



**CIVIL SOCIETY  
FINANCING FOR  
DEVELOPMENT**  
Mechanism

**Third Preparatory Committee (PrepCom) for the Fourth International Conference  
on Financing for Development (FfD4), NY, 10-14 February, 2025**

**February 13, 2025**

**Emilia Reyes, Equidad de Género: Ciudadanía, Trabajo y Familia on behalf of the CS  
FfD Mechanism Intervention at the Systemic Issues segment**

The ecological crisis is presenting us with a systemic challenge with global and local consequences, that require structural and multilateral solutions. The overshoot of 6 out of 9 planetary boundaries and the risk of going over tipping points is real, and therefore there is a need to address the links between the current economic system and the ecological harm we are witnessing. A sole focus on economic growth without a proper human rights, ecological and social assessment will continue to be detrimental to our territories, our people and ultimately to our economies. In the same manner, we see an opportunity in the FfD process to go beyond GDP, and to shape a Global Financial Framework to be human rights centred, decolonial, anti-racist, feminist, and development-oriented.

We expect the 4th Finance for Development Conference to promote structural and systemic reforms in the global economic system and the international financial architecture to focus not only on closing the financial gaps, but on tackling the root and cause of all the ecological crises. Unfortunately, we don't see those types of proposals in the Zero Draft. Moving forward it is of utmost importance to align and harmonize the FfD agenda with existing commitments around environmental integrity in relevant United Nations entities and treaties, which are all needed to ensure that the Earth System remains within the safe space of planetary boundaries. Principles agreed under those treaties should be recognized in a cross-cutting manner in the FfD outcome to avoid further ecological harm. These principles recognize the historical ecological debt owed by industrialized countries to the Global South, therefore the Right to Development need to be considered as a core principle in a para 52 bis to expand sovereignty, self-sufficiency and autonomy in developing countries regarding the use of resources, land, energy, labor, technology and time. Other principles, such as CBDR, polluter pays, equity, and fair shares, should be explicitly mentioned across the FfD outcome whenever a reference of the climate and environmental crises are mentioned, and they should guide a just and equitable transition towards an economic system that is ecologically and socially sound.

The primacy of public finance should be ratified for ecological and climate finance. Public finance can ensure ecological and climate planning and implementation that is science-based. The private sector and even the IFI's have not been up to the task of delivering environmentally sound results. Quite the opposite. In the case of the IFI's, they mostly deliver loans, increasing the already high debt levels in the Global South. For example Multilateral Development Banks (MDBs) are channeling 91% of their climate finance through loans, most of them non-

concessional. And, in the framework of an institutional reform, they are considering increasing their lending, which, if not concessional, will not solve the climate and ecological crises and obviously will make the debt crisis even worse. It is worrisome that two thirds of public climate finance is being delivered through them. They are also using public finance to derisk private investments, while we know that the private sector is not interested in funding adaptation, loss and damage or climate resilience if they don't receive profit, so they are not the silver bullet to close the financial gap and to reach the trillions needed.

Considering the limitations of UNFCCC climate finance architecture that is neocolonial and needs to be reformed, and the lack of time we have to tackle the climate crisis before it's too late, it is important to think of other alternatives to find rapid and efficient ways to mobilize resources to vulnerable countries, like debt relief from bilateral and multilateral creditors, tax instruments and new allocations of Special Drawing Rights (SDRs) for the climate agenda and the SDGs, especially if the allocation criteria is based on ecological and climate vulnerability and needs, and not in the country participation quota in the IMF. The governance within IFIs also needs to be reformed.

It is an obligation of most polluter countries to repair their historical "climate and ecological debts" and to be the ones making more effort to tackle the climate and other environmental crises, for example stopping investments in fossil fuels and other extractive sectors, reducing their high levels of consumption and promoting real systemic transformations, instead of the false market-based solutions that are currently being promoted. Degrowth of industrialized countries will be key to tackle these environmental crises.

FfD should set the bar to go beyond solidarity between the North and the South, to focus on reparations, accountability and justice.