



**NATIONAL STATEMENT BY THE PERMANENT REPRESENTATIVE OF
THE KINGDOM OF LESOTHO TO THE AFRICAN UNION**

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**DELIVERED DURING THE FIRST SESSION OF THE FINANCING FOR
DEVELOPMENT PREPARATORY COMMITTEE**

ADDIS ABABA, ETHIOPIA

22 JULY 2024

Co-Chairs

It is with great honor and privilege that I address this First Session of the Financing for Development Preparatory Committee. This forum is both important and timely as it comes at the critical time when developing countries face significant challenges that hinder their progress towards achieving the SDGs. Therefore, this session sets the stage by reforming our financial strategies for the 4th International Conference on Financing for Development which will also in turn turbocharge implementation of the 2030 Agenda.

Co-Chairs

Countries in special situations like Lesotho are still reeling from the adverse impacts of the Covid-19 pandemic, effects of Climate Change, debt challenges, and the seemingly prevalent geo-political tensions, which have all affected their trajectory in achieving the Sustainable Development Goals.

Alarming, the Kingdom of Lesotho's efforts to mobilise resources for the implementation of its development frameworks is hampered by the decline in Foreign Direct Investment (FDI), and Official Development Assistance (ODA) which continues to be an important source for Lesotho's budget.

The Financing for Development Report 2024 reveal that despite efforts to advance development financing across the action areas of the financing for development agenda over the past two decades, developing countries are today faced with large unmet financial needs, and a financial architecture unable to close these gaps in an ever more crisis prone world.

Towards this end, the Kingdom of Lesotho would like to echo the following proposals to address financial challenges of developing countries, and for acceleration of the implementation of the SDGs.

Firstly: Reports reveal that in sub-Saharan Africa, debt servicing consumed nearly half of all government revenue in 2023, therefore with these severe fiscal challenges arising from rising debt some of the measures that could be explored could include inter-alia promotion of debt sustainability and exploring debt relief.

Secondly: Scaled up efforts are needed for FDI as it has substantially decelerated since the third international Conference on Financing for Development in 2015.

Thirdly: We call on the reform of the International financial architecture, and multilateral development governance reform to be fit for purpose, and to add the voice of developing countries in their decision making.

Fourthly: As financing is fuel of development, we underscore the importance of scaling up concessional financing resources in order to meet SDG financing needs.

Fifthly: Support in domestic resource mobilization is greatly needed in vulnerable countries such as Lesotho.

Co-Chairs

The list of proposals and recommendations is endless, but let me conclude by highlighting the need for voicing out the operationalization of a new funding arrangement for responding to loss and damage for vulnerable countries to the adverse effects of climate change.

I thank you for your attention!