



**Pakistan's Statement
at the
5th Session of the Intergovernmental Forum of Experts on Financing for
Development
(21-23 March 2022)
Geneva, Switzerland**

**Mr. Chairperson,
Secretary General,
Excellencies,
Ladies and Gentlemen**

First, I would like to congratulate Ambassador Ahmed Ihab Gamaleldin of Egypt and Ambassador Michael Gaffey of Ireland on their election as Chair and Vice-Chair of the 5th Session of the Intergovernmental Group of Experts on Financing for Development. We assure both office bearers of our complete support and look forward to a productive outcome under their stewardship.

Mr. Chairperson,

Timing and theme of this meeting '*Mobilizing sustainable development finance beyond COVID-19*' are both important and calls our serious attention.

This meeting comes at a time when the global economy is gradually recovering from the COVID-19 pandemic. Recovery is expected to be uneven between developed and developing countries, due to uneven access, delivery and uptake of vaccines, mis-matched stimulus packages and uneven macroeconomic policy space. UN and IMF in their recent reports have warned that asymmetric recovery would further deepen divide between global north and south.

The world at the start of 2022 is, in truth, a good deal more fragile than it was ever before. COVID-19 has exposed pre-existing vulnerabilities - from heightened inequality to unsustainable debt and rampant environmental degradation - that were left unaddressed after the Global Financial Crisis.

The situation is of particular concern for developing countries, which are unable to meet the essential health and humanitarian needs of their people due to growing debt servicing obligations and high borrowing costs.

According to UNCTAD, there is a \$3.5-4 trillion financing gap to achieve SDGs. This shortfall could drag developing countries into another lost decade ending any hope of realizing the ambition of the 2030 Agenda for Sustainable Development.

Today, decisive actions are required by the international community. *'Recovering better'* demands that we treat the Covid-19 pandemic as an opportunity to address the structural anomalies in the way of a more prosperous, equitable and resilient future.

To alleviate the economic impact of the pandemic and promote a more development-friendly system of global economic governance in the longer term, my delegation would like to highlight five points that require immediate attention of international community.

First. G-20 Debt Service Suspension Initiative for the poor and the most stressed countries should continue till end of 2022 and even beyond where necessary. This will provide fiscal space and help reviving economic growth.

Second. Cancellation of debt of the most stressed countries. To avoid a situation of solvency, cancellation of debts of the poor countries, is imminent.

Third. Fair allocation of new special drawing rights of \$ 650 billion and extending concessional financing to lower income countries through multilateral development banks.

Fourth. Reforming international tax system and giving rights to developing countries to tax the digital companies earning revenues in their jurisdiction.

Fifth. Immediate action to stop the massive illicit financial outflows from developing countries & immediate return of their stolen assets. It is on record that \$49-\$193 billion illicit financial outflows (IFFs) from developing countries annually.

Finally, Fulfilment of the commitments made by the international community in Addis Ababa Action Agenda and Paris Agreement. This includes commitment by developed countries to spend 0.7% GNI on Official Development Assistance (ODA) and mobilizing \$100 billion annually in climate finance to developing countries.

Mr. Chairperson,

Today marks an overdue and much-needed moment of reflection. The coronavirus has disrupted the world in many ways and, as with past global pandemics, raised

fundamental questions about the way we organize society and the values that structure our lives. But it has also encouraged us to imagine a better world.

Chronic structural anomalies in global financial architecture, if left unaddressed, will foster more grave economic problems, which in long run becomes highly communicable. In the absence of a clear policy shifts and effective coordination at the international level, almost everyone will suffer and be left behind.

National actions and international cooperation can help change the trajectory of the global economy and support countries towards achieving the SDGs.

Thank you.
