THE SECRETARY-GENERAL
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REMARKS AT THE 2025 ECOSOC FORUM ON FINANCING FOR DEVELOPMENT FOLLOW-UP

New York, 28 April 2025

[All-English]

Mr. President of the General Assembly, Mr. President of ECOSOC,

Excellencies, ladies and gentlemen,

This year's ECOSOC Forum comes at a pivotal time.

We are in the final stretch of preparations for the Fourth International Conference on Financing for Development in Sevilla.

And we face some harsh truths.

The harsh truth of donors pulling the plug on aid commitments and delivery at historic speed and scale.

The harsh truth of trade barriers being erected at a dizzying pace.

The harsh truth that the Sustainable Development Goals are dramatically off track, exacerbated by an annual financing gap of an estimated $4 trillion.

And the harsh truth of prohibitively high borrowing costs that are draining away public investments in everything from education and health systems, to social protection, infrastructure and the energy transition.

But there's another, much larger — and more dangerous — truth underlying all these challenges:

The harsh truth that global collaboration is being actively questioned.

Look no further than trade wars.

Trade — fair trade — is a prime example of the benefits of international cooperation.

And trade barriers are a clear and present danger to the global economy and sustainable development – as demonstrated in recent sharply lower forecasts by the International Monetary Fund, UNCTAD, the World Trade Organization and many others.

In a trade war, everybody loses — especially the most vulnerable countries and people, who are hit the hardest.

Excellencies,

Against this turbulent background, we cannot let our financing for development ambitions get swept away.

With just five years to reach the Sustainable Development Goals, we need to shift into overdrive.

That includes making good on the commitments countries made in the Pact for the Future in September:

From an SDG stimulus to help countries invest in their people…

To vital and long-awaited reforms to the global financial architecture…

To the Pact's clear commitments to open, fair and rules-based trade...

To its call for an analysis of the impact of military expenditures on the achievement of the SDGs, with a final report out by September…

To the Pact's urging for an ambitious outcome to July's Conference on Financing for Development.

As you continue negotiations on the draft outcome document for Sevilla, I push for action in three key areas.

First — on debt.

When applied smartly and fairly, debt can be an ally of development.

Instead, it has become a villain.

In many developing countries, gains are getting crushed under the weight of debt service, siphoning away investments in education, health and infrastructure.

And the problem is getting worse.

Debt service for developing economies has soared past $1.4 trillion a year.

Debt service now exceeds 10 per cent of government revenue in more than 50 developing countries — and more than 20 per cent in 17 countries — a clear warning sign of default.

The Sevilla Conference should emerge with a commitment by Member States to lower the cost of borrowing, improve debt restructuring, and prevent crises from taking hold.

This includes establishing a dedicated facility to help developing countries manage their liabilities and enhance liquidity in times of crisis.

The G20 must also continue its work to speed up the Common Framework for Debt Treatments and expand support for countries that are currently ineligible — including middle-income countries in difficulties.

And credit ratings agencies need to rethink ratings methodologies that drive up borrowing costs for developing countries.

At the same time, the IMF and World Bank should push forward on reforming debt assessments to account for sustainable development investments and climate risks.

These proposals and the many others contained in the draft outcome document provide an ambitious roadmap to help developing countries use debt in a constructive and sustainable way.

<u>Second — we need to unlock the full potential of our international financial institutions.</u>

If finance is the fuel of development, Multilateral Development Banks are its engine.

And this engine needs revving up.

We will keep pushing to triple the lending capacity of Multilateral Development Banks, making them bigger and bolder, as called for in the draft outcome document.

This includes recapitalization, stretching their balance sheets and substantially increasing their capacity to mobilize private finance at reasonable costs for developing countries.

We must ensure that concessional finance is deployed where it is most needed.

And we need to see that developing countries are represented fairly — and have a voice — in the governance of these institutions they depend on.

<u>And third — we need concrete action to increase all streams of finance.</u>

Yes, these are tough times.

But it is in difficult periods that the imperative for responsible, sustainable investment is even more critical.

At the country level, governments need to strengthen the mobilization of domestic resources and channel them towards critical systems like education, health and infrastructure…

To work with private sector partners to increase blended finance options…

And to scale-up the fight against corruption and illicit financial flows.

At the global level, we must keep working to shape an inclusive and effective global tax regime, and ensure that international taxation rules are applied fairly and effectively.

Donors must keep their promises on official development assistance, and ensure those precious resources reach developing countries.

For our part, we will fully deploy our UN Country Teams to work with host governments to channel the maximum amount of resources towards sustainable development at the national and regional levels.

And we will use every opportunity — including COP30 in Brazil — to call on leaders to identify innovative sources of climate finance for developing countries leading to the mobilization of $1.3 trillion annually by 2035.

All this requires a focus on innovative sources of finance.

Excellencies,

In many ways, financing for development is integral to the future of the multilateral system.

It's about our conviction in the power of global solutions to global problems like poverty, hunger and the climate crisis.

Let's make the most of this critical moment as we prepare for Sevilla.

Let's keep our ambitions high and deliver for people and planet.

And I thank you.