



GROUP OF G77 & CHINA
(2023 – Chairmanship of Cuba)



**Statement on behalf of the Group of 77 and China by H.E. Mr. Pedro L. Pedroso Cuesta, Ambassador Extraordinary and Plenipotentiary, Chair of the Group of 77, at the 109th Meeting of Ministers and Governors of the Group of 24
Tuesday, 11 April 2023
10:30a.m. - 12:00p.m.**

Mr. Chairman,
Excellencies,
Ladies and Gentlemen,

On behalf of G77 and China, I would like to thank you for the invitation to attend to this meeting and thus enhance the coordination between our Groups representing the interests of the developing countries.

We are fully convinced of the increasing importance and complementarity of our collective efforts, and that the G24 and the G77 and China should work closely in order to jointly push for long-awaited and much needed reforms of the international financial architecture.

I am privileged and honored to share the views and concerns of the Group of 77 and China on the ongoing global complex financial and economic situation.

Developing countries are facing multiple and interrelated challenges that are increasingly preventing them from providing prosperity to their populations in a sustainable manner, recover soon from effects of the Covid-19 pandemic, guarantee food security to their people, sustain an increasing external debt and achieve the Sustainable Development Goals by 2030.

The negative socio-economic impacts of the Covid-19 pandemic, geopolitical tensions, rising inflation and slow economic growth, tightening monetary and financial conditions, unsustainable debt burdens, unilateral coercive measures, the ongoing and multiple adverse impacts of climate change and biodiversity loss are threatening to further reverse progress on development gains of at least a decade.

The number of additional people falling into extreme poverty in countries in or at high risk of entering debt distress is estimated to be 175 million by 2030. In 2022, the World Bank already announced that we will fail to meet the goal of ending extreme poverty by that year.

The IMF is forecasting that a third of the global economy will be in recession in 2023. For the first time, UNDP has found that human development is falling in nine out of 10 countries. In addition, the high cost of borrowing prevents developing countries' capacity to invest in the SDGs and it also raises the risk of debt crises. These are symptoms of an inequitable international financial system that perpetuates inequalities and is leaving countries and persons behind.

A sustainable and inclusive growth will not be possible if we maintain doing "business as usual" and do not take urgent and concrete actions to reverse this situation and provide equal and meaningful participation to developing countries in the decision-making process of the current unbalanced international economic order.

Excellencies,

First, one step towards the right direction is to reform the international financial architecture. This should stop being a request of developing countries and start being a compromise of every government that wishes the wellbeing of the global population. We need to strengthen the participation of developing countries on economic and financial matters. The current governance system crafted almost a century ago does not reflect the reality of today's multilateral structures. This implies:

- a) Further governance reform in IFIs, especially the IMF and the World Bank;
- b) An improved global sovereign debt architecture with the meaningful participation of developing countries;
- c) The voluntary rechanneling of unutilized Special Drawing Rights (SDRs) to developing countries and a new allocation of SDRs;
- d) Inclusive and effective platforms to design and discuss international tax rules and norms at the UN.
- e) An early and sizeable recapitalization of the Multilateral Development Banks to meet the significant financial needs of developing countries.

Second, the international trading system should be further reformed, and stable and sustainable supply chains should be built to contribute to the achievement of the SDGs through the promotion of export-led growth in developing countries. To this end, special and differential treatment for developing countries should be strengthened as a multilateral principle. Unilateralism and protectionism including unilateral trade protection and restrictions, incompatible with the WTO Agreements, should be speedily eliminated, including the use of unilateral coercive economic measures against developing countries for political reasons.

Third, it is important to advance in the establishment of the set of measures of progress on sustainable development that complement or go beyond gross domestic product to inform access to concessional finance and technical cooperation by developing countries.

Fourth, the commitment by developed countries to contribute 0.7% ODA remains unfulfilled and has never been achieved. All development partners should build trust with recipient countries and align their support with their national sustainable development. The current crises should not be used under any circumstances as an excuse to slow down or not fulfill the obligations and commitments of our developed partners towards the developing countries.

Fifth, the climate change agenda must be fully and faithfully implemented in accordance with the principle of equity and common but differentiated responsibilities and respective capabilities. In this regard, it is critical to materialize the commitments on the mobilization of resources to tackle climate change. It is deeply disappointing that the goal to mobilize 100 billion dollars per year and up to 2020 was never met.

Sixth, it is critical an urgent promotion of technology transfer and capacity building as well as technological and scientific cooperation from developed to developing countries in order to foster sustainable development in its three dimensions and the full implementation of the 2030 Agenda.

Excellencies,

The actions just mentioned have been enunciated in several occasions by the leaders of the Global South. The lack of progress must not be attributed to a lack of solutions. Actions are there. What it is required urgently is political

will to implement what we all know is needed to overcome one of the most complex crises humanity has seen in the modern history.

We, as leaders from the developing world, have the responsibility to come all together and claim with a united voice the changes needed to ensure a sustainable future for the coming generations.

I thank you.