

**STATEMENT BY MR VIVEK GANESH, FIRST SECRETARY,
PERMANENT MISSION OF SINGAPORE TO THE UNITED NATIONS, AT
THE FIRST SESSION OF THE PREPARATORY COMMITTEE OF THE
4TH INTERNATIONAL CONFERENCE ON FINANCING FOR
DEVELOPMENT, 22-26 JULY 2024, ADDIS ABABA, ETHIOPIA**

Distinguished Co-Chairs,

1 Singapore aligns itself with the statement delivered on behalf of the Group of 77 and China. We gather here again nearly a decade after we adopted the ambitious Addis Ababa Action Agenda. However, we find ourselves facing a widening financing gap of \$4 trillion annually, a 7% drop in Foreign Direct Investments (FDI) to developing countries in 2023, a decline in net receipts of Official Development Assistance (ODA), and payments to Multilateral Development Banks (MDBs) exceeding the net inflow of financing to developing countries. This is deeply troubling.

2 We can no longer question the need for reform of the international financial architecture. Financing for development after all is financing for the future. This means reorientating how we approach partnerships and investments in global public goods and including developing countries in the decision-making process. I would like to make three points:

- (a) **First**, we must urgently alleviate the debt servicing cost for developing countries. Virtually no financing is concessional if countries are saddled with a ‘catch-22’ between funding health and education or paying their debts.

(b) **Second**, we are not short on private finance. However, private finance tends to overprice risk. So, public finance needs to be used effectively to mitigate such risk, as well as crowd in more private finance. This requires a compact rooted in the basis that investing in developing countries' sustainable development is an investment in everyone's interests. This also requires recalibrating how creditors and credit rating agencies evaluate risk.

(c) **Third**, an external enabling economic environment must go hand in hand with governments doing their part to strengthen their domestic systems and absorptive capacity for such financing. This means progressive tax systems supported by strong tax administrative capabilities, accountable and prudent public finance systems, and deliberate investment in global public goods domestically. But governments cannot do this alone and that is why long-term, predictable, and more responsive concessional financing is needed. The task of the international financial institutions and MDBs is to leverage the space between global public goods and national development – to incentivise governments and national banks to invest in the former when they receive concessional finance for the latter.

Co-Chairs,

3 We stand at an inflection point to build momentum towards a truly ambitious FFD4. But momentum will require political capital and a resharpened focus on the practicality and durability of changes that developing countries,

especially small island developing states, are calling for. Most of all, it will require us all to pull in the same direction and demonstrate solidarity. In this spirit, we look forward to engaging constructively on the road to FFD4.

4 Thank you.

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