

UNITED NATIONS



NATIONS UNIES

THE SECRETARY-GENERAL
--
**OPENING REMARKS AT
HIGH-LEVEL MEETING ON
FINANCING FOR DEVELOPMENT IN
THE ERA OF COVID-19 AND BEYOND**
Online/New York, 29 September 2020,
8:00am

Excellencies, ladies and gentlemen,
distinguished guests,

Four months ago, the Prime Ministers
of Canada and Jamaica and I convened
over 50 Heads of State and
Government to call for a large-scale
response to the economic devastation
brought about by COVID-19.

Since then, the pandemic has
continued to wreak havoc around
the world and the response has not
kept pace.

One million people have died; more than 33 million have been infected.

The economic and social consequences are as bad as we feared, and in some cases, worse.

We are suffering the largest economic contraction since the Second World War.

Global income from work declined by more than 10 percent in the first three quarters of the year, according to the International Labour Organization. In middle-income countries, the figure was 15 percent. Women and those employed in the informal sector have shouldered the heaviest burdens.

The global hunger crisis is moving into a new and dangerous phase. In several humanitarian crisis situations, the risk of famine looms. In South America, 17.1 million people are severely food insecure, compared with 4.5 million seven months ago.

Government expenditures have skyrocketed, while tax revenues have plummeted.

This squeeze is compounded by catastrophic contractions of up to 40 percent in foreign direct investment and up to 20 percent in trade.

Countries, individually and together, reacted swiftly to the crisis, with a fiscal response of \$11.5 trillion globally, as of the end of August.

But just 2.5 per cent of this global fiscal stimulus is accounted for by developing and emerging economies, which have the greatest need, least resources and weakest capacities for addressing the crisis.

I welcome the G20's Debt Service Suspension Initiative, which has created fiscal space in the world's poorest countries.

But this response does not address the magnitude of the crisis.

Unless we take action now, we face a global recession that could wipe out decades of development and put the 2030 Agenda for Sustainable Development completely out of reach.

Excellencies, ladies and gentlemen,

Against this backdrop, government leaders, the heads of major international financial institutions and organizations, and high-level representatives from civil society and the private sector came together at the end of May, in solidarity and unity.

They launched a process that has come to fruition today.

After four months of consideration and discussion, nourished by ideas from some of our most influential and innovative economists, we now have a menu of policy options covering a broad spectrum of issues and timelines.

They share certain common principles.

Vulnerability, and the importance of taking national circumstances into account are cross-cutting themes.

We must ensure that digital tools are deployed to overcome rather than deepen existing divides.

And we must all recognize the importance of promoting women's leadership, contributions and equal participation.

Excellencies, ladies and gentlemen,

The policy options before us today address the current emergency, recovery from the crisis, and the route to a more sustainable, resilient and inclusive future.

Allow me to focus on three areas.

First, I urge you to make a collective decision now, today, to mobilize resources for diagnostics, treatments and vaccines – the most effective way of ending the pandemic.

The ACT-Accelerator has proven its worth. It has started rolling out the only proven therapy for severe disease and has built a broad portfolio of vaccines. But it needs \$15 billion for the next three months to scale up the achievements so far, and \$35 billion in total to ensure equitable access to a global vaccine.

It is time for countries to draw funding from their own response and recovery programmes for this global public good.

We cannot reopen the global economy fully until we stop this virus in its tracks.

Second, relieving debt distress.

Debt relief cannot be limited to Least Developed Countries; it must be expanded to all developing and middle-income countries that need it; and these countries must have more time to make payments. Any comprehensive solution must include engagement with private creditors and credit rating agencies.

And international Financial Institutions must have the resources they need to increase funding to developing and middle-income countries that are highly vulnerable and in debt distress.

Third, many African countries have launched successful public health responses to COVID-19. But development financing on the continent is still seriously off-track.

We will not achieve the SDGs if we do not achieve them in Africa. We need to pay specific attention to Africa's development financing needs.

We must meet existing commitments under the Addis Ababa Action Agenda, particularly those on reducing the illicit financial flows that cost developing countries billions of dollars every year; combating tax evasion and corruption; and supporting efforts for domestic resource mobilization.

I urge you to consider innovative initiatives like the Liquidity and Sustainability Facility, a special purpose lending facility that would significantly lower borrowing costs and support financial sustainability.

We urgently need solutions for every region that will enable investments in response and recovery, and in the 2030 Agenda for Sustainable Development.

Excellencies, ladies and gentlemen,

The COVID-19 pandemic is a catastrophe. But it is also a generational opportunity to shape our future for the better.

I have spoken of the need for a New Global Deal.

The global financial architecture is part of that deal, together with a fair globalization, and respect for the rights and dignity of all, for our planet and for future generations.

Today must be a step towards integrating the principles of sustainable development and social and economic inclusion into financial decision-making.

The COVID-19 pandemic has already brought new ideas to the forefront and shown that ambitious action and transformative change are possible.

It is forcing us to answer difficult questions, confront uncomfortable facts; and to change course.

We must seize this moment.

Thank you.