

High Level Political Forum - 5 July

Session on “Financing a robust crisis response and investing in the SDGs”

Intervention by Carola Mejia, Latindadd, on behalf of the Civil Society FfD Group

Good afternoon, my name is Carola Mejia and I am from LATINDADD and speak on behalf of the Civil Society Financing for Development Group.

The pandemic and the uneven response provided by governments has widened the already huge inequities within and between countries. Pre-existing vulnerabilities in developing countries, like mine, Bolivia, have also been exacerbated by the worsening impacts of the climate crisis and the current war, being the poorest the most affected.

As civil society we are very concerned about how the current war in Europe could be shifting priorities and the destination of resources as more money is going to the military and fossil fuel industries, risking the fulfillment of the SDGs and also the last opportunity humanity has to tackle the climate crisis for which we only have 3 years left.

We are definitely not facing a normal situation; therefore, we expect the international community to act according to these challenges, promoting real and systemic solutions, prioritizing finance support for the most affected countries, with a special focus on people and not profit.

ODA commitments should be fulfilled and increased, and we don't want you to promote more debt as a solution. Indeed, it is a big problem undermining our development for several years, as many developing countries are already allocating more resources for debt service than to public health care, education, social security, or climate action.

We demand:

1. Immediate debt cancellation for all countries in need, including low- and middle-income countries, and all creditors.
2. A new approach to debt sustainability, one that has SDGs, human rights, gender justice and climate vulnerabilities at its core, which is not happening right now.

3. The use of financial instruments that do not increase debt, for example a new allocation of Special Drawing Rights to fund the climate and SDG Agendas, distributed based on real vulnerabilities, and not on participation quota.
4. The organization of a 4th Finance for Development Conference at the UN to promote systemic and urgent reforms of the global financial architecture.
5. We also demand the Global North to pay its climate debt, to stop investing in fossil fuels, to reduce their consumption and to guarantee a fast and just energy transition.
6. Under the principle of common but differentiated responsibilities, the Global South should not be paying for the North's climate debt, but it is exactly what is happening, considering 71% of public climate finance is being delivered to developing countries through loans, which increase debt.
7. We also demand that developed countries deliver new and additional, non-debt creating climate finance beyond the unfulfilled current 100 billion dollars pledge, considering real needs, mainly in south countries that, being less responsible for the climate crisis, are the most vulnerable to its impacts.
8. We call for adaptation funding to be doubled and for the creation of a new facility to cover losses and damages resulting from extreme climate events.

We are very concerned that the climate commitments are highly insufficient to achieve the Paris Agreement goals, and that less progress is being made for its implementation.

We are also very concerned that market-based mechanisms, like carbon markets and other false solutions are being promoted, when we perfectly know that capitalism is one of the main causes of inequality and of the climate and environmental crises, because it prioritizes the generation of wealth at any cost.

Finally, we don't want private finance and mechanisms like public-private partnerships to be seen as the great solution, considering the risks they represent and the lack of interest these investors have to fund high quality public services and climate resilience.

We should work together towards a transformative and fair financial architecture, promote new economic alternatives, based on tax justice, debt justice and climate justice.

We are running out of time.

Thank you very much.