



Financing A Sustainable Recovery from Covid-19

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*Madam President of ECOSOC,
Excellencies and distinguished participants,*

I am pleased to be here with you today to discuss the challenges currently faced by many countries due to the COVID-19 pandemic, as well as the possible solutions that arise. As with any difficult situation that has shaken the very core of our societies and economies, we have an opportunity to look at the “silver lining”: we are before an unprecedented moment in which to truly design and implement the transformational changes necessary to advance our development agendas.

Like many countries in our region, Costa Rica has an enormous desire to invest in innovation and ride the wave of the fourth industrial revolution towards digital transformation. As a middle-income country, devoid of Official Development Assistance but with structural gaps that remain to be addressed, we have tried to harness a combination of fiscal reform, South-South and Triangular Cooperation and external loans in order to finance our National Development Plan and our ambitious National Decarbonization Plan for 2050. We seemed to be on a path to fiscal stability and were soon to begin a “green fiscal reform” when this pandemic struck.

The country now faces several moral dilemmas: whether to prepare hospitals with special equipment to protect the health of our people, provide a social support stipend for those out of work or out of a substantial part of their income and to continue investing in nature and climate, safeguarding our National Parks and programs like Payments for Ecosystem Services, or, to pay our debt and look after our debt profile, so as to avoid a worse credit rating. In the end, we have chosen the human battle. We agree with the Secretary General that the COVID-19 crisis is “a human crisis” and we have undertaken our challenges under that perspective.

For many years, worried about the fragility of development gains and the difficulty of accessing concessional finance and firmly believing that no country should be excluded from fair finance for development, we have called for multi-dimensional criteria to evaluate countries’ risks and vulnerabilities and assess their specific needs and challenges. The fragilities generated by this pandemic demonstrate that income per capita should not be the only parameter in which to base the flow of financial funds and we thank the many voices that have been raised in this regard.



Misión Permanente de Costa Rica ante las Naciones Unidas

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Costa Rica sees the challenge as two-fold: all stakeholders must be clear of the pathways to Sustainable Development after COVID-19, which are the 2030 Agenda, the Addis Ababa Action Agenda, the Paris Agreement, the post-2020 global biodiversity framework and the Sendai Framework, to name a few, and to translate them into the recovery plans and programs, conditioning all bailouts to sustainability. But also, we will need to truly generate the conditions for its implementation: the necessary fiscal space, debt relief measures, ODA and international cooperation as well as the alignment of financial flows, to close the gap between our development goals and our actions.

In that sense, Costa Rica's National Decarbonization Plan and the upcoming National Strategic Plan for 2050 become more important than ever. These frameworks will need to be revised to compensate for COVID-19 impacts and accelerate the creation of sustainable development opportunities for small and medium enterprises as well as for foreign direct investment. Nonetheless, we will need to revamp our work to facilitate and modify regulation to allow for a greater development of partnerships, including through impact investment, in order to harness the specific advantages of international cooperation, the private sector, NGOs and SMEs. We need top down support for bottom up strategies which will allow us spread finance and opportunities for new products and industries, aligned to sustainability, to combat inequalities and increase the competitiveness of Costa Rica in a low carbon world, sustainable world.

We also need multilateralism and international cooperation more than ever. All stakeholders have important roles in preventing economic disaster and in building a more equitable, sustainable and fair economy. Together, we must rise to the challenge and develop the roadmap towards economic stability that seizes the opportunity to align financial flows to resilience, the SDGs and the Paris Agreement, that will allow the world to make greater progress towards sustainable development. We cannot return to pre-COVID economies; our economies must now be inclusive, sustainable, decarbonized and human rights-based.