Least Developed Countries Group

G E N E V A

General Statement delivered by Nepal on behalf of the Least Developed Countries (LDCs) Group at the Ninth Session of the Intergovernmental Group of Experts on Financing for Development (FfD)

1-3 December 2025 | Room XVI, Palais des Nations

Dear Co-Chairs,
Excellencies, Distinguished Delegates.

1. We congratulate the Co-Chairs on their election to this important responsibility.
   The Group aligns itself with the statement delivered by G77 and China. The Group thanks the secretariat for the preparation of the meeting and also thanks the speakers for their excellent presentations.
2. We strongly echo the call for the full implementation of the commitments of the Seville Commitment and remain optimistic that the Seville initiatives- including Seville forum on debt and platform for action will play key role in advancing them.

Excellencies,

3. The selected topic and guiding questions for this session are timely. One of the primary objectives of Sevilla Commitment is to initiate reforms and take actions to catalyze investments in scale to achieve SDGs.

4. UNCTAD estimates that the SDG financing gap has reached $4.3 trillion. 10 countries absorbed 75% of total FDI flow to developing countries, while the LDCs received just 2.4% of the global FDI flows in 2024. The depletion in the ODA and reduction in the FDI flows continue to impact LDCs disproportionately.
5. As the background paper underscores, the constraints on international development cooperation gave rise to the renewed attention to the blended finance. However, the blended finance comes with multiple challenges, such as,
    a. Weak development additionality.
    b. Least favorable to the LDCs, LLDCs and SIDS.
    c. Socialization of risks and privatization of profits.

    Studies carried out between 2015 and 2024 reveal that every dollar in public finance brought in just 40 cents in private finance.

    We look forward to having in-depth discussion on these issues during this session.
6. The background note indicates that the perception of elevated risks in many developing countries and the LDCs could be ameliorated by the use of de-risking instruments and the sovereign engagements with investors and financial institutions through trust building, improving predictability and enhancing objectivity.
7. Development projects should be grounded on country's ownership and fully aligned with national development strategies. Blended finance should complement to, not a substitute for, public financing. We note the fact that the blended finance should be strategically applied in sectors where other effective financing options are not available.

Excellencies,

8. LDCs, LLDCs and SIDS continue to face remoteness and isolation from the major markets, production centres and supply chains. And, climate related shocks amplify their vulnerabilities. While SIDS are direct victims of coastal hazards, LLDCs and LDCs are severely affected by the destruction of transport and transit corridors.

   According to the OECD study, climate finance dedicated for adaptation stood at just 28% in 2022, and even lesser for building resilient ports and other critical transport infrastructures.

9. Therefore, scaled-up investment in green, resilient and technology-driven infrastructure; effective digitalization, predicable trade environment, and climate adaptation remain high priorities for LDCs, LLDCS and SIDS.

Excellencies,

10. High debt servicing requirements are detrimental to the development of LDCs and it severely squeezes their fiscal space. For the countries of Sub-Saharan Africa, they absorb an estimated 21.6% of export revenues. African countries pay more than their peers in other regions with similar credit ratings and macroeconomic indicators. Volatile external finance inflow, limited access to necessary funds, and high debt services continue to impede Africa and LDCs from achieving sustained growth.

Excellencies,

11. LDCs Group stands ready and calls for collective and concerted action from all countries and multilateral institutions to implement the Sevilla Commitment based on the principle of common but differentiated responsibilities.

12. In closing, we call all stakeholders help strengthen domestic institutional and technical capacities, and facilitate scaled financial and investment flows to the developing countries in order to enable them to achieve the SDGs effectively.

I thank you.