



*Final, 25 November 2024*

**GROUP OF 77 & CHINA  
G E N E V A**

**Opening Plenary Statement of the Group of 77 and China at the 8th Session  
of the Intergovernmental Group of Experts on Financing for Development (FFD)  
Delivered by Cambodia on behalf of G77 and China  
25 - 27 November 2024 | Palais des Nations, Geneva (Switzerland)**

**General Statement**

H.E. Mrs. Julia Imene-Chanduru, President of the 8th Session of the  
Intergovernmental Group of Experts on Financing for Development  
Ms. Rebeca Grynspan, Secretary-General of UNCTAD  
Excellencies,  
Distinguished delegates,  
Ladies and gentlemen, and good morning!

**Madam Chair,**

1. I have the honor to deliver the following statement on behalf of the Group of 77 and China.
2. Let me welcome to all keynotes addresses made by Minister of Finance of Egypt and Minister of Economy of Spain, and Under Secretary General for Economic and Social Affairs, UNDESA for your contributions shared to today session.
3. At the outset, the Group of 77 and China wishes to congratulate you, H.E Mrs. Julia Imene-Chanduru (Namibia), President, and H.E. Ambassador Oike Atsuyuki (Japan), Vice-Chair-cum-Rapporteur on your assumption of the chairmanship of the 8<sup>th</sup> Session of the IGE on Financing for Development (FFD in short).
4. Let me also extend our acknowledgment to the insightful opening remarks by Secretary General of UNCTAD, **Ms. Rebeca Grynspan**. The Group would like me also

to commend the work done by the Secretariat and underline the high quality of the Note circulated to guide the preparation of this meeting. The Group would like to present some of the ideas it considers fundamental elements to address the guiding questions for our meeting today.

5. Taking this opportunity, I would like to highlight the importance the Group places on the IGE on FFD. The Group considers the IGE one of the most important outcomes members of UNCTAD has achieved in its last Conferences, it is a meaningful support that member states have given to the invaluable work UNCTAD has done since its creation in the field of FFD. The IGE on FFD represents a key achievement in advancing UNCTAD's invaluable work in supporting debt sustainability, mobilizing resources, and enhancing financial resilience in developing countries.
6. **First**, on international currencies. We understand the decisive role the IMF plays in defining the reserve currencies particularly when choosing the currencies for the SDRs basket, available in U.S. dollar, euro, yuan, yen, and the British pound. This system mainly reflects the size of these countries in the global economy and its participation in international transactions through the measure of their exchangeable currencies. As a result, the countries issuing these currencies benefit from the exorbitant privilege of borrowing internationally in their own currency thus reducing currency risk in debt obligations and trade. It increases their geopolitical influence while diminishing their monetary instability as they are perceived as low-risk currencies.
7. The very design of this system deepens the structural asymmetries in the global financial infrastructure. Developing countries, not in a position to trade in their local currencies, face higher debt costs due to perceived risk, higher risk premiums, and higher domestic policy rates. This has a disastrous impact on the access some developing members have to affordable development finance and the sustainability of debt due to high interest rates. Currently, some Members are devoting relevant portions of their resources to serve interest obligations while putting aside fundamental obligations to build a better future as are the expenditures on health, education, and productive capacities.
8. **Second**, I would like to stress the need to discuss how to reduce the cost of development finance for climate-vulnerable developing countries. More efforts

should be made to strengthen climate finance and propose innovative financial tools that offer some relief without worsening the financial stability of vulnerable recipients, such as the Green Climate Fund, established within the framework of the United Nations Framework Convention on Climate Change (UNFCCC) to assist developing countries with climate change adaptation and mitigation activities. Further, any activity related to the development finance of climate-vulnerable countries should have reasonable interface and coherence with climate finance emanating from the decisions in the UNFCCC and adjunct agreements towards the establishment of an integrated approach and mechanism that identify priority areas and parties and operationalize climate funding to those most severely affected by climate change while providing less financial and administrative burden to affected parties.

9. **Third**, the Group is concerned about the negative impact sovereign credit ratings prepared by the major agencies have on the much-needed access to financing for development. We believe it is fundamental to study the processes of rating sovereign credits and, as mentioned in the note, correctly categorize them as opinions, not as certifications. It is important to study the mechanism behind the rates to prevent eventual conflicts of interest and unjustified bias in the provision of ratings. Apart from the very process of rating, it is important to highlight that some countries have not even been rated while others require updated ratings.
10. Better rating approaches may include the G20 Common Framework, the multidimensional vulnerability index or the creation of a UN shadow index may have a positive impact of the engagement of developing countries with the framework on the ability of developing countries to access credit markets both domestically and abroad.
11. We also recognize that robust credit ratings are dependent on data. To aid in credit rating development, the United Nations, and particularly UNCTAD, must continue to play an important role in advising and supporting developing members in the improvement of data collection and implement data/debt management systems
12. Credit influences financial flows to countries in need, and if correctly and fairly elaborated, without a bias against the South can help to close the financial gap required to attain the SDGs and the Agenda 2030. The Group would like to invite

UNCTAD's IGE on FFD to continue discussing credit rating processes in its future sessions.

13. **Fourth**, the Group also calls for reform in the international financial architecture. The current dynamics continue to exacerbate inequality between and within countries. We must ensure the mobilization of resources and knowledge effectively to implement progressive social policies and sustainable development. Developing countries need a significant increase in capital stock through substantial investment flows from developed countries. We must deconcentrate investments and incentivize industrial development, sustainable agriculture, inclusion, and energy transition in the Global South. Multilateral Development Banks can deliver better, bigger, and more effectively.

14. **Last but not least**, the Group reaffirms our firm refusal of the imposition of laws and regulations with extraterritorial impact and all other forms of coercive economic measures, including unilateral sanctions, against developing countries and reiterates the urgent need to remove them. In this regard, we entrust UNCTAD to monitor and report on current trade trends and policies, including those related to the application of the unilateral economic, financial or trade coercive measures, and their impact on inclusive, sustainable, and resilient development to provide policy recommendations to member States.

15. **Finally**, allow me to repeat the Group's longstanding position: the International Financial System's architecture should be revised to be more inclusive and transparent. The enhancement of participation of developing members representatives in the decision-making mechanisms should go beyond the symbolic nomination of officials.

**Madam. Chair,**

16. The Group wishes you a productive 8th session of the IGE on Financing for Development. You can count on our full support during this session.

I thank you.

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