



PHILIPPINES

**U.N. Conference on Trade and Development (UNCTAD)
Intergovernmental Group of Experts (IGE) on
Financing for Development (FFD)**

30 November 2022

Statement on behalf of the Asia-Pacific Group

Chair of the 6th Session of the Intergovernmental Group of Experts on Financing for Development, Ambassador Federico Villegas of Argentina, Vice-Chair, Ms. Emmanuelle Lachaussée of France, Secretary-General of UNCTAD, Ms. Rebeca Grynspan, Excellencies, Distinguished delegates, Ladies and gentlemen,

Mister Chair,

The Philippines is honored to speak on behalf of the Asia-Pacific Group.

Our Group conveys its congratulations to you and to the Vice Chair on your election, and associates itself with the statement delivered by the Ambassador of Tanzania on behalf of the Group of Seventy-Seven and China.

The creation of this IGE is an achievement for the Global South. It seeks to ensure a more comprehensive consideration of the complex and multifaceted nature of financing for development. It also provides a platform for Geneva to contribute meaningfully to the relevant processes taking place in New York.

Our meeting today is being held against the backdrop of cascading and interrelated crises that we did not anticipate when we adopted the Addis Ababa Action Agenda.

Clearly, much work still needs to be done in terms of achieving equity between developed and developing countries, particularly in terms of financing the acquisition of global public goods such as vaccines, as well as mitigating the social impact and enhancing economic response and recovery.

The ongoing cascading crises have also accelerated rapid developments in digital financial technology, which have transformed the provision of financial services and created a new ecosystem of digital assets and currencies. Further, certain vulnerabilities have also demonstrated the need for digital inclusion.

Amidst this backdrop, our mandate is to agree on policy recommendations on mobilizing, and enhancing access by developing countries to, sustainable finance beyond the ongoing crises.

This requires the right policy mix, appropriate interest rates, and enhancing digital finance.

This also requires addressing the infrastructure gap, which remains wide. Investment in infrastructure in developing countries has declined by USD 50 billion last year, and this is concerning. Sustainable and quality infrastructure is critical for an inclusive COVID-19 recovery and for acceleration towards the achievement of the Sustainable Development Goals. Both private and public financing, as well as private sector investment, must therefore be scaled up. Overseas Development Assistance also has a role to play in this regard.

Mobilizing sustainable finance also requires us to address systemic issues related to financing for development. Debtors and creditors must work together to prevent and resolve unsustainable debt situations. Maintaining sustainable debt levels is the responsibility of borrowing countries. However, lenders also have a responsibility to lend in a way that does not undermine a country's debt sustainability. We therefore associate

ourselves with the Group of 77 and China's advocacy for a permanent mechanism for debt restructuring of developing countries.

The fresh allocation of Special Drawing Rights is a welcome step that needs to be complemented with further steps to fulfill not only the short-term liquidity needs of developing countries but also longer-term financing needs.

Financing for development should focus on assisting least-developed countries and helping prepare them for graduation. At the same time, we call for special attention to the transition of middle-income countries in their graduation process to higher-income, considering that they are exposed to a greater risk of being eliminated as recipient countries of development cooperation and financial flows.

Sustainable financing for development is a shared responsibility. It transcends the developed world. Within UNCTAD, higher middle-income countries could also contribute through sustainable financial initiatives, including developing practical green taxonomy, improving the data environment, implementing effective incentives in and creating a demand for sustainable financial products, and building human resources in sustainable finance-related skills.

More importantly, sustainable financing for development must not leave anyone behind. We must seek ways to promote financial inclusion for the poor, women, young entrepreneurs, and persons with disabilities.

We must also improve access to financing for MSMEs, which plays an important role in contributing to the achievement of SDGs through job creation and the improvement of livelihoods for the poorest and the most vulnerable.

Finally, our discussions this week are not detached from the most existential threat facing our one global community: Climate change.

Climate finance is crucial to climate action. We reiterate the need to scale up and honor international obligations with regard to climate finance for mitigation, adaptation, and loss and damage for developing countries.

The lack of concrete progress on climate finance makes it extremely difficult for developing countries to address climate change. We continue to call upon developed countries to honor their commitment to assist developing countries in their climate change actions with respect to both mitigation and adaptation, taking into account the circumstances, needs and priorities of developing countries.

Mister Chair,

The work of this IGE must be appreciated in the context of enriching the wider multilateral efforts on financing for development through policy recommendations for the Trade and Development Board. These recommendations should be responsive to the guiding questions as approved as part of the package adopted at the margin of UNCTAD 15, and they should also build upon past mandates.

Rest assured that the delegations of Asia-Pacific, both in their individual national capacities and as a Group, will engage constructively in our work this week.

I thank you, Mister Chair.