Dear Co-Chairs

As the negotiations continue with the aim of reaching a comprehensive and equitable global framework for pandemic prevention, preparedness, and response (PPPR), it is indispensable to address the interconnected challenges of the international financial architecture and the difficult reality of raising domestic resources faced by many low- and middle-income countries (LMICs) due to debt burdens, tax evasion and avoidance by foreign investors and other illicit financial flows. That is why we highlight the following points:

1. **CANCEL DEBTS.** Debt cancellation, as we have seen during the pandemic, is a condition for pandemic prevention preparedness and response. It would create fiscal space for LMICs to invest in robust financial measures, redirecting funds from debt servicing to strengthening healthcare systems and preparedness capacities. That is the way to enable financing the treaty and its implementation with country ownership.
2. **CHAMPION A GLOBAL TAX CONVENTION:** The accord should link to and support the efforts to create a UN tax convention which would enhance domestic resource mobilization, empowering LMICs to generate additional and sustainable revenue for financing health priorities including PPPR. This process cannot be ignored and should inspire future steps in the treaty implementation and the future COPs.
3. **REMOVE REFERENCES TO "INNOVATIVE" FINANCE MECHANISMS:** We caution Member States against the indiscriminate reference to innovative finance in article 20-1c. Empirical evidence shows that various forms of so-called "innovative finance" – such as blended finance or bonds – introduce opacity, moral hazards, and are deemed to diminish country ownership over PPR efforts, among other negative externalities related to healthcare privatization in countries. Prioritizing direct, transparent financing through debt cancellation, tax cooperation and public international finance is crucial.
4. **TAKE TIME FOR GOOD GOVERNANCE.** A 24-month timeline is a more workable approach than the proposed twelve months (in article 20, clause 7) to establish modalities and the governing board for operationalization of the funding mechanism proposed. The treaty negotiation process has suffered from time constraints. It is crucial that enough time is dedicated to ensuring that the Conference of the Parties is representative, inclusive and appropriately equipped to undertake its mandate.
5. **GET THE FINANCING MODEL RIGHT.** For the pooled fund, as part of the mechanism, assessed contributions would provide a fairer and more durable way of financing this fund and would avoid the instability created by voluntary contributions as proposed in article 20 clause 4. The fund must be allocated at the WHO, to secure routine oversight mechanisms that are not to be found elsewhere. The home of the pooled fund cannot be separated from the home of the new normative instrument you are now negotiating.

By addressing debt burdens, global tax justice and inadequate domestic resources, we ensure LMICs can effectively contribute to and benefit from the accord, driven by local priorities and ownership. Embracing debt cancellation, tax justice, and allowing sufficient deliberation time are crucial topics in working towards a financing mechanism that can support investment in robust, equitable PPPR, while contributing to global health equity.

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