



General Statement at the 2nd Preparatory Committee for the 4th International Conference
Financing for Development

New York, 3-6 December 2024

The South Centre is an intergovernmental organization and think-tank of the global South. Over the years, we have provided our developing country member States and the Group of 77 and China with policy-oriented research and technical support for their sustainable development initiatives, including in the context of financing for development.

The upcoming 4th Conference on Financing for Development (FfD4) represents an important opportunity for addressing the significant shortfalls in mobilizing the resources necessary to implement the SDGs and reforming the international financial architecture. Developing and least developed countries are facing unprecedented challenges in the midst of the global polycrisis, with unsustainable sovereign debt burdens, weak growth in international trade, declining foreign investment, rampant illicit financial flows, weakening official development assistance (ODA) and the expanding digital divide all contributing to financial distress in a number of emerging and developing economies. Addressing these multifaceted and interconnected issues requires a strong effort by the international community for achieving ambitious, effective and action-oriented outcomes at FfD4.

On sovereign debt, many frontier economies are currently struggling with maintaining their debt sustainability, while developing countries are facing an unprecedented level of sovereign debt burden. Increasing debt service costs, worsening debt vulnerabilities, gaps in global financial safety net, and interest rate hikes could lead to even more debt distress in some vulnerable countries. Improving sovereign debt restructuring and making it more effective and fairer have been a longstanding ambition for developing and least developed

countries. The critiques of the G20 Common Framework have shown that reforming the current international debt architecture must be a top priority at FfD4.

To attract sustainable foreign direct investment (FDI), developing countries have taken a number of measures to foster green industries and export diversification, build effective project pipelines and boost economic growth. These efforts must be complemented by the international community by mobilizing international financial institutions (IFIs) and leveraging digital financial solutions to expand access to capital and catalyse investments for sustainable development in the global South. At the same time, deep reform of IFIs is necessary for bridging development financing gaps. Concrete measures for promoting foreign investment remain vital for developing countries, and should be included in FfD4 outcomes.

The international tax system is at a critical juncture. The negotiations on a new UN Framework Convention on International Tax Cooperation (FCITC) provide a once in a lifetime opportunity to reform the very basis of the governance of the international tax architecture which is an essential precondition to producing fair and equitable rules. FfD4 should boost these negotiations and accelerate the pace towards achieving a fairer system for international taxation, which can provide the much needed revenues for achieving the Sustainable Development Goals (SDGs).

In conclusion, the South Centre stands ready to support developing and least developed countries to ensure that FfD4 results in a reformed global financing framework that is just, equitable and accelerates the implementation of the 2030 Agenda for Sustainable Development in the global South.

Thank you.