



STATEMENT

BY

**H.E. AMBASSADOR GODFREY KWOPA,
DEPUTY PERMANENT REPRESENTATIVE
THE REPUBLIC OF UGANDA**

TO

**THE UNITED NATIONS
ON BEHALF OF G77 AND CHINA**

AT

**THE SECOND SESSION OF THE PREPARATORY
COMMITTEE FOR THE FOURTH INTERNATIONAL
CONFERENCE ON FINANCING FOR DEVELOPMENT**

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**Distinguished Co-Chairs,
Excellencies,
Distinguished delegates,**

I have the honor to deliver this statement on behalf of the Group of 77 and China. Allow me to commend the PreCom bureau members led by Co-Chairs and the UN Secretariat for their valued contributions in preparing for this session.

Excellencies,

The fourth international conference on Financing for Development (FFD4) will take place at the critical time when developing countries continue to face limited fiscal space constraining their respective national efforts to implement bold actions to support the pursuit of their national development goals, accelerate the implementation of the 2030 Agenda for Sustainable Development and achieve sustainable development. Financing remains a key driver in the achievement of the sustainable development, including the Sustainable Development Goals.

The G77 and China emphasizes that the outcome document of FFD4 should focus on addressing the financing challenges that developing countries face, including sustainable development goals financing and investment gap, which is currently estimated between USD 2.5 trillion and 4 trillion annually. This widening financing in developing countries is heightened by, inter alia; elevated debt burdens, rising illicit financial flows, trade protectionism, unilateral coercive measures, outdated international financial architecture and adverse impacts of climate change. We reaffirm our long standing position that achieving sustainable development, including the Sustainable Development Goals requires new, additional, quality, adequate, sustainable, and predictable financing.



Excellencies,

The Group stresses that addressing the limited fiscal space in developing countries requires closing financing and investment gaps at a scale and with urgency. The Group emphasizes that urgent actions to address the limited fiscal space and accelerate the implementation of the 2030 Agenda and achievement of sustainable development in developing countries should include, inter alia:

- a) Urgent reform of the international financial architecture to close the SDG financing gap, including international financial institutions and multilateral development banks governance reform, especially of IMF and the World Bank, to broaden and strengthen the voice, and participation and representation of developing countries in international economic decision making, norm setting and global economic governance;
- b) Promote access to grants, concessional finance and affordable, predictable long term financing at scale by all developing countries, in particular African countries, LDCs, LLDCs, SIDS, and MICs;
- c) Improve global sovereign debt architecture, with the meaningful participation of all developing countries;
- d) Elimination of the surcharge policy by the IMF;
- e) Issue new general allocations of SDRs, with distribution to developing countries according to their needs;
- f) Rechannelling of unutilized existing and newly allocated Special Drawing Rights (SDRs) from developed countries through MDBs to developing countries most in need of liquidity and to regional development banks;
- g) Scale up debt swaps for SDGs, including debt swaps for climate and nature to allow developing countries to use debt service payments for investments in sustainable development and taking multilateral measures to standardize the use of these mechanisms;
- h) Fulfil existing commitments, including ODA by developed countries;



- i) Support the multilateral trading system, including through the fulfilment of long-standing pending negotiating issues, such as comprehensive agricultural trade reform, and working toward the necessary WTO reform, strengthening the special and differential treatment for developing countries as a multilateral principle and ensuring transfer of technology to deliver on sustainable development;
- j) Eliminate immediately all laws and regulations with extraterritorial impact and all other forms of coercive economic measures and trade restrictive measures, including unilateral sanctions, and unilateral and discriminatory border adjustment mechanisms and taxes imposed under the guise of environmental protection, against developing countries;
- k) Support structural transformation and enhance productive capacities for building diversified, resilient, and sustainable economies that can generate decent and productive employment;
- l) Scale up investments in areas, including infrastructure, connectivity, innovation, technology, education, skills development and capacity building, as well as support for micro, small and medium-sized enterprises;
- m) Prevent and combat the illicit financial flows that drain resources from developing countries;
- n) Reinforce the commitment to strengthen the inclusiveness and effectiveness of international tax cooperation at the United Nations;
- o) Advance the establishment of the set of measures of progress on sustainable development that complement or go beyond gross domestic product to inform access to concessional finance and technical cooperation for developing countries;
- p) Further reduce the costs of remittances, recognizing their potential to contribute to sustainable development, while not being a substitute to traditional financial flows;
- q) Promote and facilitate investments in developing countries, including through increasing Foreign Direct Investment flows to



developing countries, and supporting capacity building for developing countries;

- r) Catalyse increased public and private sector financing and investment in sustainable development, including through innovative financing such as blended finance.

Excellencies,

The G77 and China reiterate its call on developed countries and international financial institutions to take urgent actions, including to massively scale up affordable long-term and concessional financing for development and expand contingency financing to developing countries in need. The Group stresses that FFD4 should build on the outcomes of the previous conferences as well as relevant intergovernmentally negotiated outcomes and agree on appropriate actions for implementation to support development countries in their pursuit to achieve sustainable development in all its three dimensions.

Excellencies,

Finally, the G77 and China reiterates its commitment to engage constructively in all conference preparatory activities, and stresses that the outcome document must be inter-governmentally negotiated, with line by line text-based negotiations, with a view of ensuring that developing countries have the fiscal and policy space to support their pursuit to achieve sustainable development.

I thank you