

India for reforms of global financial institutions, credit rating systems: FM

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Finance Minister Nirmala Sitharaman made a strong case for reforms of the international financial architecture and credit rating systems to enhance inclusivity and equity.

Speaking at the 4th International Conference on Financing for Development at Seville, Spain, she supported the call for a reversal in the decline of Official Development Assistance, and urged developed countries for enhancing climate finance.

Sitharaman emphasised that climate finance should be predictable, accessible and concessional, particularly for adaptation in vulnerable countries.

INCLUSIVITY, EQUITY

"India supports reforms to the international financial architecture to enhance inclusivity and equity, including MDB (multilateral development bank) reforms and fairer credit rating systems. MDB lending must be aligned with long-term de-

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velopment goals and backed by robust monitoring frameworks to ensure that funds are used as intended," she said.

Pointing out that sovereign debt has become a structural barrier to inclusive and sustainable growth for many countries, she said the Global Sovereign Debt Roundtable, launched during India's G20 Presidency, played a pivotal role in enhancing debt transparency and comparability of treatment in debt restructuring.

Going forward, she said, effective implementation of the G20 Common Framework, coupled with preventive debt management, is essential.

TAX REFORMS

India also supported interna-

tional cooperation to modernise tax systems and curb illicit financial flows.

India's comprehensive tax reforms and digital transformation in tax administration had increased revenue and reduced compliance costs, she said. Observing that India had consistently placed people at the centre of its development strategy, she said, "We have lifted 250 million people out of multidimensional poverty, and empowered communities through inclusive digital public infrastructure through targeted policy interventions."

However, for robust global growth, national efforts must be complemented by an enabling international environment.

With many SDG targets off track and a financing gap exceeding \$4 trillion annually for developing countries, she said there is a need for urgent and transformative action.

She underlined the need for the importance of a comprehensive, equitable and development-oriented global financing framework.