

CIVIL SOCIETY MEETING
Financing for Development in the Era of COVID-19 and Beyond
Monday, 2 November 2020

Dialogue 2 – Intersection of Debt and IFF with Food, Health and Education

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Good morning, good afternoon and good evening everyone. My name is Beckie Malay from the Global Call to Action against Poverty. I'd like to start with the ABCs of my topic.

Debt

- increasing trend of indebtedness of low and middle income countries to fight COVID;
- current debt service in some African countries is about 20-40% of revenues, which result to low investments in food, public health systems, and education;
- fiscal space also limited by payment conditionalities such as sovereign guarantees, tax breaks and foregone revenues from free trade agreements;

Education

- Globally, we need a total of \$340 billion to send all the children of developing countries to high school. Only \$ 39.5 billion in aid is needed, equivalent to 8 days of military spending.
- Video games spending is \$159.4 billion in 2020, and \$1.739 trillion is spent for military

Food/ illicit Financial Flows

- Food supply chains have been disrupted. In the Philippines, farmers, fisherfolk, rural women and youth, and informal workers in the urban areas are worst hit. These are the people who produce our food, the essential workers who transport them, and the micro and small entrepreneurs who sell them.

With the typhoon season, rice farmers have been forced to sell their harvest lower than the production cost of 25 US cents/kilo to avoid further losses. The high cost of production is due to the government's low investments in climate-proofing agriculture, corruption and the policy to prioritise rice importation.

We need multilateral efforts to stop illicit financial flows that can effectively enforce tax laws, detect and punish corruption, stop the extractive industries and MNEs from profiting at the expense of nature and peoples. In Africa alone, \$88.6 billion of capital flight can fund ½ of the SDG financing gap. Illicit financial flows are gross human rights violations.

Back to ABC: Actions to Beat COVID

- COVID exposed the inequalities in income, opportunities and impacts amongst the poorest and marginalised especially women who face increasing levels of violence under lockdowns;
- In some countries people who are discriminated by work and descent and migrant workers who contributed millions in GDP, are now in danger of falling into extreme poverty. They are among the many faces of inequality;

- Without clean fuels, adequate food and proper nutrition, the ability to go to school and not get sick, our children's potential to earn higher income is severely compromised, causing more inequalities to persist through generations.

To do the ABCs and attain the SDGs, we need FfD to address inequalities.