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## Ministerial Declaration of the Group of 77 and China to UNCTAD XV

### From inequality and vulnerability to prosperity for all

We, the Ministers of the Group of 77 and China, gathered virtually in Bridgetown, Barbados, for the fifteenth session of the United Nations Conference on Trade and Development (UNCTAD XV), amid extraordinary times where the world is continuing to face the persistent coronavirus disease (COVID-19) pandemic and its economic and social consequences, further compounded by the increasing challenges to multilateralism,

*Express* our appreciation and gratitude to the Government and people of Barbados for hosting us virtually and for the unwavering support to the organization and the success of this ministerial meeting,

*Welcome* the appointment of Ms. Rebeca Grynspan of Costa Rica to the post of Secretary-General of UNCTAD and offer the support of the Group of 77 and China for her efforts to build a stronger UNCTAD, looking forward to the further strengthening of the bonds between UNCTAD and the Group of 77 and China,

*Recognize* the centrality of the United Nations in the international system in the field of development, maintenance of international peace and security and respect for human rights, including the right to development according to resolution 41/128 of 4 December 1986,

*Reaffirm* the important role of UNCTAD as the focal point in the United Nations for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development,

*Reaffirm* our support for the outcomes of previous UNCTAD ministerial conferences, in particular the Nairobi Maafikiano of 2016, Doha Mandate of 2012 and Accra Accord of 2008,

*Further reaffirm* previous declarations of the Group of 77 and China, in particular the declaration emanating from our ministerial meeting held in Nairobi on the margins of the fourteenth session of the United Nations Conference on Trade and Development (UNCTAD XIV) in July 2016 and the Ministerial Declaration adopted by the forty-fourth Annual Meeting of Ministers for Foreign Affairs of the Group of 77 in November 2020,

*Also reaffirm* that existing commitments of the international community remain relevant and must be upheld, including the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda, the United Nations Declaration on the Right to Development, the Programme of Action for the Least Developed Countries for the Decade 2011–2020



(Istanbul Programme of Action) and any relevant successor agreement reached at the fifth United Nations Conference on the Least Developed Countries, the outcomes and the Declaration of Principles and the Plan of Action of the World Summit on the Information Society, the Sendai Framework for Disaster Risk Reduction 2015–2030, the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024, the Small Island Developing States Accelerated Modalities of Action (SAMOA) Pathway, the Paris Agreement, and the Kyoto Protocol under the United Nations Framework Convention on Climate Change, previous sessions of the Conference of the Parties to the United Nations Framework Convention on Climate Change and the Convention on Biological Diversity, as well as the upcoming twenty-sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change and fifteenth session of the Conference of the Parties to the Convention on Biological Diversity, and the Doha Declaration on the Agreement on Trade-Related Aspects of Intellectual Property Rights and Public Health,

*Express* our firm commitment to a rules-based, transparent, non-discriminatory, open and inclusive multilateral trading system as embodied in the World Trade Organization,

*Underscore* that much has been accomplished since the twin birth of UNCTAD and the Group of 77, particularly towards sustainable development, in its economic, social and environmental dimensions. Yet, inequality and vulnerability continue to plague much of humanity, thus rendering the UNCTAD contribution more relevant than ever,

*Reiterate* that this is not the first time that our Group has called for concerted action to confront the existential threats to humanity. Yet, the COVID-19 pandemic, unequal access to vaccines, unilateralism, foreign occupation, recent natural disasters, maritime and industrial accidents, human displacement, weak productive capacities, lack of structural transformation, slow pace of diversification of economies and food insecurity underscore the very real consequences of inaction,

*Therefore, in this regard:*

1. We reaffirm that, at Nairobi, we strove to move from decisions to action. The world we face today makes it clear that we must do better and move from actions to concrete results.
2. We recall that, since UNCTAD XIV, fundamental development challenges remain and are exacerbated by the COVID-19 pandemic. These challenges include, but are not limited to, inequality, vulnerability, the effects of climate change, unilateral coercive measures, biodiversity loss, natural and man-made disasters, the escalating debt crisis, lack of competitiveness, commodity dependence, unsustainable patterns of consumption and production, less diversified production base, unemployment, food insecurity, shortages of basic services and infrastructure, illicit financial flows and activities that underlie their occurrence and health-related shocks, which impact on trade, impede the development and livelihood of nations and individuals, and violate their right to development.
3. We recognize that COVID-19 has triggered a humanitarian and socioeconomic crisis that is already devastating societies and reversing vital gains made in human development and sustainable development goals. In addition, the COVID-19 pandemic has accentuated inequalities in several areas and exposed the strategic vulnerabilities of developing countries that are disproportionately affected by the pandemic. Above all, it has a significant impact on the lives and livelihoods of ordinary people, particularly the poor and the most vulnerable, who struggle to make a living in an already highly unequal world. We note with concern the uneven pace of COVID-19 vaccine rollout and, in this regard, reaffirm the need for fast, effective, affordable and equitable delivery of vaccines for all, especially in developing and least developed countries, including the ongoing consideration at the World Trade Organization on a temporary waiver from certain provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights for the prevention, containment and treatment of COVID-19 and other proposals relating to the World Trade Organization response to the COVID-19 pandemic.
4. We express our aspiration for the Bridgetown Covenant to provide a framework for moving from actions to concrete results in tackling these challenges. The covenant we seek to seal provides a platform for action to catalyse the needed changes, including in the multilateral system. For the Group of 77 and China, this means restoring UNCTAD to its

rightful place as a United Nations forum for meaningful consensus-building and decision-making on key trade and development interrelated issues and issues that impact development.

5. We underscore the added impetus to this necessity due to the forthcoming sixtieth joint anniversary of the Group of 77 and UNCTAD in 2024. That event, in the wake of the COVID-19 pandemic, will be a true reflection of the continuing relevance of UNCTAD and the Group of 77 and China. Therefore, our ambition is that by that time, our efforts here in virtual Barbados will have borne fruit with the revitalization of UNCTAD as part of the broader multilateral system, as well as enhancing and securing the meaningful participation of developing countries in the global economic system, including in economic decision-making.

6. We underscore the historic significance of our task, coming at this historic moment. By the time of our joint anniversary, only six years will remain before the target date for the accomplishment of the Sustainable Development Goals. Our ambitious work could contribute to the formulation of the successor to the sustainable development agenda. Our consensus-building in UNCTAD should contribute to defining the future of the global development agenda itself. The challenge and the opportunity are clear: our work in the next few years should be aimed at improving the global development agenda including the acceleration of the implementation of the Sustainable Development Goals.

7. We reiterate our call for enhancing consensus-building in UNCTAD on key trade and development issues. The results of UNCTAD discussions have yielded important lessons on the types of issues which can be explored deeply through intergovernmental discussions. These activities have also generated useful ideas that could be applied in UNCTAD and considered elsewhere. Yet the limitations of the negotiating pillar of UNCTAD have not allowed member States to express the full potential of these ideas

8. We underscore the need to not only build consensus, but also set a developmental narrative on issues affecting global trade and the global economy. Therefore, we look forward to continuing to strengthen the negotiating function of the UNCTAD intergovernmental machinery, especially the Trade and Development Board, and for these outcomes to make a meaningful and direct contribution to the broader work of the United Nations on development.

9. We further underscore the importance of the research and analysis, and technical cooperation pillars, which should be equally strengthened with a view to achieving a balanced and synergetic approach among all the three pillars of UNCTAD work.

10. We reaffirm our call for a new global consensus on revitalizing multilateralism, to strengthen the voice of developing countries to effectively address the pervasive global health and socioeconomic challenges, a requirement that is urgently needed as demonstrated by the COVID-19 pandemic, by harnessing the collective will of humanity to tackle both the long-standing challenges of development, as well as the existential threats that we face together, decisively. We must focus our thinking on making global economic governance truly development-oriented, especially through ensuring that developing countries are able to meaningfully participate in the decision-making that affects their present and their future.

11. We are gravely concerned that the threats to multilateralism, in particular the promulgation and application of unilateral coercive measures, have reached a dangerous level, with clear signals of a multidimensional crisis that can only be solved through the political will of member States and vigorous international coordinated action. These measures and legislation are contrary to the Charter of the United Nations, the norms and principles governing peaceful relations among States and violate gravely international law, human rights, including the right to development, international humanitarian law and the rules and principles of the World Trade Organization. The promulgation and application of these measures affect adversely not only the economies and the development efforts of developing countries and hinder the livelihood and well-being of the people of targeted countries, but also penalize both the countries directly concerned and others along the value chain and within the financial systems.

12. We further call upon with utmost urgency to uphold and support multilateralism, as well as avoiding and refraining from any sort of unilateralism, in particular unilateral coercive

measures, and firmly reject the imposition of laws and regulations with extraterritorial impact and all other forms of unilateral coercive measures, economic, financial and trade measures, including unilateral sanctions against developing countries, and urge the international community to take urgent and effective actions to eliminate the use of such measures.

13. Therefore, we call for the unique conditions and vulnerability of developing countries to be identified and addressed if we are to effectively tackle these challenges and bring about equality and prosperity for all while keeping in mind one of the core principles of the 2030 Agenda for Sustainable Development: “no one will be left behind”. Guided by the need to strengthen development cooperation and supporting developing countries to achieve the Sustainable Development Goals, particularly through strengthening the means of implementation and revitalizing the global partnership for sustainable development in line with Sustainable Development Goal 17.

14. We recall that Africa continues to participate unequally in international trade, suffers from weak productive capacities and structural transformations and needs support in achieving the goals set in the 2030 Agenda and Agenda 2063. Landlocked developing countries have special trade, investment, infrastructure, transit transport and development needs, given their landlocked condition. While small island developing States face trade logistics obstacles, it is necessary to address other challenges they confront, which are linked to debt vulnerability, climate vulnerability and to the small size of their economies. The least developed countries, including those on the graduation track from the least developed country category, and other structurally weak, vulnerable and small economies have special needs and problems due to their small size, defective infrastructure, lack of product diversification, and the lack of economies of scale. They need support in maintaining sustained economic growth, attracting productive investment, and improving their productive capacity and competitiveness. We further recall that middle-income countries face increased vulnerability due to higher economic and financial openness, exposing themselves to global flows of goods and capital without proper safeguards and, thus, run the risk of being affected more by global crises than others while continuing to suffer from poverty, inequality and high unemployment, being faced with the middle-income trap and a slow pace of structural transformation and economic diversification.

15. We call for the continued consideration of measures to respond to the COVID-19 pandemic including through a Trade-Related Aspects of Intellectual Property Rights waiver, as well as other proposals on how to tackle the COVID-19 pandemic by building economic resilience, promoting sustainable and inclusive structural transformation and creating fiscal policy space, allowing States to maintain macroeconomic stability to attract and sustain private investment, increase public investment and secure fiscal sustainability. The pandemic will only be over once it is over everywhere, and this entails an inclusive economic recovery which reduces inequalities. We therefore underscore the urgent need for developing and least developed countries to have equal, unhindered and timely access to vaccines and therapeutics and, in this regard, call for the ramping-up of production and distribution thereof, so as to enable, as early as possible, an equal and sustainable recovery from the pandemic.

16. We note with grave concern that the COVID-19 crisis has caused a dramatic fall in foreign direct investment, with global foreign direct investment flows dropping by 35 per cent to \$1 trillion in 2020. In light of this decline, investment flows to sectors relevant for the Sustainable Development Goals in some developing countries have collapsed, undoing the progress that has been achieved since 2015. At the same time, we note that, although global sustainable finance increased by 80 per cent from 2019 to reach some \$3.2 trillion in 2020, most of this funding is domiciled and spent in developed countries.

17. Therefore, we call for global efforts, by all countries and stakeholders, to engage in transformative action to promote investments, financing for development in order to build productive capacity in our economies and achieve sustainable recovery from the pandemic and eliminate all obstacles in this regard. We call on the UNCTAD secretariat to engage with all stakeholders along the entire investment chain to mobilize and channel investment and increase its development impact, including through the World Investment Forum and its annual satellite events on sustainable finance and investment, as well as continuing its work on the modernization of investment agreements. We underscore the importance of promoting awareness and capacity-building to support developing countries in attracting investment that

contributes to the achievement of national development goals, supports technology transfer and stimulates job creation and inclusive growth and development.

18. We underscore the nexus between trade and health policies. Developing countries face health challenges, including chronic communicable and non-communicable diseases and COVID-19, which can hinder efforts at wealth creation, productivity enhancement and could increase social and economic inequalities and inequities within and among countries, leaving the poorest and the most vulnerable even further behind.

19. We recognize the significant contribution of South–South and triangular cooperation in the area of trade to the post-pandemic recovery and sustainable development, and in this regard reaffirm our determination to strengthen South–South trade cooperation building upon existing intergovernmental cooperative frameworks, consistent with the Buenos Aires outcome document adopted at the second United Nations High-level Conference on South–South Cooperation.

20. We further underscore that international trade is key to fostering inclusive economic growth and development, as well as poverty eradication. In this context, the significance of the principle of special and differential treatment for developing countries in harnessing the developmental benefit of international trade remains crucial. For trade to be a real vehicle for growth and development, the multilateral trading system as embodied in the World Trade Organization must remain open, transparent, inclusive, non-discriminatory and rules-based, with an effective mechanism to address different levels of development.

21. We further call for support in the implementation of trade facilitation reforms, including the World Trade Organization Agreement on Trade Facilitation, together with the development and implementation of appropriate legal and regulatory frameworks that reduce trade transaction costs in accordance with national development priorities.

22. We reiterate the increasingly important role that digitalization is playing in the world economy. The rapid technological changes, however, present immense socioeconomic challenges to developing countries due to the already existing gap between them and advanced countries in the digitalization process. Developing countries face great challenges to effective participation in the fast-growing digital economy. Therefore, we call for efforts to narrow the technological gap and closing the digital divide between developed and developing countries, in the spirit of the implementation of the 2030 Agenda principle to leave no one behind, through the deployment of available, accessible and affordable broadband infrastructure and services, which is particularly urgent considering the acceleration of digitalization brought about by the COVID-19 pandemic. Digital transformation should not reinforce the economic course of action which preserved inequality and allowed to create the gap between developing and developed nations in the past. Coordination and adoption of agile and collaborative public policies are required to address the asymmetric capacity of developed and developing countries and the high level of concentration of the digital industry. Developing countries need policy space to promote digital industrialization.

23. We reiterate that technology development and transfer are core priorities of the developing countries in implementing the 2030 Agenda. The need to accelerate the transfer of technology on favourable terms, including on concessional and preferential terms, should be prioritized.

24. We reaffirm that the commodity-driven development model, with limited value addition and product diversification, has not enabled countries to develop their own national productive capacities to successfully achieve structural transformation and economic diversification. In this regard, locally driven and homegrown development approaches which focus on local particularities and on building resilience among countries and regions should also be taken into consideration.

25. We reiterate the vital importance of ensuring food security as a necessary condition for achievement of the Sustainable Development Goals, especially Goal 2, through tackling various challenges linked to it, such as climate change and the environment. Due consideration should be given to the needs of the net food-importing developing countries to tackle this challenge exacerbated by the COVID-19 pandemic and affiliated world high food

prices. We also highlight the importance of supporting the empowerment of rural women, youth, small-scale farmers, family farmers and livestock farmers, fishers and fish workers as critical agents for enhancing agricultural and rural development and food security.

26. We call for a shift away from a commodity-driven growth model by prioritizing domestic policies and strategies for enhancing productive capacities as well as redirecting development finance with equal emphasis on the productive sectors of the economy.

27. We further call for advancing the cultural and creative industries sector with digital technology, as an alternative to create a robust and contemporary post-pandemic economic recovery option. The confluence of cultural diversity and creative industries with digital technology has proven to generate significant growth during the pandemic, where creative and cultural workers could showcase and explore their work without barriers and promote inclusiveness, equality and egalitarianism.

28. We reiterate the importance of strengthening capacities to harness the potential of tourism that may positively contribute to inclusive economic growth and support the recovery of societies in the face of the unprecedented challenge of the COVID-19 pandemic and to contribute to the 2030 Agenda.

29. We emphasize the importance of achieving economic growth and sustainable development. This would require providing developing countries with the means of implementation, including access to technology, finance and capacity-building. In this regard, technical cooperation and assistance provided to developing countries in areas of science, technology and innovation should support efforts to move towards more sustainable patterns of production and consumption by increasing capacity and competitiveness throughout the value chain and supporting the achievement of the Sustainable Development Goals.

30. We recognize the significant role that microenterprises and small and medium-sized enterprises play in aiding poverty reduction, wealth creation and supporting sustained economic growth. We call for solutions that address the systemic constraints to the growth and development of microenterprises and small and medium-sized enterprises and their special developmental needs.

31. We reiterate that the loss of access to a range of international support measures, including some significant trade-related special and differential treatment and exemptions, after graduating from the least developed country category, creates severe challenges to the newly graduated countries. Therefore, it is essential for international support measures to continue for an extended period after graduation, to ensure their smooth transition.

32. We call on the international community to design and implement a new generation of international support measures to support the expansion and strengthening of productive capacities of developing countries and to accelerate their structural economic transformation. The new generation of international support measures, defined with the support of UNCTAD, needs to be adapted to current realities for developing countries, especially small and vulnerable economies and the least developed countries, including those having graduated. These new international support measures should cover, inter alia, the lingering effects of the COVID-19 pandemic-induced crisis, the aggravation of climate change and the accelerating digitalization of the world economy. The international support measures should consider the need to establish coherence and synergy in trade, finance, technology and capacity-building.

33. We reaffirm the importance of leveraging trade and investment policies as potential tools to support the achievement of the Sustainable Development Goals, including by ensuring timely and equitable access to affordable low-carbon technologies and skills by developing countries. However, we note that protectionism and unilateral economic, financial or trade measures or any measures of a punitive or coercive nature which are not in accordance with international law and the Charter of the United Nations impede the full achievement of inclusive and socioeconomic sustainable development, particularly in developing countries.

34. We note with concern that millions of people continue to be forcibly displaced every year due to long-lasting and recent conflicts, creating a pressing global challenge for both the

displaced people and for the economies of developing countries hosting these groups. According to the latest data, developing countries host 86 per cent of the world's refugee population; this is making the countries face the devastating socioeconomic impact of this crisis, hampering their ability to deliver on the Sustainable Development Goals.

35. We reiterate our deep concern over the long-standing occupation of the Palestinian territory which prevents the Palestinian people from developing their available natural resources (e.g. water, oil, natural gas). This costs the Palestinian people billions of dollars in unrealized economic potential. Moreover, the economic costs of occupation and the leakage of Palestinian fiscal resources to the Israeli treasury impose enormous costs on the Palestinian people, which is estimated by UNCTAD to be much higher than 13 per cent of Palestinian gross domestic product. The economic costs of occupation and the inability of the Palestinian people, under occupation, to utilize their oil and natural gas wealth, among other resources, make it extremely difficult for the Palestinian government to make tangible progress towards achieving the Sustainable Development Goals and for the international community's commitment to building an independent and viable Palestinian State.

36. We stress that climate change is one of the greatest challenges facing the international community. The Paris Agreement under the United Nations Framework Convention on Climate Change is a major milestone in this global effort to combat climate change. It is essential to secure balanced progress towards the full implementation of all three pillars of the Paris Agreement – mitigation, adaptation and means of implementation support for developing countries – as well as on other critical aspects under the United Nations Framework Convention on Climate Change, such as loss and damage and response measures. We stress the need for enhanced ambition and for developed countries to take a lead in enhancing global action based on equity, common but differentiated responsibilities and respective capabilities in light of national circumstances. The principle of common but differentiated responsibility and respective capabilities are crucial for this pathway of mitigation and adaptation. Reducing greenhouse gas emissions and promoting sustainable development and climate resilience are indispensable to the attainment of many Sustainable Development Goals targets, especially Goal 13.

37. We express our concern about the mounting stress facing the global ecosystem, with environmental damage at unprecedented levels. The greatest damage will doubtlessly be found in developing countries that have contributed the least to greenhouse gas emissions. This will be observed not only through an increase in the temperature, but also in the frequency and intensity of extreme weather events and the rise of sea levels, among others. In this context and in view of the importance of ensuring the sustainability of marine resources, we stress the urgency of concluding the World Trade Organization negotiations on prohibiting certain forms of fisheries subsidies that contribute to overcapacity, overfishing and eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation. We urge that the climate change mitigation measures implemented, especially by developed countries, should take into account the vulnerabilities, national interests and priorities of developing countries and should not result in the introduction of burdensome measures that will have a negative impact on the exports of developing countries.

38. We reaffirm the important role of UNCTAD in providing technical assistance and capacity-building to developing countries and countries with economies in transition before, during and in the follow-up to the process of accession to the World Trade Organization, which should be universal and non-discriminatory.

39. We reiterate our grave concern about the resulting impact on inclusive and sustainable development for all developing countries. Geographical location, high dependence on agriculture, lack of product diversification, strong reliance on ecosystem services, existing high debt stocks, rapid growth, concentration of population and relatively poor health systems make developing countries more vulnerable to any impacts originating from or exacerbated by climate change. Moreover, developing countries generally have less capacity to adapt due to inadequate infrastructure, limited access to finance to enhance climate action, meagre household income and savings and limited supportive public services. At the same time, the

ones to suffer first and most are the poorest segments of the population from developing countries, some of whom face existential threats, as in the case of small island developing States.

40. We also acknowledge the need to revisit the conceptual, methodological and statistical choices used in the initial analysis of structurally weak, small and vulnerable economies to ascertain whether any new countries need to be included in this category, bearing in mind the UNCTAD approach in this area rests on the goal of resilience-building.

41. We recall that climate change can significantly impact the sustainability of land, oceans, marine resources, water and ecosystems. Countries that are disproportionately affected by extreme weather events, natural and man-made disasters and other hazards, such as desertification, sand and dust storms and water crisis may require assistance and access to proper financing to adopt policies and practices that help them benefit from sustainable conservation and the harnessing of marine and land resources while mitigating against and adapting to the effects of climate change.

42. We note with concern that natural disasters, many of which are exacerbated by climate change and are of increasing frequency and intensity, as well as natural hazards or man-made activity, including industrial and maritime disasters, significantly impede progress towards inclusive and sustainable development. Developing countries are significantly more vulnerable when natural and man-made disasters strike; their Governments experience a significant burden and need to reallocate budget resources to finance disaster response and recovery efforts. We therefore call for increased support to developing countries on climate change adaptation, disaster risk reduction and enhancing resilience.

43. We further reiterate the vulnerability of maritime transport, which channels most international trade, to accidents and related occurrences that may generate significant casualties and long-term environmental damage (e.g. oil spills and release of dangerous chemical substances). Small island developing States and coastal developing countries are particularly exposed to such incidents, which may have prolonged serious socioeconomic and environmental consequences. We call for support to these developing countries to build capacity and implement policies to effectively prevent and deal with the consequences of maritime accidents.

44. We reiterate the connection between financing for development and eradicating poverty in all its forms and dimensions. This includes extreme poverty, which is the overarching goal of the 2030 Agenda and an indispensable requirement for sustainable development.

45. We note with concern that middle-income countries are still home to most of the world's people living in poverty (62 per cent of the world's poor, according to World Bank data) and inequalities and gaps still remain. They continue to face significant challenges to achieve sustainable development. There is an urgent need to identify ways and means to ensure that the diverse and specific development needs of middle-income countries are appropriately considered and addressed, in a tailored fashion, in their relevant strategies and policies, with a view to promoting a coherent and comprehensive approach towards individual countries. In this context, the United Nations development system must improve its support to different country contexts, including how to provide efficient, effective, more coordinated and better and focused support to middle-income countries.

46. Therefore, we call for financing for development to focus on resource mobilization through the provision of support from developed countries and channelling resources towards poverty eradication strategies. Any resources related to finance development must be aligned with the national priorities and development strategies of the countries, taking into consideration different realities and contexts and the principle of common but differentiated responsibilities.

47. We reiterate our concern about the accumulation of unsustainable debt by developing countries, especially external debt. Debt is sustainable when it increases real output sufficiently and, in the case of sovereign debt, when Governments can capture enough of that increase to service the debt. Unfortunately, this has not been the case during the past decade, leading to higher risk of debt stress, causing alarms worldwide. Furthermore, international



organizations, such as the World Bank and the International Monetary Fund, have joined UNCTAD to raise their voices regarding the danger of continuous deterioration of the composition of debt of developing countries towards more non-guaranteed private and short-term borrowing. This is happening at both the sovereign and firm and consumer levels. In this regard, the long-standing call by UNCTAD for stronger and reformed international monetary and fiscal governance remains true in today's uncertain world.

48. We reiterate our urgent call to reform the international financial architecture to improve the efficiency of the global financial system, improve debt sustainability and foster sustainable development. There is a need for continued discussions on the establishment of a multilateral legal framework on sovereign debt restructuring processes, in line with United Nations General Assembly resolution 68/304. There is also a need to search for ways to neutralize the effects of an anticipated external debt crisis on the ability of developing countries to achieve the Sustainable Development Goals by 2030. In addition, we call for an interim solution to address the grave debt crises encountered by the developing countries, of which foreign exchange reserves have drastically reduced due to the COVID-19 pandemic and affiliated loss of proceeds from the export of goods and services.

49. We recall that the United Nations system has been playing a leading role in the discussions on sovereign debt restructuring and remains well positioned to do so. The work of UNCTAD is highly needed and appreciated in this regard. Therefore, we call on UNCTAD to continue playing a leading role in supporting global efforts towards a durable solution to the problem of developing country indebtedness in cooperation with the relevant international agencies.

50. We stress that the implementation of the 2030 Agenda at all levels requires provision of means of implementation and a revitalized global partnership, in accordance with Sustainable Development Goal 17. In this regard, further support is needed from developed countries, especially regarding the transfer of technology, capacity-building and financing to developing countries.

51. We reaffirm that official development assistance, as distinct from climate finance, is the main channel for international cooperation and will remain so. We further note with concern that, while official development assistance has increased since 2016, this increase is partly due to an increase in funds towards humanitarian and crisis situations, which is inconsistent with the sustainable long-term approach to financing development which is needed to achieve the targets of the 2030 Agenda. In this context, it is important that official development assistance is aligned with the principles of national ownership, alignment with national development strategies and the Sustainable Development Goals, systems and priorities of recipient countries, harmonization of donor actions, managing for results and strengthening of mutual accountability by fully engaging concerned domestic institutions during the implementation of development programmes and activities.

52. We further reaffirm that the fulfilment of all official development assistance commitments remains crucial, along with the honouring of legal and other commitments to provide new, additional, adequate and predictable climate finance to developing countries. Such support needs to include more grant-based financing, as we note that the worrying trend towards loans with ever-increasing conditionalities and co-financing requirements is excluding many developing countries or exacerbating the debt crisis. Climate finance is distinct from official development assistance and should be in the form of new, additional, at scale and grant-based contributions from developed to developing countries.

53. Therefore, we call on developed countries to reaffirm their respective commitments, to achieve the target of 0.7 per cent of official development assistance/gross national income dedicated to developing countries and 0.15 to 0.20 per cent of official development assistance/gross national income dedicated to the least developed countries, as outlined in the Addis Ababa Action Agenda. Developed countries should also fulfil their commitment to jointly mobilize \$100 billion of climate finance per year through to 2025.

54. We reiterate that developing countries face vulnerabilities that limit their ability to respond effectively to external shocks, such as climate change, natural disasters, record high debt and global pandemics. The use of gross domestic product/gross national income per capita alone to determine eligibility for concessional financing will not ensure that vulnerable

countries, even those with a relatively high per capita income, can access on a concessional basis the resources they require to recover from and build resilience to these shocks. There is a need to continue work on vulnerability indices with a view to building the resilience of vulnerable countries.

55. We further reiterate that tax revenue remains one of the most important means for developing countries for resource mobilization, along with official development assistance, to meet the ambitious targets of the 2030 Agenda and attaining the Sustainable Development Goals. Effective taxation will be critical in the mobilization of resources for national development strategies and the implementation of the Sustainable Development Goals. This includes reducing opportunities for tax avoidance and combating and curbing illicit financial flows, together with the activities that underlie their occurrence, such as tax evasion, illegal exploitation of natural resources, corruption, embezzlement and fraud. This is a global issue that requires further multilateral cooperation.

56. We recognize that illicit financial flows and the activities that underlie such illicit flows are a significant challenge for developing countries. These outflows deprive the developing countries of the necessary revenues to pursue programmes and policies aimed at achieving sustainable development, eradicating poverty, inequality and vulnerability. We take note of the recommendations made by the High-Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda to address illicit financial flows. We therefore urge the international community and institutions, including UNCTAD, to enhance its support for the efforts of developing countries to develop and strengthen capacities in various areas, inter alia, their national tax authorities, legal and regulatory institutions, businesses and financial institutions, and for increased public awareness to enhance accountability mechanisms and help to combat illicit financial flows.

57. We affirm the importance of eliminating safe haven practices that create incentives for the transfer abroad of stolen assets and illicit financial flows. We further affirm the importance of implementing appropriate anti-money-laundering and combating the financing of terrorism measures to the promotion of transparency and the fight against illicit financial activities, including all forms of financial crime, and of addressing harmful tax practices. We reiterate our support for international cooperation, strengthening of national institutions and adherence to applicable international measures on tax transparency, anti-money-laundering and combating the financing of terrorism, and call for such measures to be implemented in a non-discriminatory, fair and balanced manner.

58. We reiterate our call for strengthened international cooperation on tax matters, recognizing with concern that there is still no single global inclusive forum for international tax cooperation at the intergovernmental level.

59. We are concerned that there may be adverse impacts on the economies of developing countries resulting from carbon border taxes and non-tariff trade barriers imposed by developed countries, on the pretext of addressing climate change.

60. We stress that disinvestment from fossil fuels needs to take into account the national circumstances of developing countries, which have the right to development space, more time and international support to achieve the shared goal of an energy transition, in the context of international equity. One-size-fits-all approaches that disregard national circumstances are not just and will impose economic hardships and job losses on developing countries and leave them with stranded assets.

61. We reiterate that developing countries face important challenges in the measurement of illicit trade flows and the assessment of their impact on resource mobilization for specifically development and on national development strategies. Illicit trade creates a triple threat to the financing of development: crowding out legitimate economic activity, depriving Governments of revenue for investment in vital public services and increasing the costs of achieving the Sustainable Development Goals by eroding the progress already made. Therefore, there is a need to assist developing countries in addressing such challenges.

62. To enable the Group of 77 and China, especially the Geneva Chapter, to tackle the above challenges and meet the ambitions outlined, we decide upon the following:

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63. First, the Geneva Chapter should be captured with the strategic issues confronting developing countries to advance our collective thinking and collective action. Therefore, it would be fitting for the Gamani Corea Forum, established in commemoration of our joint fiftieth anniversary, to serve as the principal mechanism for our preparations for the future, including our joint sixtieth anniversary. We call on the Geneva Chapter to work with UNCTAD, the South Centre, as well as other friends in Geneva, to organize regular sessions of the Forum at a high-level standing. The Forum would be dedicated to focusing on strategic issues of importance for developing countries with the aim of translating these ideas into action through intergovernmental agreement in UNCTAD and beyond.

64. Second, working with UNCTAD and other friends in Geneva, such as the United Nations Institute for Training and Research, we call to build on the important work of the Paragraph 166 initiative which provides training to the experts of the Group of 77 and China, including, where possible, beyond Geneva, to enable the Group to approach key development issues better and more strategically with more effective collective action in pursuit of the Group's objectives.

65. Third, we invite the New York Chapter, along with the other chapters of the Group, to enhance cooperation with a view to building stronger linkages between UNCTAD and the United Nations General Assembly in the development of its resolutions related to trade and development, as well as to start consultations on considering the establishment of a high-level group of eminent persons to provide a platform to discuss how to accelerate the implementation of the 2030 Agenda taking into account national policies and priorities. The forthcoming Third South Summit could be a launching pad for this initiative, with an initial report that could be presented during a ministerial meeting of the Group on our joint sixtieth anniversary.

66. We invite all Chapters of the Group of 77 and China to contribute to the implementation of the decisions contained in this declaration and to decide in favour of establishing a mechanism within the Geneva Chapter of the Group of 77 and China to monitor the implementation of the decisions of this declaration and report to the Ministerial Meeting of the Group of 77 and China to be held on the margins of the sixteenth session of the United Nations Conference on Trade and Development.

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