



**STATEMENT OF THE GROUP OF 77 AND CHINA
AT THE THIRD SESSION OF THE PREPARATORY COMMITTEE FOR THE FOURTH
INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT DURING ITS
CONSIDERATION OF THE DRAFT OUTCOME DOCUMENT OF THE CONFERENCE:
DOMESTIC PUBLIC RESOURCES
TUESDAY, 11 FEBRUARY 2025**

Co-Facilitators,

The Group acknowledges the significance of the chapter on *Domestic Public Resources* as a cornerstone for achieving the Sustainable Development Goals (SDGs). We are considering the inclusion of specific commitments that align fiscal systems with sustainable development priorities, as highlighted in paragraphs 28 and 29, while emphasizing the need to account for different national circumstances, priorities, and capacities.

The Group also appreciates the focus on reducing *illicit financial flows* and promoting *fiscal transparency*, as outlined in paragraph 31. Combating tax evasion and corruption is fundamental to ensuring that financial domestic resources are effectively mobilized for development. Furthermore, we acknowledge the emphasis on strengthening *national development banks*, mentioned in paragraph 32, as these institutions are pivotal in driving sustainable investments and supporting national development strategies.

However, the Group of 77 and China has several concerns regarding the current scope and depth of the draft:

- 1- We are concerned about the limited approach to *international support* for building institutional and human capacities, as noted in paragraph 29(j). While the draft acknowledges the need for capacity-building, it falls short of providing detailed, practical measures that can effectively address the capacity gaps faced by many developing countries. Stronger commitments and clearer frameworks for international cooperation are essential to support countries in enhancing their domestic resource mobilization capabilities. In addition to that we need to ensure not to overburden developing countries with climate mitigation.
- 2- The draft provides only a cursory mention of mechanisms to catalyze *private investments*, particularly in paragraph 30(h). The Group believes that robust, innovative frameworks are needed to attract and sustain private sector engagement in development financing. Public-private partnerships, blended finance strategies, and incentives for sustainable investment should be more explicitly addressed to ensure that private resources are effectively mobilized to complement domestic public resources.

Thank you.