play an important role and ODA commitments should be increased and fulfilled. Spain had recently passed a law enshrining the goal of allocating 0.7 per cent of its GNI as ODA by 2030. Available resources should be multiplied, international taxation should be adapted to current realities and private investments should be aligned with the Goals. More enabling and transparent environments would be required to that end, together with the development of local capital markets and new instruments to foster public-private partnerships.

91. It was critical to urgently reform multilateral development banks in order to increase their lending capacity. Targeted support for concessional lending and emergency windows could improve their capacity to address global challenges and meet the needs of the most vulnerable. Innovative tools and approaches such as blended capital, hybrid capital and guarantees should be explored. The G20 pledge to channel 20 per cent of 2021 SDRs had resulted in the mobilization of $100 billion, although some members might have fallen short of the target. Spain had delivered on its rechannelling commitments and was ready to explore alternative rechannelling options, for example towards multilateral development banks. Bold action and a broader focus were needed to address the current debt crisis affecting several countries and restructure debt more rapidly, including through the effective and systematic implementation of the Common Framework for Debt Treatments. Debt service suspensions should also be offered where necessary, to provide more fiscal space to countries with debt problems.

92. Stakeholders should be proactive and lay the foundation for a sustainable future, for example by automatically including clauses on natural disaster risk, climate-resilient debt, or events such as food crises, as buffer mechanisms for countries that were particularly vulnerable to climate change. The reform of the international financial architecture was already under way, with several milestones having been reached in recent months and progress being made in ongoing initiatives. All of those initiatives should be conducted in collaboration with the United Nations system, which was the only forum in which all countries had an equal voice in the promotion of multilateral international cooperation. In view of the foregoing, Spain supported and wished to host the fourth International Conference on Financing for Development, which would be crucial for enabling policymakers at the highest level to make the promise of the 2030 Agenda a reality.

93. **Mr. Mart** (Serbia) said that his Government was implementing the 2030 Agenda through strategic documents and addressing critical development gaps through newly identified sustainable investment opportunities. Sustainable investments could be attractive to private investors and enable the achievement of both sustainability and financing objectives. With the support of the United Nations Development Programme and financing from the Department of Economic and Social Affairs, Serbia had conducted a mapping exercise to identify the investment opportunity areas presenting the greatest potential for the sustainable development of the country. The Serbia Sustainable Development Goals investor map, which had subsequently been established, was helping to engage the Government, investors, intermediaries and enterprises in unlocking private capital for development. As the second pilot country of the Sustainable Investment Promotion project, Serbia looked forward to continued collaboration in that regard.

94. Progress towards achieving the Goals had been hampered by complex and interconnected crises, and a new global commitment was required to accelerate policies, reforms and financing aimed at ending poverty, addressing climate change and bolstering inclusive growth. In times of global crises, respect for the principles of sustainable development became even more important, not only for Governments and public authorities, but also for the private sector and financial institutions. Achieving the Goals and generating financial profit should not be mutually exclusive, but should be considered as distinct elements of the same decision-making process, in the areas of investments and general commercial activities. Before the onset of the COVID-19 pandemic, it had been estimated that the Goals required $2.5 billion in financing, annually. In the wake of the pandemic, the funding gap had increased by 70 per cent. Similarly, the commitment to curb climate change required renewable energy investments to triple by 2030.

95. FDI was an important source of finance for helping to meet sustainable development commitments. Despite the challenges faced during and after the COVID-19 pandemic, his Government had managed to maintain FDI levels and had even reached a record level of FDI inflows in 2022, to the tune of 4.4 billion euros. That trend had continued in 2023, with 1.26 billion euros invested in the first four months of the year, representing

a 60 per cent increase with respect to the same period of the previous year. Those amounts clearly showed that Serbia was one of the most attractive investment destinations in the region. His Government was seeking to capitalize on that trend when defining sustainable investment opportunity areas in Serbia.

96. **Mr. Tun** (Myanmar) said that various crises and shocks had hampered progress towards achieving the Sustainable Development Goals and adversely affected the most vulnerable populations. Global emergencies had constrained countries' fiscal space, making it difficult for them to finance the Goals and advance their development agendas. As the implementation period of the 2030 Agenda passed the halfway mark and financing needs continued to grow, financing for development was key for realizing structural economic transformation and reducing vulnerability. The Addis Ababa Action Agenda provided concrete proposals for supporting development. The least developed countries needed fair financial and trade systems to recover in a resilient and sustainable fashion from recent shocks. It was also important to ensure that they had sufficient liquidity, debt relief, ODA commitments and fiscal space.

97. Between 2016 and 2021, the elected civilian Government of Myanmar had made significant strides in establishing a solid economic foundation. However, the progress made had been reversed over the preceding 31 months, as a result of the illegal military coup d'état and the atrocities and human rights violations carried out by the military junta. Consequently, approximately 2 million people had been internally displaced, over 18 million people were in need of humanitarian assistance and almost half of the population was living under the poverty line. If the situation continued to worsen, his country would not achieve the Goals and targets by 2030. The population of Myanmar needed financial assistance and support from the international community, but it was crucial to ensure that the assistance provided reached those in need, in keeping with the principles of transparency and leaving no one behind. In that regard, it was essential for all humanitarian and development partners, including the United Nations, to work with relevant stakeholders, including the National Unity Government.

98. The military junta was not capable of governing the country, managing the economy or delivering lasting peace and stability, and its rule should not be prolonged by support from the international community. There was a need to end the military dictatorship, restore democracy and build a federal democratic union, in order to stop the suffering caused by the junta's atrocities. The support of the United Nations and its Member States would be vital in that regard.

99. **Mr. Prabowo** (Indonesia) said that half of the world population was being left behind in the implementation of the 2030 Agenda, because of insufficient available resources. In that respect, the international community should consider whether resources were truly unavailable, if they were being properly channelled and if other solutions had been overlooked. Reform of the international financial architecture would certainly help to tackle global financing challenges, on the condition that the Bretton Woods institutions fully align themselves with the Sustainable Development Goals and the needs of developing countries. Furthermore, collaboration between multilateral development banks and public development banks should be strengthened, to scale up affordable and accessible international public financing and debt restructuring.

100. Building a robust domestic revenue base to support the achievement of the Goals should be a priority. International tax cooperation could be useful to that end by combating tax evasion and illicit financial flows and promoting transparency. Projects and programmes with measurable and transformative impacts should be prioritized. Monitoring mechanisms such as the monitoring exercise of the Global Partnership for Effective Development Cooperation were beneficial for ensuring the efficiency and financial impact of available resources. Developing countries should use integrated national financing frameworks to align their financial policies with the implementation of the 2030 Agenda. Indonesia welcomed the invitation to join the Strategic Advisory Group of the Joint Policy Fund to Advance the 2030 Agenda through Integrated Policy, and would seek to improve the effectiveness of the latter's programmes.

101. His Government had undertaken several innovative financing initiatives, including by issuing Sustainable Development Goals Bonds, which had significantly propelled the country towards achieving the Goals, and the world's first ever sovereign blue bonds in 2023. Other initiatives, such as a sustainable finance road map, a national green taxonomy and investor mapping, had also been critical for raising additional funds. Indonesia had also implemented the G20 Principles to Scale up Blended Finance, which focused on the interests of developing countries.

102. **Mr. Abdelaal** (Egypt) said that multiple challenges continued to prevent developing countries from getting back on track towards achieving the Sustainable Development Goals. Governments had therefore had to divert development resources away from development towards crisis management and recovery. Urgent measures, such as the reform of the

international debt architecture, were needed to ease developing countries' debt burden. Delays in addressing sustainability were associated with prolonged recessions, rising inflation and reduced spending on social safety nets, public health and education.

103. The G20 Common Framework for Debt Treatments and the issuance of SDRs by IMF had been helpful in the short term. However, the former had many shortcomings, including the slow pace of its processes, and had given rise to concerns about the downgrading of ratings. Those shortcomings appeared to have discouraged 73 eligible countries from applying, and would need to be addressed for the Framework to fulfil its purpose, including through offering automatic debt service standstills during negotiations and extending eligibility to middle-income countries in need. Unutilized SDRs should be rechannelled to developing countries and consideration should be given to a mechanism that further automated the process of issuing SDRs.

104. Existing mechanisms did not address the need for a fundamental reform of the global development finance architecture to correct structural deficiencies and prevent future financial and economic crises. In that regard, Egypt welcomed the Secretary-General's policy brief on reforms to the international financial architecture and the call for a Sustainable Development Goal stimulus of at least $500 billion each year. His delegation would work diligently to ensure that the path towards such reforms was well-defined and structured. Multilateral development banks and international financial institutions should review their practices and priorities, scale up funding and simplify access to climate finance. They should also adopt a new vision and operational model, to enhance their ability to adequately address the global climate emergency.

105. Middle-income developing countries continued to face significant development challenges, particularly as a result of multiple crises. As their incomes grew, they ran the risk of losing access to sufficient affordable financing, to meet their development needs. The United Nations system and international financial institutions should enhance their support to those countries.

106. **Ms. Dix** (United Kingdom) said that financing for development had not kept pace with its anticipated trajectory, as projected during negotiations on the Addis Ababa Action Agenda, and the time had come to take corrective action. Her delegation welcomed the financial commitments made at the recent Sustainable Development Goals Summit, which represented a significant step forward in collective efforts to identify means of implementation for the 2030 Agenda. The United Kingdom was committed to reforming the international financial system and looked forward discussions on building a bigger, better and fairer system for developing countries.

107. A bigger system would make it possible to unlock more finance from international financial institutions and the private sector. Multilateral development banks should build their capacities and release over $200 billion of additional finance over the next 10 years. At the same time, IMF should increase access to finance, especially for the poorest countries. To support the foregoing, the United Kingdom had announced two new guarantees to scale up lending by multilateral development banks. The first would unlock $1 billion in education financing and the second $1.8 billion in climate finance. Multilateral development banks and bilateral development financial institutions should mobilize more private capital and improve conditions for responsible investments, since public money would never suffice on its own. Her Government would mobilize an annual $8 billion in financing, by 2026, in partnership with capital markets and sovereign wealth funds, for co-investment projects.

108. To enable the international financial system to better respond to shocks, the United Kingdom welcomed the uptake of State-contingent debt instruments and had been the first to offer climate-resilient debt clauses in loans to pause repayment in times of disaster. Such clauses should become the norm. Under a fairer international financial system, global commitments on international tax would be fully met, so that the most vulnerable countries would not lose out on revenues due to them. For that to be possible, the Two-Pillar Solution would need to be swiftly implemented and illicit financial flows would need to be stopped. The United Kingdom welcomed the revised Financial Action Task Force beneficial ownership standards, and was committed to their implementation.

109. The international debt system needed urgent improvement amid rising debt vulnerabilities and a rapid increase in debt service payments. Progress on debt restructuring should be accelerated, including by making the Common Framework for Debt Treatments a success and advancing existing debt restructuring initiatives. Her delegation welcomed the arrangements made by Zambia in that regard. It also supported calls for an enhanced World Bank, where the poorest and most vulnerable would have a greater voice and more representation.

110. **Ms. Boma** (Zambia) said that the journey towards achieving the Sustainable Development Goals would remain challenging if the current international financial

architecture was not aligned and made fit for purpose. At the core of that endeavour was the urgent need to foster debt sustainability and significantly scale up concessional financing for developing countries. The burden of debt had consistently stifled the latter's capacity to invest in their socioeconomic development. The international community should come together to devise innovative solutions and strengthen financial safety nets. The COVID-19 pandemic had unmasked economic vulnerabilities to external shock. Mechanisms that provided emergency liquidity and support should be strengthened to build resilience and safeguard against economic downturns, including those brought on by extreme climate shocks.

111. Greater collaboration was needed to enhance international tax cooperation and increase domestic resource mobilization in developing countries. Multinational corporations often exploited loopholes in tax systems to curtail their fiscal obligations, thereby undermining the fiscal capacity of developing countries to invest in development. Just and inclusive international tax frameworks should be established to prevent base erosion and profit shifting, promote transparency and ensure that corporations contributed fairly to the societies in which they operated. Value should be taxed where it was created, especially in an increasingly digitized world. Private finance played a catalytic role in the pursuit of a sustainable and equitable future, and innovative ways of incentivising private capital should be found, including through blended finance and impact investment, to bridge existing gaps in the implementation of the 2030 Agenda.

112. The credibility of the multilateral trade system was under threat as a result of geopolitical conflicts, such as the prolonged conflict in Ukraine, which had affected grain, fertilizer and other supply chains. The protectionist measures imposed by some Member States during the COVID-19 pandemic were still in place and continued to hinder fair trade. Zambia called on those Member States to safeguard the credibility of the multilateral trade system and honour their commitments to the WTO rules-based trade system.

113. The development finance landscape should recognize the special circumstances of developing countries, especially in Africa, and offer them better lending terms. Climate shocks had a real impact on economic growth and development, and no country should have to choose between climate conservation and the well-being of its population. Financing for climate adaptation should therefore be increased. Member States should support resolutions that called on developed countries to ramp up the provision of special and differential treatment to the least developed countries. The tightening of monetary conditions in developed countries had driven up the cost of finance and triggered adverse spillover effects in developing countries, such as currency depreciation and increasing debt service costs, which should be taken into consideration by development partners.

114. **Mr. Hermida Castillo** (Nicaragua) said that, given the major crises that had been provoked by the current capitalist financial system, the time had come to create a new, multipolar international economic model based on inclusion, social justice, solidarity and respectful equality among all States and Governments, with a view to eradicating poverty in all its forms. Financing was crucial for development, and international financial systems should provide greater access to finance, in an equitable and inclusive manner, to developing countries. Developed countries should also honour their unfulfilled ODA commitments. There was an urgent need to implement action-oriented policies and governance arrangements aimed at reforming the international financial architecture, scaling up financing for development and taking into account the needs and demands of developing countries. Furthermore, the multilateral financial system should promote fair monetary policies to ensure adequate support for the many developing countries that continued to face serious debt-related challenges.

115. South-South and triangular cooperation were indispensable tools, as they contributed to the implementation of the 2030 Agenda. However, those modalities were not a substitute for North-South cooperation, which should be guided by the principles of solidarity, consensus, equity, mutual accountability, non-conditionality, reciprocity and non-interference. In that context, the right to development and capacity to respond to multiple global crises of more than 30 States were negatively affected by the imposition of illegal and terrorist unilateral coercive measures by imperialist and neo-colonialist countries. Over 2 billion people suffered the harmful consequences of such harmful measures, on a daily basis. Nicaragua continued to reject and condemn those illegal measures, and called for them to be lifted immediately. Those responsible for imposing illegal and terrorist sanctions should explain how the international cooperation and solidarity that they so often championed were being promoted to address the multiple crises.

116. His Government had adopted a national anti-poverty and human development plan for the period 2022–2026, with the aim of guiding public management through transformative policies, strategies and actions, achieving economic growth and defending the rights of the population. The Nicaraguan economy had continued

to grow over the preceding year, owing to the implementation of an appropriate macroeconomic policy framework and sound economic principles, the strengthening of the export base, the increase of remittances and FDI, and the balancing of monetary stability and economic growth.

The meeting rose at 6.05 p.m.