

Intergovernmental Group of Experts on Financing for Development

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Opening Statement

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Excellencies,

Distinguished delegates,

Ladies and Gentlemen,

It is a pleasure to welcome you to the Intergovernmental Group of Experts on Financing for Development.

We gather this year to consider the financing of industrialization strategies that integrate development and climate challenges. We want to discuss how such strategies can be financed through international, regional and national measures, as envisaged in the Addis Ababa Action Agenda.

This is imperative. Environmentally sound industrialization requires a significant increase in development finance, and clear political commitment.

At the High-Level Political Forum during the General Assembly in September, global leaders adopted a resolution which is critical for the way forward.

Global leaders affirmed their commitment to steer our world *toward* the 2030 Agenda, striving for sustainable development and shared prosperity for all.

The resolution welcomed the UN Secretary-General's efforts to address the SDG financing gap through the SDG stimulus and to tackle the high cost of debt and rising risks of debt distress, to enhance support to developing countries to massively scale up affordable long-term financing for development, and expand contingency financing to countries in need.

The resolution also pledged to advance the Secretary-General's proposal in a timely manner through discussions at the United Nations as well as other relevant forums and institutions.

Ladies and Gentlemen,

I trust that this seventh Intergovernmental Group of Experts on Financing for Development will serve as such a forum.

The General Assembly underscored two clear messages:

- One: There is a sense of urgency in light of the growing and daunting challenges faced by developing countries, and
- Two: There is a need to directly confront these global economic, political and climate challenges.

Developing countries face acute challenges in meeting their escalating external debt obligations.

Many of them are at high risk or in debt distress. Repaying these debts diverts resources away from pressing development needs and climate action. Today, more than 3.3 billion people live in countries that spend more on interest payments than on essential services like education and healthcare.

But amidst these challenges, we need to unlock the potential of green finance to propel the transition toward inclusive and sustainable industrial development. This is a key element of an effective strategy that fosters climate-resilient development.

We need a green industrial policy agenda, with careful policy planning and adaptation to the local economic, political and social contexts. Green industrial policies also need to be aligned with strategies between governments, private sector entities, and financial institutions to ensure that sustainable projects receive the investments to thrive and prosper.

Excellencies, delegates, ladies and gentlemen,

Member States have acknowledged the importance of these themes by setting the topic for this intergovernmental meeting as *Delivering development finance to achieve the 2030 Agenda for Sustainable Development: Making development finance contribute to environmentally sound industrialisation*.

The guiding questions reflect the need for policies, initiatives and instruments at domestic, regional and international levels, including also technology transfer. The questions reflect the need for international cooperation to support inclusive and sustainable industrial development and the green transition in developing countries.

Sustainable business models will be crucial for a massive scaling up to address the SDG financing gap. Skills will be needed to implement and manage sustainable practices. Just transitions will depend on involving all stakeholders, particularly local communities.

This meeting will explore innovative financial solutions with better designs, better guarantees and better outcomes.

To help us move in the right direction, we need to develop a common set of sustainability metrics to facilitate meaningful comparisons and benchmarking. We can use transparency and standardized environmental and social impact reporting to enhance trust among investors and consumers.

Dear friends,

Environmentally sound industrialization will require much more public development finance. But developing countries are confronted with limited access to affordable development financing. This hinders their capacity to invest in climate action and green structural transformation. International cooperation is thus vital to overcome these constraints and to align financial flows with the 2030 Agenda and the Paris Agreement objectives.

This requires efforts from us all. The role of multilateralism has never been more critical, especially in today's complex global landscape.

I commend you for your insight in the design of this 7th session and trust that you will use the same wisdom and care in your deliberations to emerge with agreed recommendations that do justice to this insight.

I thank you for your attention.