



**FFD4 PrepCom 22<sup>nd</sup>/23<sup>rd</sup> July in Addis Ababa**  
**Denmark - General statement under agenda item 5**  
**Speaker: *Chargé d'affaires Ms Rose Marie Arvid Larsen***

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Excellences, Ministers UN- and High-level representatives.

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There is a 5.4 trillion-dollar financing gap to solve the climate crisis, reduce poverty and create sustainable development.

We see different ways to try to bridge some of this gap:

First, we need to scale up finance at a much larger scale and at higher speed.

During World Bank Spring Meetings, our Minister for Development Cooperation and Global Climate Policy, Dan Jørgensen, called for an ambitious replenishment of the International Development Association. As negotiations continue we would like to reiterate that call. Denmark also announced a purchase of hybrid capital of 57 mio. USD to boost the Bank's lending. The multilateral development banks have come a long way on reforming, but if we are to move from billions to trillions, reform

has to deepen and speed up. And we as shareholders have to provide needed additional financial support. We need better, but also bigger banks.

For more than 40 years, Denmark has been committed to meeting the UN target of setting aside 0.7 percent of our GNI for development assistance. But even if we all delivered on this target, we would still have a long way to go. We need to think innovatively, and we need to use public funds to de-risk private investment.

The global pricing mechanism for Greenhouse Gas emissions from international shipping could be an example of innovative climate finance in support of the green transition of shipping in developing countries.

At COP28 with The United States, and Nordic countries we launched the Investment Mobilization Collaboration Alliance, which aims to mobilize billions of dollars in private capital for climate finance by 2026. We will do this by coordinating our bilateral instruments and pooling our funds into competitive processes to mobilize private capital aiming to gear our public funding up towards 5 to 1.

The fourth conference on Financing for Development needs to bring forward more credible solutions to unlock innovative finance. Without this, we will not reach our collective goals.

Second, we have to do more to facilitate domestic resource mobilization. Denmark will support progressive and fair taxation through capacity building and combating tax evasion with 35 million USD.

Third, we need to be efficient with the finances we have. We cannot afford to let climate and development action compete with each other. Both are urgent and they are mutually dependent. We need to break down unhelpful silos between the processes around the NDCs and the SDGs. The Pact for the Future is an opportunity to lay the ground for the needed synergies.

Fourth – we need to reform the international financial architecture. It was crafted for a different time and is increasingly unfit for purpose. Reforms are needed at a structural level. This includes ensuring that governance and representation reflect current political and economic realities.

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To summarize: We need to be ambitious in our solidarity with countries in need of development and climate action. We need to be innovative to catalyze funds from billions to trillions. We need to ensure a more efficient use of the funds we have. And we need to give momentum to a reform of the international financial architecture. Denmark will be there.

Thank you.