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**Follow-up to and implementation of the outcomes  
of the International Conferences on Financing for  
Development****Economic and Social Council  
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Agenda item 6

**High-level political forum on sustainable  
development, convened under the auspices of the  
Economic and Social Council****Summary by the President of the Economic and Social  
Council of the forum on financing for development follow-  
up (New York, 23 April 2019 and 2 June 2020)****I. The FfD Forum – A platform for Action**

1. In the context of COVID-19, H.E. Mona Juul (Norway), President of the Economic and Social Council convened two virtual informal meetings of the FfD Forum to advance action on financing for development and to address the economic and social challenges caused by the pandemic. The FfD Forum, now in its fifth year, is a universal platform for policy and action to finance the SDGs, convening High-level government representatives, along with the heads of UN agencies and Bretton Woods Institutions.

2. The COVID-19 pandemic has led to immense suffering for people across the globe. The global health crisis has triggered economic and financial shocks, exposing and exacerbating existing vulnerabilities and inequalities. No nation is being spared by its devastating multi-dimensional impacts. Speakers at the virtual meetings issued a strong common call for urgent action at the global level to mobilize resources for the crisis response and to set the world on the path for a resilient and sustainable recovery. A debt standstill and targeted relief were stressed unanimously as precondition for recovery in developing countries.

3. In light of the challenges caused by COVID-19, the President of ECOSOC decided to adjust the modalities of the Forum on an exceptional basis. The modifications included convening, on 23 April 2020, an informal virtual meeting of the Forum with focus on financing for development and COVID-19, to be followed by an informal meeting on 2 June with focus on needs on the ground and concrete financing options for Member States. The [outcome document](#) of the 2020 FFD Forum, virtually negotiated and adopted by silent procedure, represents the first universally agreed UN set of policies to finance the COVID-

19 response and recovery. A [mapping](#) of financing mechanisms was also made available to aide Member States' efforts to access these resources.

## II. Financing sustainable development in the context of COVID-19 (FFD Forum virtual meeting, 23 April 2020)

4. In her opening remarks, the President of ECOSOC stressed that addressing priority issues in Financing for Development, including resource mobilisation, debt, illicit finance and women empowerment, is more critical than ever. Joint, coordinated and multilateral action at the global level must be advanced to leverage bold national action in order to ensure a sustainable recovery for all. This action should be responsive to the specific needs of all countries, including the Least Developed Countries, Land-Locked Developing Countries, Small Island Developing States and Middle Income Countries. **Debt challenges** must be addressed through bold global and coordinated action, building on proposals put forth by the G20, the World Bank Group, IMF, the Paris Club, the Prime Minister of Pakistan, and all similar initiatives. All available resources must be mobilised to address the pandemic, including through greater efforts to tackle **illicit financial flows** and improve public financial management. Gender perspective must be integrated in all our social and economic responses. Women and men are affected by the pandemic in different ways. Women disproportionately carry the burden of unpaid care work and are overrepresented as frontline health workers. This is the time also to deliver on our commitment to realise gender equality and women's empowerment. Only then can our responses be effective for the whole of society.

5. The Secretary-General issued a strong call for a global coordinated response, led by the WHO, to suppress the virus as immediate priority. He also called for a large scale response to tackle the socioeconomic challenges presented by COVID-19, with a special focus on vulnerable populations. This would entail the issuance of new Special Drawing Rights for the IMF and greater resources for other International Financial Institutions. It would also require a global stimulus package of unprecedented proportions to revitalize the global economy and enable a **sustainable and resilient recovery**. Debt challenges have been exacerbated by the COVID-19 crisis. A **global debt moratorium** is needed for all countries who request suspension as well as debt relief for countries most in need. The 2030 Agenda for Sustainable Development, the Paris Agreement and the Addis Ababa Action Agenda must guide efforts to recover better and **address challenges exasperated by the crisis**, including stark inequalities in income and access to finance, high indebtedness, vulnerabilities in the financial system and a dysfunctional multilateral trading system.

6. The President of the General Assembly called on countries to stand by their commitment to **implement Agenda 2030 and the Addis Agenda** amidst the COVID-19 crisis with solidarity for the most vulnerable countries. Resource mobilization is critical for countries to tackle the crisis and manage its effects, and developing countries that lack the fiscal space are most vulnerable. Global actions should be targeted towards all seven areas of the Addis Agenda. Countries must **honour ODA commitments**, ensure fair trade and advance comprehensive steps for **debt relief** to include all sources of debt. He welcomed the early initiative shown by the G20, the World Bank and IMF, as well as the Global Initiative for Debt Relief, called for by Pakistan. He also called for concrete action to be taken to combat **illicit financial flows**, so that countries can fund essential public expenditure, prevent inequalities from deepening, and finance systems which can withstand the effects of COVID-19 and future shock. COVID -19 crisis is a test of commitment to multilateralism, countries must work together for a better world for all.

7. Dr. Ngozi Okonjo-Iweala, Board Chair, Global Alliance for Vaccines and Immunization (GAVI) stressed the devastating impact of the COVID-19 crisis on **vulnerable populations**. Plunging commodity prices, lower tourism receipts and decline

of remittances are creating macroeconomic instability in the affected countries. Vulnerable countries have little to no **fiscal space to deliver relief measures** in the short-term. Dr. Okonjo-Iweala issued a strong call for a complete **debt standstill** for a period of two years. She also called for a vaccine, once available, to be provided to poor countries at an affordable price. Such a global public good should be promoted. In the long-run, vulnerable countries have to **strengthen health systems** and diversify their economies so as to withstand shocks and be more resilient for the future.

8. Ms. Nyaradzayi Gumbonzvanda, Board Chair, Action Aid International called for a comprehensive **rethink of notions on finance, sustainability and development**. Human wellbeing must be at the centre of the FfD process. The economic effects of COVID-19 are devastating for the Global South, especially for women and informal workers. It has also exposed and highlighted inequality based on race and poverty. The crisis is exposing the risks of deregulation, underfunding of public services and exploitation of labour. Comprehensive **action on debt is needed**, as developing countries are spending more on debt service payments than on essential services. She called upon governments to take steps to **curtail illicit financial flows** and to advance progressive tax reforms. She also called on countries to **honour ODA commitments**. She also advocated for **paid carework**. Going forward, dignity, development and equality should be at the center of our efforts.

9. Mr. Jay Collins, Vice Chairman of Banking, Capital Markets and Advisory of Citigroup, urged that **massive stimulus efforts be undertaken sustainably**: targeted and aligned to the SDGs and compatible with the Paris Agreement trajectory. The opportunities of growing environmental, social and governance (ESG) consciousness amongst both corporations and investors must be grasped. Countries must **maintain open and functioning capital markets** so as to fund responses to the evolving crisis, in particular in developing countries. Mr. Collins also called upon development banks to **explore modified risk sharing mechanisms**. He recommended that the market be engaged in **voluntary standstill mechanisms that are closely coordinated with the official sector** and move toward orderly debt re-profiling strategies. The crisis can offer an opportunity to **re-enforce, re-purpose and re-invigorate the multilateral cooperation mechanisms** and organizations of the Bretton Woods era if we are to meet the developing world's challenges. Ultimately, the crisis must be an historical starting point for the creation of a better normal.

10. In closing, the President of ECOSOC emphasized solidarity and cooperation among countries, societies, communities, and individual citizens as the only possible way to emerge from the crisis together, and stronger. The President called on Member States to take responsibility by showing the strong commitment and determination in the implementation of this important outcome of the 2020 FfD Forum.

### III. Financing a sustainable recovery from COVID-19 (FFD Forum virtual meeting, 2 June 2020)

11. On 2 June 2020, the President of ECOSOC convened an informal Financing for Development Forum meeting on “Financing a Sustainable Recovery from COVID-19”. The meeting brought together senior representatives from governments, international organizations, civil society and the private sector to present concrete solutions to finance the response to the pandemic and set the world on a resilient and sustainable recovery. The President of ECOSOC and the Deputy Secretary-General delivered opening remarks.

12. In her opening remarks, the President of the ECOSOC stressed the importance of united global action in managing the unprecedented challenges of the COVID-19 pandemic. Countries will have to make difficult choices in financing the pandemic

and its aftermath. Tackling issues related to **servicing debt, corruption, tax evasion, avoidance and other illicit financial flows** are more important than ever in this regard. In her remarks, H.E. Amina J. Mohammed, Deputy Secretary-General highlighted that the health and economic challenges are straining government budgets and closing these fiscal gaps is crucial, requiring mobilisation of both domestic and external resources and targeted debt relief measures. The UN is mobilized to support countries meet financing challenges and 131 UN Country Teams are providing national level support in tackling the effects of the pandemic.

### **Financing and Policy Solutions to Respond to COVID-19**

13. International organizations and regional development banks have been vital actors in the response against the economic and social repercussions of COVID-19. Leading COVID-19 response funds, including the UN COVID-19 Response and Recovery Fund, Central Emergency Response Fund and WHO's COVID-19 Solidarity Response Fund, are providing targeted funding for the response. Speakers highlighted that **fiscal space** to allow countries to respond to the crisis is crucial. In the short term, predictability and consistency in the flow of concessional resources is needed as many fragile countries are reliant on this type of financial flow.

14. The IMF has deployed its emergency finance instruments, which provided assistance for \$24 billion to emerging market and low-income countries so far. Lending to Sub Saharan Africa has been at an all-time high of \$10 billion disbursed to 26 countries. The IMF has also increased its fundraising efforts to raise its lending at concessional terms, which is particularly important for low-income terms.

15. The AfDB has put together a \$10 billion response facility to ensure that the current crisis does not turn into a liquidity crisis. The Bank is also focussing on **medium to long-term investment** projects, specifically in infrastructure.

16. On debt challenges, speakers underscored the importance of debt cancellation, debt relief and increased aid to address the economic crisis. Debt relief measures must be **comprehensive and include middle income developing countries and private commercial lenders**. Under existing programs on debt of the IMF, 30 countries have received debt relief so far. The Fund is fundraising for its Catastrophe Containment and Relief Trust (CCRT) and has a target of \$1 billion. In addition, the IMF is focussed on issues of governance and transparency and is committed to supporting countries tackle illicit financial flows. To build resilience and ensure debt sustainability in the future steps must be taken to **counter tax evasion, avoidance and corruption**.

17. The UN COVID-19 Response and Recovery Fund aims to raise \$1 billion in the first nine months of operation. Currently it has capitalised 40 million dollars and 47 countries have received assistance. The Central Emergency Response Fund (CERF) and Country Based Pooled Funds (CBPF) represent \$2 billion under capital, and responses are tailored to humanitarian settings which have specific vulnerabilities. CERF allocates resources to UN Agencies – so far \$100 million has been allocated in 36 countries to assist 66 million people. The WHO's COVID-19 Solidarity Response Fund seeks to raise \$1.74 billion and has raised \$219 million from individuals and companies.

18. In the dialogue with Member States and other stakeholders on financing and policy solutions to the pandemic, several speakers stressed that the pandemic is adversely affecting the realisation of the SDGs. The poorest and most vulnerable are affected disproportionately by the crisis. **A coherent and coordinated UN system**

plays a critical role in ensuring that development gains are not lost. Speakers also underscored the vulnerabilities of middle-income countries to debt crisis, lost market access and capital outflows. Speakers also called for immediate debt relief and the **issuance of additional Special Drawing Rights (SDR)** and to put forth a proposal for a **Special Purpose Vehicle (SPV) to absorb debt and raise capital**. Pakistan launched a global initiative on debt relief, including an extension of G20 debt suspension, involvement of private creditors, debt swaps, inclusion of middle-income countries and involvement of MDBs.

### **Achieving a resilient and sustainable recovery**

19. Aligning funding and financing flows with a resilient and sustainable recovery will be critical. This will require a new partnership between public and private sector consistent with the SDGs that will enable investments in building back better.

20. The response of the EU Commission and the recovery package put forth to assist member states and external partner countries will enable countries to navigate the health and socioeconomic impact of the crisis. The global recovery initiative put forth by the EU Commission will link debt relief, the SDGs and investments. The WBG is providing \$160 in assistance to over 100 countries, including lower-income, fragile countries and middle-income countries. The assistance is targeted at funding emergency health operations, social protection programs, saving jobs and livelihoods and building resilient recovery. The WBG is also exploring options for lending to non-IDA countries – focussing on criteria relating to country vulnerabilities rather than income level.

21. The Green Climate Fund has a range of instruments including grants, loans, equity and guarantees which can be optimised based on the investment barriers of partners. GCF is also working alongside governments to design green stimulus packages and exploring options to scale up climate investments.

22. **Public-private partnerships** have a vital role to play in supporting the SME sector and provide greater access to markets through **capacity building and tax relief measures**. Governments must encourage the private sector to engage in non-commodity activities so as to **diversify their revenue streams**. Digitizing trade should be prioritised in order to increase intra Africa trade.

23. In the dialogue with Member States and other stakeholders on achieving a resilient and sustainable recovery, speakers stressed that a global stimulus must be grant-based not loan-based. IFIs need to adopt **multidimensional lending criteria** and greater investments is needed in climate funds. To boost liquidity, additional SDRs must be issued. Supporting remittances and reducing their cost was highlighted by several speakers as vital to support a resilient and sustainable recovery. Governments must provide **flexibility in trade and investment policies**. Corporate tax abuse and illicit financial flows must be tackled and mechanisms to avoid the same must be introduced. Women are at the forefront of the crisis, and hence are disproportionately affected. All the response and recovery policies should address the particular needs of women.

24. In his closing remarks, Mr. Liu Zhenmin, Under-Secretary-General of DESA, highlighted that achieving a resilient recovery and challenges of this crisis extend to all priority areas of the Addis Agenda. Vulnerabilities exist in our systems and institutions and they must be addressed comprehensively. **Multilateral solutions** must be pursued towards this end and UN DESA is fully mobilised to support countries in their responses.

25. Four key messages heard strongly at the two meetings reflected the broad views of Member States in the agreed outcome document of the Forum, which this year was framed around the response to the Pandemic.
26. First, the need for decisive action to suppress the virus and alleviate suffering. Member States committed to a coordinated, decisive, and innovative policy action, in partnership with the United Nations and other international organizations to suppress the COVID-19 pandemic.
27. Second, a comprehensive response to tackle the devastating socioeconomic consequences, with a focus on the most vulnerable countries and people.
28. Third, a path to recover better, by aligning strategies to recover out of the crisis with the 2030 Agenda, building a sustainable and inclusive economy, and helping to reduce the risk of future shocks. This also includes actions to reduce the risk of global disasters and emergencies triggered by climate change.
29. Fourth, a multilateral approach and durable solutions to tackle the systemic fragilities exposed by the pandemic.