

Talking points of Carola Mejia on behalf of LATINDADD and the Civil Society Financing for Development Mechanism at the HLPF 2023

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

We are very concerned about how the war in Europe is shifting priorities as the military and fossil fuel industries are receiving more public money, undermining the fulfillment of ODA and climate finance commitments, risking the fulfillment of the SDGs and also the last opportunity we have to tackle the climate crisis.

It is very worrisome to hear that we need more loans for example from MDBs. A developing country will never be able to get out of the vicious circle in which the only alternative is to resort to more debt. It is indeed a big problem considering for example that many countries are already allocating more resources for debt service than to public health, education, social security or climate action. It is also evident that current international initiatives to address the debt crises are insufficient.

The United Nations, being neither debtor nor creditor itself, is the only inclusive multilateral and democratic space that has the legitimacy and competence to discuss and agree a multilateral legal framework to prevent and address sovereign debt crises.

Therefore, we call on UN member states to work towards the design and adoption of a UN multilateral legal framework on addressing sovereign debt crises, which should prioritize implementing extensive debt cancellation to all Global South countries in need, including middle-income countries and all creditors.

We also demand a new approach to debt sustainability, one that has SDGs, human rights, gender justice and climate vulnerabilities at its core and a new allocation of Special Drawing Rights to fund the climate and SDG Agendas, distributed based on real vulnerabilities, and not based on the IMF participation quota.

SDR rechanneling through loans and conditionalities is not fair as it is part of the same recipe that will only make debt problems even worse in the Global South.

Finally, we don't want private and blended finance to be seen as the great solution to close the financial gap, considering the insufficient results this strategy has had so far and the lack of interest these investors have to fund high quality public services and climate resilience if they don't receive profit.

It also implies the use of more public resources to "de-risk" these kinds of investments, reducing important amounts of money that could go directly to finance public services and resilience. It also dilutes the full responsibility Global North countries have regarding the historical climate and ecological debt.

We expect the international community to act according to these challenges, promoting real and systemic solutions, prioritizing concessional finance support for the most affected countries and vulnerable groups, including middle-income countries, with a special focus on people and not profit, and based on a criterion that goes beyond the GDP, that considers real needs and vulnerabilities.

We should work together towards the transformation of the international financial architecture, the economic system and the global governance, putting human rights, economic, gender and climate justice at the center.

The 4th Finance for Development Conference at the UN is a great opportunity to promote these urgent reforms, for the benefit of the 8 billion people we represent today.

Let's act now according to the emergency. We are running out of time.

Thank you very much.