

Statement by LDCs at the third PrepCom of FFD4

1. A global financing framework

Distinguished co-facilitators,

I align with the statement delivered by the G77 and China.

Let me highlight some points on behalf of the Least Developed Countries (LDCs).

The "Global Financing Framework" section is of paramount importance as it establishes the foundation for the outcome document and contains vital elements for LDCs. While we appreciate the renewed focus on this framework, current commitments remain inadequate to address systemic failures disproportionately affecting LDCs. With only 5 years left to achieve the Sustainable Development Goals (SDGs), we propose critical enhancements to align this framework with the urgent needs of the 44 LDCs, where over 32% of the population lives in extreme poverty.

The draft correctly identifies that SDG progress is "severely off track," with only 17% of the SDGs on track globally. LDCs bear the brunt of widening financing divides. We support retaining language on the need for "transformative change" to reform the international financial architecture. We call for reflecting the SDG stimulus and advancing it in the first section.

We also call for more emphasis needs to be placed on commitment to eradicate poverty in all its form and dimension.

While the emphasis on INFFs (paragraph 7) aligns with DPoA paragraph 29, 78% of LDCs lack the capacity to implement INFFs without technical and financial support.

Recognition of climate impacts as "formidable challenges" (paragraph 22) is crucial, given that LDCs face climate-related losses averaging 9% of GDP annually despite contributing less than 1.5% of global emissions.

While paragraph 5 calls for a "large-scale investment push," LDCs require a binding target to significantly scale up global climate finance from current levels.

We fully support provisions for reforming IFIs (paragraph 6). However, we need a strong call to increase concessional finance provisions, including IDA, for LDCs.

We appreciate and support paragraph 10 which recognizes the importance of addressing specific challenges of the countries in special situations including the least developed countries.

Provisions in paragraph 14 on social protection commitments should be strengthened with universal coverage targets in LDCs by 2030, supported by adequate financing.

Currently, only about 14% of the population in LDCs are covered by any form of social protection.

While paragraph 21 acknowledges infrastructure gaps, LDCs need enhanced support for infrastructure finance, especially from Multilateral Development Banks (MDBs), including through scaled-up SDR allocations channeled to LDC infrastructure projects.

We support the reference to digital technologies and AI as potential drivers of structural transformation. However, LDCs are unable to benefit from the digital and AI revolution due to a serious and widening digital divide. The Global Digital Compact and the global AI fund must be called for being implemented with priority, adequate funding, and technology transfer to LDCs in this section.

Strong reference to debt distress is crucial, as nearly half of LDCs are either in debt crisis or at high risk. This challenge needs to be addressed through debt relief, debt swaps, and GDP-linked debt instruments.

Full employment and decent work are vital. With 226 million youth in LDCs (DPoA paragraph 25), we need 20 million new jobs annually. Moreover, with 65% of LDC employment dependent on agriculture, this sector needs strong focus in the document.

The draft should recognize that the current global development landscape with the ongoing recovery from the COVID-19 pandemic, compounded by food and energy crises and geopolitical tensions, has severely exacerbated the challenges faced by LDCs. These multiple, overlapping crises have reversed years of development progress, with LDCs experiencing disproportionate economic contractions, rising poverty and food insecurity, and widening inequality gaps.

Moreover, the current geopolitical instability has led to surging food and energy prices, placing additional burdens on LDC economies and threatening to push millions more into extreme poverty. These compounding crises underscore the urgent need for enhanced international support and solidarity to help LDCs build back better and more resilient economies.

In closing, the current Financing for Development (FFD) framework must deliver strong and unwavering promises of scaled-up support, especially for LDCs, to ensure the fulfillment of the 2030 Agenda and SDGs.

We stand ready to engage in crafting actionable commitments that match the scale of LDCs' needs.

Thank you co-Facilitators.