**Pakistan Statements for 3rd Session of the Preparatory Committee for Financing for Development**

**Global Financing Framework (paragraphs 1-27)**

Distinguished co-facilitators,

We align with the comments delivered by Iraq on behalf of G77 & China. Allow us to add the following in our national capacity

* First, there are a few key missing principles in the preamble, such as CBDR and Right to Development. We echo the proposals of the G77 & China in this regards.
* We similarly echo the proposals of G77 & China on policy space, which is from Addis.
* Paragraph 11 on the role of the United Nations in Global Economic Governance must be further strengthened. We echo the G77’s call for the removal of the reference to independent mandates, as this puts an unacceptable caveat on the role and authority of the UN.
* We also request the addition of language in this paragraph on reinvigorating the United Nations system as fundamental to the promotion of international cooperation for development and to a global economic system that works for all, taking inspiration from paragraph 67 from the Monterrey Consensus.
* On Paragraph 19, there are several problematic issues.
  + We request that the first sentence be replaced with the agreed formulation from the 2030 Agenda as follows ‘Realizing gender equality and the empowerment of women and girls will make a crucial contribution to progress across all the Goals and targets.’.
  + We request the deletion of the reference to ‘we acknowledge the importance of an intersectional approach’.
  + We request the inclusion of women’s economic empowerment after the reference to mainstreaming gender equality.
  + Lastly, we request to replace ‘gender disparities’ with the phrase ‘ barriers hindering women’s full economic potential’.
* We echo the G77 call for a dedicated paragraph on the eradication of poverty as the greatest global challenge. We suggest that paragraph 4 of the HLPF 2024 outcome document be used as the basis.
* We support paragraph 21 on infrastructure and would suggest including language on the fact that investing in sustainable and resilient infrastructure, including transport, energy, water and sanitation for all, is a pre-requisite for achieving many of our goals, inspired from Addis.We also suggest that a reference to middle income countries be added to the listing of developing countries.
* On paragraph 22, we express our support to the reference to providing new and additional financial resources.
* On paragraph 25, we are concerned by the focus on only one aspect of SDG 16, that is corruption, noting that this was not included as a cross cutting issue in Addis. We request you to re-visit this paragraph in its entirety to have a more balanced approach in the Rev-1 to also address other relevant issues from SDG 16, such as illicit financial flows. One possible solution we can offer is shifting paragraph 8 down into this section.
* On the whole regarding the section entitled ‘realizing sustainable development’. Perhaps the best way would be to have paragraphs on each SDG, because we need to have a criteria on which issues should get standalone paragraph. If we start singling out specific targets from certain SDGS, it could lead to a never-ending exercise.
* We have concerns on the treatment of climate throughout this text, as we want to avoid a rewriting of the UNFCCC and its Paris Agreement. For example, we have heard proposals to caveat technology transfer relating to climate, however, we would stress that the caveat of ‘mutually agreed terms’ has not been used in the Convention or its Paris Agreement.
* We also have concerns on the utilisation of non-consensual terms throughout the document. We request that as a matter of principle, the standard 2030 Agenda formulation of ‘people in vulnerable situations’ be utilised and whenever we have a listing, we request that the FFD listing be utilised as follows ‘ sex, age, geography, income, race, ethnicity, migratory status, disability, and other characteristics relevant in national contexts’ as was done in Addis Ababa Action Agenda paragraph 126.

**Domestic Resource Mobilization**

* Coming to paras 28 and 29. We support the general balance of paragraph 28 as you have drafted. There needs to be a balance between domestic resource mobilisation and international support.
* Overall, we feel that this section is overly prescriptive.
* In paragraph 29, we do not support the singling out of gender and climate considerations.
* In paragraph 29 (b), we request for clarity on which standards we are referring to.
* In paragraph 29 (e), we believe that the issue of national sovereignty should not only apply to this paragraph but to the entirety of actions referenced in paragraph 29
* In paragraph 29 (f), we suggest the addition of ‘in line with national circumstances and priorities.
* In paragraph 29 (g), we request the deletion of the listing of options as we find it overly prescriptive. We also request the addition of the principle of CBDR and efforts to eradicate poverty.
* In paragraph 29 (k), we request the deletion of the reference to ‘aiming to reach ratios of at least 15%’ as there is no one size fits all solution. Instead, we suggest that the co-facs explore a specific quantitative target of capacity building support to be provided, rather than imposing a uniform tax target on all developing countries. For example, the proposal just made by the African Group to allocate 10% of ODA to supporting tax administration.
* In paragraph 30 (a), we request that the reference to frameworks be deleted and the focus be on ensuring that international tax cooperation is beneficial to all parties, in order to ensure their participation on an equal footing.
* We support paragraph 30 (b), (c), and (d).
* In paragraph 30 (e), we propose the addition of ‘countries facing specific challenges’ in the listing and suggest that the paragraph contain an outright commitment to establishing a global beneficial ownership registry rather than simply further evaluating.
* In paragraph 30 (g), we request the addition of financial assistance and request that the paragraph’s focus be shifted away from the two pillar solution to instead the provision of support for developing countrie to meaningfully participate in ongoing negotiations on the UN framework Convention on International Tax Cooperation.
* In paragraph 31 (b), we support the reference to an ECOSOC Special Meeting on Financial Integrity. We suggest that the scope of the meeting be expanded to include developing norms and standards, undertaking peer review, coordinating action on financial integrity and developing and exchanging best practices. Furthermore, we propose requesting ECOSOC, through an inter-governmental process open to all Member States, to determine the modalities for this meeting.
* We support paragraph 31(d).
* We ask for deletion of the reference to FATF standards in paragraph 31 (e).

**Domestic and international private business and finance**

* We align with the statement delivered by Philippines on behalf of the G77 & China. It is clear that the private sector has not delivered as per expectations,
* when we consider investment barriers, we must consider barriers at the global level, whereas the current chapter has an overwhelming focus on domestic measures.
* We support the reference in paragraph 33 to ‘global enabling environment’
* In paragraph 34 (b), we request the deletion of the second and third sentence as we feel that there is a selective approach to the listing of factors for a business enabling environment, with an overwhelming focus on the domestic aspect. Moreover, we are not sure what the value of a model framework on this issue would be is.
* In paragraph 34 (c), we believe that there should be more evidence that these financing instruments work for developing countries before we give a broad mandate to implementing them. Hence, we request its deletion.
* We support paragraph 34 (d), in particular the need to review the possible unintended consequences of regulatory and prudential frameworks on MSME lending in developing countries and explore the use of MSME carve-outs.
* In paragraph 34 (g), we propose that the standard 2030 Agenda formulation of people in vulnerable situations be utilised.
* Under 35 (a), we believe that we should explore the establishing an Investment Readiness Accelerator under UN auspices to scale up investment-related support **for all** developing countries. Current proposals in the text exclude some developing countries. We had made a similar proposal in our submission to the elements paper.
* We fully support 35 (g) and cannot accept its deletion from the Rev-1 without the opportunity for more rationale and more feedback. The need for the International Finance Corporation to scale up the use of the International Development Association Private Sector Window is key and hence we request for the retention of this paragraph in Rev-1.
* We fully support paragraph 35 (i), on the proposal for MDBs to provide enhanced technical assistance in a coordinated manner, including through the establishment of a Pooled Technical Assistance Platform, to help developing countries, particularly countries in special situations, originate, prepare and support high-impact infrastructure projects. We believe that proposal for a pooled technical assistance platform is one of the most action oriented proposals in this entire section. We suggest strengthening 35 (I) in the following three ways:
* First, we need a timeframe for this call, as otherwise there is a chance that this call will not be taken on board by MDBs.
* Second, we believe that the UN, through its development system and country offices, could also play a role with MDBs in providing such support. Hence this paragraph should have a reference to the UN system as well.
* Third, instead of focusing on just single projects, we suggest the co-facs consider whether this platform could support developing countries in preparing portfolios of high impact infrastructure projects.Moreover, we suggest that middle income countries be added to the listing.
* We fully support 35 (K). We do not just need transparency, but rather we need to work with stakeholders to re-evaluate credit rating methodologies and existing financial regulation. Hence the proposals made to refocus this paragraph on only transparency, without any evaluation, is not acceptable to us.
* In paragraph 36, we are still considering the various proposals in its sub-actions. However, we are concerned that the subsection on sustainable business and legislation could burden developing countries, without necessarily mobilising private investment. We fully share the concerns raised by AOSIS and other delegations on paragraph 36 (e) on International Sustainability Standards Board and the Global Reporting Initiative and on the taxonomies.
* We have concerns regarding the commitment to standardize blended finance instruments, as different developing countries have their own special circumstances. We would be fine with deletion of this paragraph.

**International Development Cooperation**

* We align with the statement delivered by Iraq on behalf of the G77 & China.
* In my national capacity allow me to add the following:
* We support the reference in paragraph 37 that development cooperation has shifted away from long term investments in sustainable development and poverty eradication.
* We echo the G77 & Chinas proposal on paragraph 38 (a), 38 (b), the proposal for a multilateral process on defining parameters and objectives of ODA and lastly deleting paragraph 38 (d).
* There can be no backtracking on long-standing commitments.
* We would not support singling our certain SDGs in the ODA section. We believe that the proposal for developing an indicator to measure the share of ODA programmed at country level and focused on long-term sustainable development, including by sharing the increase of budget support in ODA it’s important.
* We are supportive of proposals aimed at expanding the section on access to concessional finance and would be supportive of a dedicated standalone section on ‘scaling up of and expanding access to grants and concessional finance’. Such a section could include the G77 proposal for increasing portion of grants in ODA, the proposal to utilise measures of progress that go beyond GDP, and the MVI.
* We are concerned by the overemphasis on the environmental dimension of sustainable development in the IDC chapter. We request that the co-facilitators include some criteria on which environmental issues will be highlighted here (for example, those areas which possess their dedicated finance regimes, such as climate and biodiversity).
* On the section on financing for climate, biodiversity and ecosystems, we require an explicit recognition that climate finance is new and additional to ODA and would not support any language which could justify double counting (such as synergies etc). We would also not support any rewriting of COP decisions in this section.
* On the development cooperation architecture section, we appreciate the efforts to add coherence into the international system through the strengthening of the development cooperation forum. However, we remain unclear on how this strengthening will take place. Hence we suggest that we request ECOSOC, through an inter-governmental processes, to determine the modalities of a revitalised DCF, including how it can be better utilised to deepen exchange, monitor delivery and promote learning and sharing of experiences.
* In line with the G77 position, we would also request the deletion of references to non-UN forums, such as TOSSD and GPED

**International Trade as an engine for development**

* We align with the statement delivered by Iran on behalf of the G77 & China.
* We echo the G77 & China’s request to ensure that the qualifiers applied to the multilateral trading system are consistent throughout the text.
* We request that the language in paragraph 43 (d) should be aligned with the WTO on ‘net-food importing developing countries’.
* We request the deletion or rewriting of paragraph 43 (e), as we believe that this mandate does not fall within the remit of the WTO DG.
* We propose the addition of an additional paragraph containing a commitment to work towards ensuring that trade agreements incorporate reasonable, inbuilt and readily available flexibilities for developing countries to address crisis situations, thereby promoting resilient and sustainable development within the WTO framework.
* We support paragraph 43 (g) as drafted
* We support paragraphs 43 (h) and (i). However, we believe the language on reform of mechanisms for investor-state dispute settlements in trade and investment agreements needs to be made more action oriented, perhaps through proposing the creation of a working group under UN auspices towards this end.
* We also support 43 (i), as UNCTAD plays a key role in providing developing countries with capacity building support on reform of old investment treaties. We would propose that the language be further strengthened by calling for scaling up efforts.
* We further propose that a standalone paragraph on committing to establish an advisory support service for developing countries for international investment dispute settlements needs to be added.
* Lastly, we believe that rather than only consider, ECOSOC should assess the impact on sustainable development of UCMs.
* We support paragraph 43 (j).
* We request the deletion of 46 (b). It is unclear to us as to why one proposal from the SGs panel on critical panels was singled out in the FFD document. Moreover, we believe this mater is outside the remit of FFD. Instead, we propose that we focus on recommendations for enabling critical minerals producing countries to benefit from value addition activities.
* We support 44 (c) as drafted, as it is verbatim from Addis and would not support changes to it.

**Debt and Debt Sustainability**

* In 2022, developing countries faced a net resource outflow, with them paying $49 billion more to their external creditors than they received in fresh disbursements. If FFD4 can agree to an ambitious and meaningful solutions, and not superficial solutions, to the debt crisis facing developing countries, we believe that it would count as a success.
* We completely agree with Philippines on behalf of LMG MICS, African Group, AOSIS, Bangladesh on behalf of LDCs on how the beginning of this section is imbalanced. There is clearly a selective rewriting of the Addis Ababa Action Agenda to put the burden on developing countries.
* All categories of developing countries are facing severe debt distress, thus the section needs to have a better reflection of the challenges being faced by middle income countries.
* These are the key issues we need retained and strengthened in the Rev-1: principles for sovereign borrowing and lending, a global central debt data registry, the creation of a borrower platform, a model law on debt restructuring, reforming the G20 Common Framework, an institutional facility to provide debt servicing support, and revising debt sustainability analysis.
* Allow us to highlight how these can be be strengthened
* On 48 (a) on the working group, like other developing countries have proposed, it needs to be set up in consultation by member states, and its outcome needs to be submitted to the GA for consideration. We propose it be submitted by the 80th session
* We do support 48 (c), on creating a single global central debt data registry but we need to be clear on where it would be placed. We do not support on focusing on existing initiatives in this regards.
* We support 48 (d), (e), (f).
* 48 (g), if we can only encourage the creation of platforms, it is meaningless. Let us commit to establish a platform for borrower countries outright here. There is no one universal platform as yet like this.
* On 49 (b), we believe that this should not be placed ‘within an existing facility of an international financial institution’. We believe that many of the functions suggested for this facility could be provided by our proposal for a sovereign debt authority instead.
* 50 (b) needs to be more direct. A commitment to develop a model law on debt restructuring.
* 51 (a), it needs to be strengthened.We have heard that sometimes debt restructuring are delayed because countries don’t apply due to fear of adverse impact on their ratings. Yet, at the some time we are being told to respect the independence of credit rating agencies and to not propose any substantive changes.
* Lastly, let me come to the most important point for us. We believe all the different proposals made in this section will culminate in paragraph 50 (e): an intergovernmental process at the UN, where developing countries can participate on an equal footing, to take forward this different parts of a new sovereign debt architecture. We propose that 50 (e) be made more direct – with an outright commitment to an intergovernmental process for a restructuring mechanism and a sovereign debt authority. We request the deletion of the reference to building on ongoing efforts, as we do not want to simply repackage or endorse existing work.
* The multilateral sovereign debt workout mechanism would provide a forum for negotiating the borrowers proposed restructuring plan, requiring approval by creditors. It would have standardised timeframes and process guidance once a borrower initiates a restructuring process.
* The global debt authority would oversee the sovereign debt workout mechanism by providing the following functions: technological support for debtors during negotiations, advice on tools to incentivise creditors participation, technical support on data transparency and debt sustainable assessment frameworks, and providing support for strengthening contractual/legislative provisions to standardise debt restructurings.
* The UN does have a mandate to initiate such a process. Developing countries cannot be told on the one hand that we cannot discuss new initiatives under the UN, and on the other be told that we cannot prescribe how to improve existing frameworks. Such comments are a clear attempt to ensure that the status quo remains, and that the 2030 Agenda remains forever out of reach

**Addressing systemic issues**

* We echo the G77 call for deleting the reference to independent mandates and governance bodies.
* We support 54 (a), 54 (b), 54 (c), 54 (d), 54 (e) and echo the G77 call for the language on these to be strengthened.
* We support 55 (a) regarding an ECOSOC dialogue with credit rating agencies.
* we also propose the addition of a commitment to establishing an international public credit rating agency under the auspices of the UN.
* In paragraph 56 (a), we recommend that the FSB present their findings at the ECOSOC FFD Forum for ‘consideration’.
* In paragraph 57 (a), we request that the paragraph be rephrased to inviting the BIS to discussions under ECOSOC on how to create central bank digital currencies.

**Science, technology, innovation and capacity building**

* In paragraph 59 (c), we request the addition of a commitment to future agreements on technology transfer, aligned with the SDGs, aimed at offering developing countries preferential access to technologies. We also propose the addition of a commitment to review the intellectual property regime in order to align it with sustainable development, including by exploring further flexibilities.
* In paragraph 59 (j) we request that that the interagency task team on STI for the SDGs also be requested to provide recommendations to overcome these obstacles.
* On paragraph 61 (b) we request that the language be aligned with the 2030 Agenda.
* We request the deletion of 61 (d) as we do not want to pre-empt ongoing negotiations on the AI Dialogue
* On paragraph 64 (a), we request that the listing of disaggregated data be consistent with FFD outcome documents.

**Monitoring and follow-up**

* We align with the statement delivered by Singapore on behalf of the G77 & China
* On data, we request that the listing be removed from paragraph 63 of disaggregated data and statistics, or that the formulation be with paragraph 126 of Addis Ababa Action Agenda.
* 64 (a) needs to have a consistent listing as we have highlighted in our opening remarks.
* For our delegation, this section depends entirely on the outcome of negotiations on the rest of the document.
* A robust monitoring mechanism can only be agreed to if we have robust and time bound commitments, which are measurable.
* 64 (a)
* We are still in the process of examining proposals regarding the deepening of substantive discussions at the ECOSOC FFD Forum, and preliminarily could consider being flexible on the proposals in 65 (b)
* However, we reiterate our request for the deletion of 65 (a) regarding the request to the IATF on FFD to propose a concise set of financing indicators. An indicator framework for this document would only be useful if the document resulted in measurable outcomes. The current document contains only 6 numerical targets and 6 timebound targets, and half of these are pre-existing commitments. It is not clear to us how many or which ones of the current aspirational commitments would be translated into measurable indicators, for example commitments to ‘align fiscal systems with sustainable development’, or ‘we stress the importance of providing support to developing countries to negotiate commodity contracts’. We believe this would inevitably involve a subjective exercise of picking and choosing which commitments to monitor and a subjective exercise of the best way to measure them. We do not believe it is the mandate of the IATF to undertake this subjective exercise.
* We also request the deletion of 65 (e) on inviting countries to present Financing Action Reviews. It is not clear to use how such reviews would be structured, and how they would build on INFFs.
* By their very nature, national reviews built on INFFS would focus only on domestic issues. Hence, we fail to see how we would peer review progress on the international dimension of the commitments being made in this document, again for example, progress in restoring the WTO dispute settlement mechanism, progress in MDB capitalisation, progress in debt restructuring, progress in reducing mechanistic reliance on credit ratings etc.
* Developing countries already face significant reporting burdens in other processes. We should not put an overemphasis on domestic reporting in the follow up of this document, which would result in an overwhelming focus on the domestic measures of developing countries and would result in a lack of adequate focus on the international dimension.
* We do agree with delegations on the importance of accountability and a strong follow up, but echoing a comment made on the first day- promises without timelines are empty.
* We believe that paragraphs 65 (a) and 65 (e), with the current document, would result in only overemphasising the domestic level and overburden developing countries, while not enhancing accountability for the measures to be taken at the international level.
* Considering that this is our last statement, we would thank the co-facs and co-chairs for their efforts over the last few days.