



**Statement by
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UNDER-SECRETARY-GENERAL FOR ECONOMIC AND SOCIAL AFFAIRS
TO THE MINISTERIAL MEETING OF THE GROUP OF 24
Washington, DC, 22 October 2024**

In adopting the Pact for the Future, Member States of the United Nations pledged a new beginning for multilateralism. The Pact lays the groundwork for reform of the international financial architecture to support the sustainable development aspirations of all people. As laid out in the *2024 Financing for Sustainable Development Report*,¹ getting the financing right is indispensable to achieve a sustainable future for all. The Fourth International Conference on Financing for Development (FfD4), to be held in Seville, Spain from 30 June to 3 July 2025, has a mandate from all UN Member States to support reform of the architecture.² The Conference provides an opportunity to build on the momentum built by the Pact for the Future to unlock the architecture reforms and financing needed to deliver the Sustainable Development Goals (SDGs) and combat climate change.

Ongoing discussions are taking place within a challenging global macro-economic and sociopolitical context.

While growth and inflation prospects for developed countries have improved, they remain subpar for developing countries. UN DESA projects global growth to remain steady at 2.7 per cent in both 2024 and 2025, with average growth rates in developing countries of 4 per cent in 2024 and 4.2 per cent in 2025, well below the more than 6 per cent average growth early in the millennium. Many low-income countries continue to face weak growth prospects against tight financial conditions, rising debt service costs, the threat of debt crises, and the ever-worsening impacts of climate change.

Furthermore, only 17 per cent of SDG targets are on track, the climate crisis is escalating, and geopolitical tensions threaten further catastrophic setbacks. The international financial architecture has failed to adequately protect developing countries.

International financial architecture reform has become a central focus of attention in the United Nations, and a key priority of the Secretary-General. Last year, he outlined key areas in critical need of reform, many of which are reflected in the Pact. Let me highlight three areas where progress is needed, which can be delivered at FfD4.

1. Create a development-oriented debt architecture

Too many countries are forced to cut investment in the SDGs because of debt challenges. I am encouraged by efforts – in the IMF and the World Bank, in the G20, and in other forums – to address this challenge. The Pact for the Future calls for a stronger multilateral response to support not only countries at risk of default but also those where debt service is constraining spending on the SDGs. To this end, it invites the IMF to review and improve the sovereign debt architecture, in collaboration with the United Nations Secretary-General, the World Bank and others.

¹ <https://financing.desa.un.org/iatf/report/financing-sustainable-development-report-2024>; The Task Force, chaired by the UN Department of Economics and Social Affairs, includes over 60 UN agencies and other institutions, with the World Bank Group, IMF, WTO, UNCTAD, and UNDP taking a leading role.

² UN General Assembly resolution A/RES/78/231 mandates the conference to “address new and emerging issues... and to support reform of the international financial architecture,”

However, we must retain a sense of urgency. We need a multi-pronged effort to advance a development-oriented debt architecture that expands fiscal space for SDG investments, addresses debt restructuring challenges, and improve debt crisis prevention mechanisms. This can more systematically support countries with debt overhangs and limited fiscal space.

A key component of this multi-pronged effort is enhanced liquidity support and affordable long-term financing from multilateral and bilateral creditors for solvent countries committed to ambitious, sustainable development-compatible reforms. There are many ongoing efforts in this regard, including the use of credit enhancements, debt buy-backs, debt swaps, and other instruments, but support for countries has been so far ad-hoc. FfD4 could aim to institutionalize these efforts, which could be coordinated by a facility, or scaled-up version of an existing facility, within an IFI. The facility can provide debtor countries with capacity support and advice on dealing with sophisticated creditors, including in addressing comparability of treatment between official and commercial creditors, and in offering a range of financing tools to incentivize and compel creditors participation in debt treatments.

2. Dramatically scale up access to affordable long-term financing

Achieving the large-scale transitions needed to avoid catastrophic climate change will require investments at an unprecedented scale. The SDG Stimulus, presented by the United Nations Secretary-General in 2023, calls for an additional 500 billion USD annually. Member States have welcomed these ideas, and the Pact urges MDBs to enable additional finance from the banks' own balance sheets by fully implementing the recommendations of the G20 Capital Adequacy Framework (CAF) review, including the issuance of hybrid capital at scale and encourages MDBs to consider scheduling general capital increases. It also calls for countries to consider re-channelling SDRs through MDBs. In addition, the Pact invites MDBs, in consultation with the Secretary-General, to present options and recommendations on new approaches to improve developing countries' access to concessional finance.

Better alignment with country priorities and plans, and a greater focus on SDG impact will make for not just bigger, but also better banks. Closer cooperation between MDBs and across MDBs, other public development banks (PDBs), and the UN system can enable greater impact and higher lending. National development banks are an underused resource in the architecture. They can play a greater role going forward, in project origination, or in channelling resources to domestic actors. This can be achieved, and is already starting, through greater use of co-financing and other risk-sharing mechanisms, which can allocate risk across the PDB system and reduce risks on individual MDB balance sheets.

3. Better global economic governance

We urgently need more equitable decision-making, not only to get more equitable outcomes, but also to rebuild trust in the institutions that are meant to steer us through periods of turmoil and crisis. The Pact encourages the boards of the IMF, World Bank, and other MDBs to enhance the voice, representation, and participation of developing countries. To achieve this, we need to make voting rights and decision-making rules in international financial institutions more democratic, including with long overdue changes to quotas at the IMF, a double majority decision making rule to empower developing country voices, and separating access to IMF resources from the voting rights. Further governance reforms are also needed at the World Bank, where the balance of voting rights has remained largely unchanged for decades. Inclusive governance in international tax cooperation can be enhanced through the work on the United Nations Framework Convention on International Tax Cooperation.

The Road to the Fourth International Conference on Financing for Development

I am convinced that, if we get financial architecture reform right, we can get the SDGs back on track. 2025 will be a critical year, building on the Pact for the Future, FFD4 provides a unique opportunity to achieve consensus on an ambitious reform package. I urge your finance ministers to join us at the United Nations during the preparatory process for the Conference to bring political support for a just and fair international architecture. As the FFD4 Conference Secretary-General, I look forward to working with all of you to achieve this.