



General Assembly Economic and Social Council

Distr.: General
10 June 2020

Original: English

**General Assembly
Seventy-fifth session**
Item 17 of the preliminary list*
**Follow-up to and implementation of the outcomes of the
International Conferences on Financing for Development**

**Economic and Social Council
2020 session**
25 July 2019–22 July 2020
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 2020 and 2 June 2020)

I. The forum on financing for development follow-up: a platform for action

1. In the context of the coronavirus disease (COVID-19), the President of the Economic and Social Council, Mona Juul (Norway), convened two virtual informal meetings of the forum on financing for development follow-up, to advance action on financing for development and to address the economic and social challenges caused by the pandemic. The forum, now in its fifth year, is a universal platform for policy and action to finance the Sustainable Development Goals, bringing together high-level government representatives, along with the heads of United Nations 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 its devastating multidimensional impacts. Speakers at the virtual meeting 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 preconditions for recovery in developing countries.

3. On an exceptional basis, in the light of the challenges caused by COVID-19, the President of the Economic and Social Council decided to adjust the modalities of the forum. The modifications included the convening, on 23 April 2020, of an informal virtual meeting of the forum, with a focus on financing for development and COVID-19, to be followed by an informal meeting, held on 2 June, with a focus on

* [A/75/50](#).



needs on the ground and concrete financing options for Member States. The outcome document of the 2020 forum on financing for development follow-up, virtually negotiated and adopted through the silence procedure, represents the first universally agreed set of United Nations policies to finance COVID-19 response and recovery efforts. A mapping of financing mechanisms was also made available, to aid Member States' efforts to access such resources.

II. Financing for sustainable development in the context of the pandemic (virtual meeting, 23 April 2020)

4. In her opening remarks, the President of the Economic and Social Council stressed that addressing priority issues in financing for development, including resource mobilization, debt, illicit finance and the empowerment of women, was 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. Such action should be responsive to the specific needs of all countries, including least developed countries, landlocked 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 Group of 20 (G20), the World Bank Group, the International Monetary Fund (IMF), the Paris Club and the Prime Minister of Pakistan, as well as all other similar initiatives. All available resources must be mobilized to address the pandemic, including through greater efforts to tackle illicit financial flows and improve public financial management. The gender perspective must be integrated into all social and economic responses. Women and men were affected by the pandemic in different ways. Women disproportionately carried the burden of unpaid care work and were overrepresented as front-line health workers. Now was also the time to deliver on the commitment to realize gender equality and the empowerment of women. Only then could responses be effective for the whole of society.

5. The Secretary-General issued a strong call for a global and coordinated response, led by the World Health Organization (WHO), to suppress the virus as an 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. Such a response would entail the issuance of new special drawing rights for IMF and greater resources for other international financial institutions. It would also require a global stimulus package of unprecedented proportion to revitalize the global economy and enable a sustainable and resilient recovery. Debt challenges had been exacerbated by the COVID-19 crisis. A global debt moratorium was needed for all countries who requested a suspension, as well as debt relief for the countries most in need. The 2030 Agenda for Sustainable Development, the Paris Agreement and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development must guide efforts to recover better and address challenges exacerbated 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 commitments to implement the 2030 Agenda and the Addis Ababa Action Agenda amid the COVID-19 crisis, to demonstrate solidarity with the most vulnerable countries. Resource mobilization was critical for countries to tackle the crisis and manage its effects, and developing countries that lacked the necessary fiscal space to do so were the most vulnerable. Global actions should target all seven areas of the Addis Ababa Action Agenda. Countries must honour official development assistance (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 Group 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 could fund essential public expenditure, prevent inequalities from deepening and finance systems that could withstand the effects of COVID-19 and future shock. The COVID-19 crisis was a test of the commitment to multilateralism; countries must work together for a better world for all.

7. The Chair of the Board of the Gavi Alliance, Ngozi Okonjo-Iweala, stressed the devastating impact of the COVID-19 crisis on vulnerable populations. Plunging commodity prices, lower tourism receipts and decline of remittances were creating macroeconomic instability in the countries affected. Vulnerable countries had 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. This type of global public good should be promoted. In the long-run, vulnerable countries must strengthen health systems and diversify their economies so as to withstand shocks and be more resilient for the future.

8. The International Board Chair of ActionAid, Nyaradzayi Gumbonzvanda, called for a comprehensive rethink of notions on finance, sustainability and development. Human well-being must be at the centre of the financing for development follow-up process. The economic effects of COVID-19 were devastating for the global South, especially for women and informal workers. It had also exposed and highlighted inequality based on race and poverty. The crisis was exposing the risks associated with deregulation, the underfunding of public services and the exploitation of labour. Comprehensive action on debt was needed, as developing countries were spending more on debt service payments than on essential services. Ms. Gumbonzvanda called upon Governments to take steps to curtail illicit financial flows and to advance progressive tax reforms, and she called upon countries to honour ODA commitments. She also advocated paid care work. Going forward, dignity, development and equality should be at the centre of all efforts.

9. The Vice-Chairman of the Banking, Capital Markets and Advisory division of Citigroup, Jay Collins, stressed that massive stimulus efforts should be undertaken sustainably and that they should be targeted to and aligned with the Sustainable Development Goals and compatible with the Paris Agreement trajectory. The opportunities of growing environmental, social and governance consciousness among 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 were closely coordinated with the official sector and that it move towards orderly debt reprofiling strategies. The crisis could offer an opportunity to re-enforce, repurpose and reinvigorate the multilateral cooperation mechanisms and organizations of the Bretton Woods era to meet the challenges of the developing world. Ultimately, the crisis must serve as a historical starting point for the creation of a better normal.

10. In her closing statement, the President of the Economic and Social Council emphasized solidarity and cooperation among countries, societies, communities and individual citizens as the only possible way to emerge from the crisis together and stronger. She called on Member States to take responsibility by showing their strong commitment and determination with regard to the implementation of that important outcome of the 2020 forum on financing for development follow-up.

III. Financing a sustainable recovery from the pandemic (virtual meeting, 2 June 2020)

11. On 2 June 2020, the President of the Economic and Social Council convened an informal forum meeting on financing a sustainable recovery from COVID-19. The meeting brought together senior representatives of Governments, international organizations, civil society and the private sector to present concrete solutions for financing the response to the pandemic and setting the world on a path to resilient and sustainable recovery. The President of the Council and the Deputy Secretary-General delivered opening remarks.

12. In her opening remarks, the President of the Economic and Social Council stressed the importance of united global action in managing the unprecedented challenges of the COVID-19 pandemic. Countries would have to make difficult choices in financing the pandemic and its aftermath. Tackling issues related to debt servicing, to tax evasion and avoidance and to corruption and other illicit financial flows were more important than ever in that regard. In her remarks, the Deputy Secretary-General highlighted that the health and economic challenges of the pandemic were straining government budgets and that closing those fiscal gaps was crucial and required the mobilization of both national and external resources and targeted debt relief measures. The United Nations was mobilized to support countries in meeting their financing challenges, and 131 United Nations country teams were providing national-level support in tackling the effects of the pandemic.

Financing and policy solutions to respond to the pandemic

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 United Nations COVID-19 Response and Recovery Fund, the Central Emergency Response Fund and the WHO 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 was crucial. In the short term, predictability and consistency in the flow of concessional resources was needed, as many fragile countries were reliant on that type of financial flow.

14. IMF has deployed its emergency finance instruments, which, to date, have provided assistance amounting to \$24 billion to emerging market and low-income countries. Lending to countries in sub-Saharan Africa has been at an all-time high, with \$10 billion disbursed to 26 States in the region. IMF has also increased its fundraising efforts to raise its lending at concessional terms, which is especially important for low-income countries.

15. The African Development Bank 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 focusing 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 countries and private commercial lenders. Under existing IMF programmes on debt, 30 countries have received debt relief to date. IMF is fundraising for its Catastrophe Containment and Relief Trust and has a target of \$1 billion. It is also focusing on issues of governance and transparency and is committed to supporting countries in tackling illicit financial flows. To build resilience and ensure debt sustainability in the future, steps must be taken to counter tax evasion, tax avoidance and corruption.

17. The aim of the United Nations COVID-19 Response and Recovery Fund is to raise \$1 billion in its first nine months of operation. To date, it has capitalized \$40 million, and 47 countries have received assistance. The Central Emergency Response Fund and country-based pooled funds represent \$2 billion under capital, and responses are tailored to humanitarian settings, which have specific vulnerabilities. Through the Central Emergency Response Fund, resources are allocated to United Nations agencies; to date, \$100 million has been allocated in 36 countries to assist 66 million people. Through its COVID-19 Solidarity Response Fund, WHO seeks to raise \$1.74 billion and, to date, has raised \$219 million from both individuals and companies.

18. In the dialogue with Member States and other stakeholders on financing and policy solutions to respond to the pandemic, several speakers stressed that the pandemic was adversely affecting the achievement of the Sustainable Development Goals. The poorest and most vulnerable were disproportionately affected by the crisis. A coherent and coordinated United Nations system played a critical role in ensuring that development gains were 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, as well as for a proposal to be put forward for a special purpose vehicle to absorb debt and raise capital. Pakistan launched a global initiative on debt relief, including an extension of the G20 debt suspension, the involvement of private creditors, debt swaps, the inclusion of middle-income countries and the involvement of multilateral development banks.

Achieving a resilient and sustainable recovery

19. Aligning funding and financing flows with a resilient and sustainable recovery will be critical. It will require a new partnership between the public and private sectors, consistent with the Sustainable Development Goals, that will enable investments in building back better.

20. The response of the European Commission and the recovery package put forth to assist States members of the European Union and external partner countries will enable countries to navigate the health and socioeconomic impacts of the crisis. The global recovery initiative put forth by the Commission will link debt relief and investments with the Sustainable Development Goals. The World Bank Group is providing \$160 billion in assistance to over 100 countries, including lower-income countries, fragile States and middle-income countries. That assistance is targeted to funding emergency health operations, supporting social protection programmes, saving jobs and livelihoods and building resilient recovery. The Group is also exploring options for lending to countries not receiving support from the International Development Association, with a focus on criteria related to country vulnerabilities rather than income level.

21. The Green Climate Fund has a range of instruments, including grants, loans, equity and guarantees, that can be optimized according to the investment barriers of partners. The Fund is also working alongside Governments to design green stimulus packages and is exploring options for scaling up climate investments.

22. Public-private partnerships have a vital role to play in supporting the small and medium-sized enterprise sector and in providing 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 prioritized, 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. International financial institutions needed to adopt multidimensional lending criteria, and greater investment was needed in climate funds. To boost liquidity, additional special drawing rights must be issued. Supporting remittances and reducing their cost was highlighted by several speakers as being vital to supporting 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 both must be introduced. Women were at the forefront of the crisis and thus disproportionately affected. All response and recovery policies should therefore address the particular needs of women.

24. In his closing remarks, the Under-Secretary-General for Economic and Social Affairs highlighted that the challenges of the present crisis, and achieving a resilient recovery from it, extended to all priority areas of the Addis Ababa Action Agenda. Vulnerabilities existed in our systems and institutions, and they must be addressed comprehensively. Multilateral solutions must be pursued towards that end, and the Department of Economic and Social Affairs of the Secretariat was fully mobilized 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 in 2020 was framed around the response to the pandemic, as follows:

(a) The first message reflected the need for decisive action to suppress the virus and alleviate suffering. Member States committed themselves to coordinated, decisive and innovative policy action, in partnership with the United Nations and other international organizations, to suppress the COVID-19 pandemic;

(b) The second reflected the need for a comprehensive response to tackle the devastating socioeconomic consequences, with a focus on the most vulnerable countries and the most vulnerable people;

(c) The third reflected the need for a path to recovering better, by aligning strategies for recovery from the crisis with the 2030 Agenda, building a sustainable and inclusive economy and helping to reduce the risk of future shocks. That path must also include actions to reduce the risk of global disasters and emergencies triggered by climate change;

(d) The fourth reflected the need for a multilateral approach and durable solutions to tackling the systemic fragilities exposed by the pandemic.
