Permanent Mission of Pakistan to the UN
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Statement by Pakistan at the 7th Session of the Intergovernmental Group of Experts on Financing for Development

1st November 2023

Agenda Item 3 – Delivering development finance to achieve the 2030 Agenda for Sustainable Development: Making development finance contribute to environmentally sound industrialisation

Mr. Chair,
Deputy Secretary-General of UNCTAD Mr. Pedro Manuel Moreno,
Excellencies and Distinguished delegates,

At the outset, let me congratulate Ambassador Guilherme de Aguiar Patriota of Brazil and Ambassador Aurora Revuelta for your elections as Chair and Vice-Chair, respectively. We are confident of your stewardship of this meeting and assure you of our full cooperation.

Let me also take this opportunity to appreciate Deputy Secretary General Moreno for his thoughts on the current state of global development finance and highlighting the urgent need for action. We would also like to thank the UNCTAD Secretariat, for preparing and presenting a comprehensive background note for this meeting.

Mr. Chair,

Pakistan aligns itself with the statements delivered by Tanzania on behalf of G-77 and China, and Thailand on behalf of the Asia Pacific Group.

In the backdrop of efforts for global economic recovery which have been hampered by the aftershocks and disproportionate impacts of the COVID-19 pandemic, geopolitical conflict, climate change and cost-of-living crises, the theme of this meeting '*Delivering development finance to achieve the 2030 Agenda for Sustainable Development – Making development finance contribute to environmentally sound industrialization'* is very timely.

While industrialization is a key driver of economic recovery, sustainable industrialization requires substantial financing to flow into developing countries along with transfer of technology. The mobilization of sufficient financial resources is pivotal for creating an enabling environment to attract investment. However, due to pre-existing structural vulnerabilities in the global financial system, many developing countries face sky-high borrowing costs.

Mid-way to the 2030 Sustainable Development Goals, progress in achieving the SDGs remains bleak and the risk of not achieving them is high. The annual SDG funding deficit has risen from pre-pandemic levels of US$2.5 trillion to between US$5.4 and US$6.4 trillion per annum. The lack of adequacy and urgency in the global response to this challenge, despite the existence of several agreed measures on financing for development, is deeply concerning.

When the 2030 Agenda for Sustainable Development was agreed upon, the overarching principle was that the most vulnerable would receive the support they needed. This requires greater respect for the principle of Common But Differentiated Responsibilities and a reassurance of the international community's will to meet its long-standing commitments. Improvement in access to concessional financing and the mobilization of both short and long-term liquidity for crisis response and meeting sustainable development targets have become increasingly elusive desires. In this regard, my delegation would like to draw attention to the following points:

First, we would like to reiterate the call to establish a permanent international framework for sovereign debt restructuring. The burden of unsustainable debt threatens the prospects of sustainable development, particularly in low and middle-income countries. Collaborative action is an urgent imperative in fostering debt sustainability and strengthening global financial safety nets.

Second, the re-allocation of unutilized Special Drawing Rights can serve as a key mechanism for financing development and climate adaptation. Efforts for a fair reallocation of SDRs, particularly by delinking the SDRs from the IMF quota system for the creation of a new SDR asset class with specific purposes such as climate adaptation, climate-related loss and damage and achieving the SDGs need to be stepped up.

Third, a fairer international taxation system is required to allow developing countries to adequately tax multinational enterprises and digital enterprises on revenues earned in developing countries concomitantly with facilitation of new industrialization.

Fourth, commitments to achieving the 0.7 percent of GNI ODA target and mobilizing US$ 100 billion annually in climate finance made by the international community under the Addis Ababa Action Agenda and Paris Agreement need to be fulfilled. In 2021, developing countries received only 0.33 percent of GNI.

Finally, a sustainable infrastructure investment facility is needed to help developing countries develop feasible projects in SDG-related areas to attract the necessary scale of investment.

Mr. Chair,

Chronic structural anomalies in the global financial architecture, if left unaddressed, will not only derail the hard-won successes on the SDG front but can also have devastating consequences in the long run. A clear policy shift and effective coordination at the international multilateral level is required to ensure that developing countries can play a progressive role in achieving sustainable development.

I thank you.