



Statement of H.E. Archbishop Ettore Balestrero, Apostolic Nuncio
Permanent Observer of the Holy See to the United Nations
and Other International Organizations in Geneva
at the **75th Executive Session of the UNCTAD Trade and Development
Board**

Item 2: *Trade and Development Report 2023: Growth, Debt and Climate,
realigning the Global Financial Architecture*
Geneva, 12 February 2024

Mr. President,

My Delegation welcomes the report on *Trade and Development: Growth, Debt, and Climate*, in which the need to address the failure of the existing global financial architecture to enable inclusive economic growth and provide adequate support to developing countries is emphasized.¹

It is of great concern that “growth in almost all regions in 2023 and 2024 is [...] set to fall below the average for the five-year period before the pandemic.”² Even more the fact that extreme inequality remains a prevailing feature of the contemporary world, and unregulated financial markets and institutions with short-term horizons are a catalyst for these negative trends.

The report shows the urgency to address the emerging debt-servicing crisis for developing countries, whose total public debt has “nearly doubled, reaching 64 percent of GDP by 2022.”³ The accumulation of unsustainable debt burdens, combined with a lack of adequate financial regulations, limits the policy autonomy of developing countries and their ability to mobilize resources to meet the rising costs of climate-related challenges. The fact that 3.3 billion persons live in countries where more money is spent on servicing foreign debt than on education or healthcare⁴ is an unacceptable situation.

In his Encyclical Letter *Fratelli Tutti*, Pope Francis warns that our current economic model “strengthens the identity of the more powerful, who can protect themselves, but it tends to diminish the identity of the weaker and poorer regions, making them more vulnerable and dependent. In this way, political life becomes increasingly fragile in the

¹ Cf. UNCTAD/T&D/2023, p. 29.

² UNCTAD/T&D/2023, p. 21.

³ UNCTAD/T&D/2023, p. 69.

⁴ Cf. UNCTAD/T&D/2023, p. 91.

face of transnational economic powers that operate with the principle of ‘divide and conquer.’”⁵

Mr. President,

My Delegation calls upon UNCTAD, Member States, and relevant stakeholders to step up efforts to address the inherent structural weaknesses of the international financial architecture, which contributes to deepening inequalities and exposes developing countries to the consequences of debt distress and financial instability.

The increasingly complex interplay between economic, climate, and geopolitical risks requires an ethical approach to development, with a view to promote a new multilateral governance that enables finance and markets to “serve the interests of peoples and the common good of humanity.”⁶

The Holy See will continue to work with UNCTAD and other international organizations to promote a sustainable, equitable, resilient, and development-oriented financial architecture. Such a system can only be achieved “when all members of the human family are included in the search for the common good and can contribute to it.”⁷ This implies an effective participation of poorer and less developed countries in decision-making and facilitating their access to the international market.

We must work together to build an inclusive and innovative international financial architecture, tailored to the specific needs and priorities of LDCs, and capable of supporting their development, for the ultimate benefit of the entire international community. However, solidarity remains the foundation for renewed commitment in helping those who have wrestled with financial challenges for decades, and a guide for the new actors in this field.

Finally, the pursuit of climate adaptation should be an opportunity to reconcile environmental and development priorities and to reflect this in the level of financing available to developing countries, addressing both their development needs and their decarbonization targets. In this sense, the Holy See supports efforts to enable developing countries to use policy space for structural transformation and climate adaptation.

Thank you, Mr. President.

⁵ Pope Francis, Encyclical Letter “*Fratelli tutti*”, n. 12.

⁶ Pope Francis Address of to the participants in the Conference on impact investing for the poor, 16 June 2014.

⁷ Pope Francis, Message of to the World Economic Forum, 21 January 2021.