



**Permanent Mission of Pakistan to the UN
Geneva**

**Statement by Pakistan at the 75th Session of Trade and Development Board
13th February 2024**

*Agenda Item 2 – Interdependence and development strategies in a globalized world
(Trade and Development Report 2023 – Growth, Debt and Climate: Realigning the
Global Financial Architecture)*

**President of the Trade and Development Board Ambassador Febrian Rudyard,
Excellencies and Distinguished delegates,**

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

At the outset, my delegation would like to thank Dr. Kozul-Wright and his team at the Secretariat for The Trade and Development Report 2023: Growth, Debt and Climate: Realigning the Global Financial Structure.

Mr. President,

My delegation appreciates the theme and timeliness of this agenda item. As the world grapples with the global challenges of food insecurity, climate adaptation and rising inequality, the discourse on development strategies in an interdependent world is a crucial acknowledgement of the globalized nature of our common challenges and the wide-spread effect of interconnected crises that we face today. These crises are further aggravated by the lack of financing available to address them.

It is alarming to note the systemic flaws built in to the Global Financial Architecture highlighted in the Trade and Development Report. The current design of the Global Financial Architecture requires significant reform to enable developing countries to meet the financing needs required to achieve sustainable development targets. 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.

The Trade and Development Report rightly points to shrinking fiscal space and autonomy for developing countries as a contributing factor to rising costs of food and energy, dwindling local production and high debt servicing. These inflationary pressures are not just an outcome of domestic circumstances but a lack of integration into the global economy. Additionally, the burden of debt-servicing has had a back-breaking effect. As of now, at least 3.3 billion people live in countries that spend more on interest than on either health or education.

Mr. President,

In this context, the following key areas merit immediate global attention:

First, profiteering by commodity trading firms and financial institutions in commodity markets exacerbates market price volatility. This is enabled by the insufficiency of the current regulatory architecture. Both systemic and global governance reforms are required which mandate regulations in commodity trading by corporate groups and transparency in sharing daily commodity pricing information.

Second, International initiatives such as the common framework for Debt Treatments beyond the Debt Service Suspension Initiative of the Group of 20 have proven to be insufficient for effective debt restructuring. Improved innovative financial instruments are needed, such as debt-for-climate swaps or debt-for-nature swaps that provide mechanisms to enhance fiscal space.

Third, tackling climate change and the need for a transition to clean energy require both access to appropriate financing to mitigate longer-term consequences and technology transfer to enable an energy transition.

Finally, a greater respect for the principle of Common But Differentiated Responsibilities and Respective Capabilities and a reassurance of the international community's will to meet its long-standing commitments is imperative. Measures to improve access to concessional financing and addressing supply side drivers are required. Restrictive monetary policies in developed countries based on raising interest rates are increasingly driving financing into interest-bearing assets and away from spending on development in areas where it is most needed.

Mr. President,

Institutionalizing development strategies in a globalized world requires sincere collaboration and coordination of policies. My delegation stands ready to work with UNCTAD and its Member States under the pillars of this organization to strengthen our cooperation on reform efforts.

I thank you.