



Financing  
for  
Development forum

# FINANCING A SUSTAINABLE RECOVERY FROM COVID-19

TUESDAY, 2 JUNE 2020

## CONCEPT NOTE

### Advancing Action on Financing for Development

The COVID-19 pandemic has triggered an unprecedented crisis in countries across the globe, halting economic activity and threatening public health and social wellbeing. There is a significant risk of backsliding on progress in achieving the 2030 Agenda and the Addis Ababa Action Agenda on financing for development. The pandemic has exacerbated existing vulnerabilities. Many countries are facing a decline in investments, growing debt burdens and severely reduced fiscal space. In the context of the Decade of Action and Delivery for the Sustainable Development Goals (SDGs), there is an urgent need to explore all available financing options to address the pandemic and mobilize the resources for a sustainable response and recovery.

This informal meeting of the Financing for Development Forum will act as a platform to discuss concrete financing solutions in response to the pandemic in the framework of the Addis Agenda, paying particular attention to the needs of countries in special situations that face specific challenges in tackling the crisis. The meeting will bring together experts from governments, international organizations, civil society and the private sector and will serve a dual objective: (i) to present concrete solutions to finance the response to the pandemic and (ii) explore policy options to set the world on a resilient and sustainable recovery.

### Priority Themes

Fiscal space and adequate funding are critical for countries to respond to the crisis caused by the COVID-19 pandemic. The number of countries, particularly developing countries, falling into or facing risk of debt distress is likely to grow significantly against the backdrop of a pandemic that increases spending needs while slashing government revenues. In order to respond to the pandemic, there is an urgent need to address unsustainable debt burdens and create the **space for countries to invest** in immediate crisis needs and recovery efforts.

The United Nations system and international organizations have been fully mobilized to support countries in responding to the crisis. The meeting will provide a platform to highlight concrete **funding mechanisms** and policy options to finance the crisis response.

Tackling **illicit financial flows** can provide critical resources to invest into recovery from the crisis. At the same time, there is a risk that the vast amounts of money involved in the economic response to the pandemic may become a target for misappropriation and misallocation of funds meant for essential public expenditures.

Moreover, increased and targeted investments by all actors are necessary in the sectors that can lead to a resilient and sustainable recovery.

The pandemic has shown that there is an urgent need to address risks to global prosperity proactively. One of the most daunting risks is **climate change**. Recovery efforts must be aligned with the 2030 Agenda and the Paris Agreement, to effectively address the risks of climate change. There is a need to build on the growing momentum for tackling climate change in the crisis recovery and grasp the opportunities to build an economy that is more resilient and sustainable. The meeting will highlight financing measures and **policy options to achieve a resilient and sustainable recovery** aligned with the 2030 Agenda.

### Guiding questions

- *What steps are needed to mobilize additional financing for the SDGs without jeopardizing debt sustainability? What concrete policy options and financing tools are available to governments to achieve this aim? What role can the private sector play? How can the financing be mobilized to ensure better preparedness for future crises?*
- *How can recovery measures be aligned with the SDGs to build a post-COVID-19 economy that is more resilient and responsive to climate change? What is needed to achieve sustainable development in the context of recovery efforts and ensure that we build back better?*