



## 2023 Financing for Development Forum

### Session: Remaking the international financial architecture to achieve the SDGs

#### Statement by Bodo Ellmers of Global Policy Forum on behalf Civil Society FfD Mechanism (including the Women's Working Group on FfD)

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As civil society organizations, we are concerned that many policy proposals presented to address the financing gaps entail additional lending. And this in a situation where many countries are already in acute debt crises and many others face debt distress. What we need is less debt, not more debt.

Multilateral development banks did not participate in any of the recent debt relief initiatives, neither in the Debt Service Suspension Initiative, nor in the so-called Common Framework. But everyone needs to be part of the solution.

Let me put forward three policy proposals:

1. MDBs need to **champion state-contingent debt instruments** that allow for automatic debt standstills. It is not acceptable that countries that have been hit by a severe shock need to continue servicing multilateral debt.
2. MDBs cannot be categorically excluded from debt relief, in particular in countries where multilateral debt is a huge share of the debt stock. A new **multilateral debt relief initiative** must be a part of the global policy package to address the new debt crises.
3. We need alternatives to debt-financing. More **grant-financing** is needed, in both development finance but especially in climate finance. And we need effective multilateral actions to **address tax dodging and illicit financial flows**.

That said, let me close by inviting everyone to the side-event “the Road to a UN Tax Convention” that takes place in CR1. The UN Tax Convention that many member states are calling for has the potential to ensure that we need less not more action from international financial institutions future.