

**Second Preparatory Committee ahead of the fourth International  
Conference on Financing for Development - General Debate**

**National Statement by Latvia, 3 December 2024**

**Delivered by Deputy Permanent Representative Mr Oļegs Ilgis**

Mr Chair,

Latvia aligns itself with the statement made by the European Union and would like to add the following remarks in our national capacity.

Let me start by thanking the co-facilitators Norway, Nepal, Zambia and Mexico - for the presented Elements Paper. It is an important milestone on our road to Seville next summer. Let me share our main focus areas.

Firstly, this is an opportunity to **demonstrate our commitment to listening to, understanding, and addressing the needs of the** countries in special situations, particularly African countries, LDCs, LLDCs, and SIDS. It is clear that a **reform of the international financial architecture must be brought forward.**

Secondly, in the face of global challenges, Multilateral Development Banks are scaling up their lending capacity. To implement the SDGs and scale up climate finance, substantial financial resources are crucial. All stakeholders – MDBs, donors and borrowers have pivotal roles to play and high expectations to meet.

Thirdly, we **support enhancing MDBs' financing capacity to support developing countries** by further implementing the G20 Capital Adequacy Framework recommendations and utilizing the Balance Sheet Optimization measures. Latvia, as the first signatory of the World Bank's hybrid capital, has led the way in innovative financial instruments. This

initiative leverages the Bank's resources for greater development outcomes and serves as a bridging mechanism towards future capital increase.

Mr. Chair,

Low-income countries are the most affected by global challenges. The need for ambitious IDA21 replenishment is evident. Answering our developing partners' call for stronger IDA21 contributions, **Latvia proudly steps up with a 60% increase, driving ambitious goals for transformational development. We urge others to follow suit.**

Furthermore, we anticipate MDBs leadership in assisting borrower countries with targeted structural reforms to mobilize their own resources. MDBs can help boosting own domestic resources and, at the global level, help introduce taxation for high-net-worth-individuals while safeguarding the poorest populations.

Our joint efforts can enhance MDBs' capacity to support developing countries, achieve the SDGs, and address climate financing needs.

Latvia welcomes the proposed **Multidimensional Vulnerability Index and its inclusion in the elements paper**. We invite other development institutions to consider its application to strengthen resilience of the most climate effected developing nations.

**In conclusion**, Mr Chair, we believe that the FFD4 process and strengthened FFD agenda should build trust in multilateral cooperation by **bringing to the fore inclusiveness, transparency and leaving no one behind**. You can count on Latvia's active engagement.

I thank you.