President of the Economic and Social Council, Excellencies,

At the outset, I wish to express our appreciation to the President of ECOSOC and the Co-Facilitators of the 2022 ECOSOC Forum on Financing for Development Follow-Up, for successfully leading and concluding this process. We also thank the Inter-agency Task Force team for this year’s Financing for Sustainable Development Report.

2. Even as we grapple with the consequences of the COVID-19 pandemic, global inflationary pressures are rising, as a result of elevated energy and commodity prices, increased logistics costs and supply chain disruptions. This is compounded by limited fiscal space to deliver economic stimulus, and low levels of consumer confidence and investment appetite. Unsustainable debt burdens and diversion of scarce resources from development to humanitarian relief and assistance are further endangering prospects of achieving the Agenda 2030 targets.

3. To tackle these complex challenges, we need to balance near-term recovery with long term sustainable growth.

4. We need a supportive international economic environment and multilateral trade regime; financially viable, transparent and sustainable investment flows aligned with national priorities; and a strengthened framework for transfer of technology. In effect, what we need is ‘sustainable financing’, and not just ‘innovative accounting’. India’s longstanding call for reformed multilateralism encompasses all these aspects.

5. Against this backdrop, allow me to highlight the following few points:

6. First, strengthening productive capacities remains pivotal to promoting sustainable growth, especially in LDCs, LLDCs, SIDs and other vulnerable economies.

7. Second, many low income and middle income countries face debt vulnerabilities. The pandemic, combined with current geopolitical tensions, are increasingly pushing many of these economies further into debt traps. While we consider further measures needed to address the debt and liquidity challenges, we should ensure that our deliberations remain focused, and do not duplicate mechanisms already in place for addressing these issues, such as G20, IMF and World Bank.

8. Third, there is indeed a requirement for sustainable financing of infrastructure and other SDG sectors. However, the current crisis is an opportunity for us to learn from practices
that have proven to be less than optimal and even unsustainable. We need to learn from our experience.

9. This means that any such investment must follow principles of financial responsibility and viability, to avoid projects that would create a further unsustainable debt burden for vulnerable communities. We have seen the impact of debt burden and the resulting social and political turmoil it has brought about in many countries. Therefore, the need to adhere to universally recognized international norms of transparency and respect for sovereignty and national priorities is crucial. It is equally important for project sustainability that they be accompanied by skill and technology transfer, to help the local communities in the long-term and to generate employment.

10. Fourth: Despite the developing countries not being major emitters, they bear the brunt of climate change due to lower coping abilities. The much talked about commitment by developed countries to mobilize climate finance of US$ 100 billion per year by 2020 has been not met even in 2022, and doesn’t appear to be close to fulfillment in the near future either. The lack of an agreed operational definition for climate finance has resulted in uneven reporting by developed countries on their climate finance contributions under the UNFCCC. The mobilization goal of US$ 100 billion per year committed by developed countries is a much smaller amount in size in contrast to the actual needs assessed for developing countries. The availability of adequate, credible and predictable, new and additional climate finance for the developing countries holds the key to successful implementation of climate action by developing countries.

11. Fifth: While the work of the Committee of Experts on International Cooperation in Tax Matters is very important, it cannot substitute for genuine multilateralism in deciding global standards on international taxation. We support calls for this body to be upgraded to a UN intergovernmental body with universal membership, for more effective implementation of tax standards and norms.

12. Finally, financing of terrorism, cross-border tax evasion, and money laundering are some of the main components of illicit financial flows. The scope and complexity of illicit financial flows necessitates enhanced international cooperation and information sharing, including by building on the work of existing platforms such as the Financial Action Task Force (FATF).

13. We look forward to consensual adoption of the outcome document at the conclusion of this Forum, and take this opportunity to reiterate India’s commitment towards the full and timely implementation of the Addis Ababa Action Agenda.

I thank you Mr President.