



FfD4 Multi-Stakeholder Hearing Oct 28, 2024

Intervention by Mariana Paoli, Christian Aid, on behalf of the Civil Society Financing for Development Mechanism

Reclaiming the role of public finance is essential to deliver climate and development action and must be at the core of the outcomes of the FFD4 Conference. To do that, we need to reform the existing international financial architecture in order to increase the fiscal space in developing countries and ensure the international system is more democratic, accountable, transparent and in the public interest.

Private finance has a problematic role in addressing the climate crisis: it is insufficient and limited for mitigation, often neglecting adaptation, completely inadequate for loss and damage. The proliferation of financing instruments such as PPPs, blended finance, bonds, debt swaps and guarantees not only divert public resources that would support much needed universal and high quality public services but do not deliver for marginalised communities in the global south who have been the most affected by climate change and yet have done the least to create it.

New and additional public grants-base climate finance at scale is central for L&D, Adaptation as well as in achieving ambitious and National Determined Contributions (NDCs). Public finance at scale is about implementing the principles of common but differentiated responsibilities and capabilities (CBDR-RC), equity and reparations. The Global North must deliver its fair-share of funding and repay its climate debt, to compensate the global south for the appropriation of atmospheric space.

Climate finance delivered in the forms of loans will worsen and exacerbate the current debt crisis. IFIs must be transformed before playing any meaningful role in climate finance: Institutions that continue to be a large funder of fossil fuels, that drive austerity and conditionalities, lack transparency and accountability and whose governance is largely dominated by the global north cannot play such a role.

It is time to rebalance the powers in global economic decision making to ensure that the global South has more voice and participation. To reiterate we demand that the FFD process helps to deliver an urgent provision of adequate, high-quality, new and additional, public,

grants-based climate and environmental finance, with direct access to the most vulnerable groups.

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