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Ministry for Foreign Affairs
State Secretary to Minister for International
Development Cooperation
Per Olsson Fridh

SWEDISH STATEMENT on Financing for Development in the Era of COVID-19 and Beyond. Meeting of the Ministers of Finance on September 8, 2020

Excellencies, distinguished colleagues and friends, ladies and gentlemen,

Sweden has stepped up its efforts in mobilizing international financing during the Covid-19 pandemic through multilateral core support, as well as Covid-19 specific initiatives. We need to ensure that the fiscal measures launched as a response to the economic fallout of the Covid-19 crisis truly accelerate the implementation of the 2030 Agenda and the Paris Agreement. We need together to build back better and greener.

Our **challenges will look different in every context** and the responsibility to respond to them lies with each government to **ensure a just transition leaving no one behind**.

As we all know, **a strong multilateral system is a prerequisite to address global challenges**, where cooperation around debt sustainability and private sector mobilization constitute key factors for the recovery.

Several of the world's poorest developing countries are experiencing an **unsustainable debt situation**, which is even more pressing now during the Covid-19 crisis. Well-devised debt relief initiatives and continued responsible lending and borrowing behaviour is important, not only to manage the most pressing issues, but also to tackle the challenges of long-term debt sustainability. Unless we can emerge from the current unsustainable debt situation, rebuilding poor countries will become very difficult, if not impossible.

Domestic resource mobilization is a prerequisite for the capacity of governments to implement fiscal recovery packages and it plays a key role in alleviating public debt. To move forward, we need to support conditions for a functioning system for handling debt restructuring, tax evasion and resource mobilization.

Sweden's commitment to ODA remains firm at 1% of GNI, but ODA is not enough. Sweden, along with our Nordic countries and fellow EU members, have good experiences from working together with the private sector, providing green bonds, guarantees and blended finance. It is time to scale up these and other innovative solutions to sustainable development finance, such as the Global Investors for Sustainable Development Alliance.

Sweden is grateful to Canada and Jamaica for taking the leadership on Financing for Development in the Era of COVID-19 and beyond. We are impressed by the number of recommendations coming forward from member states and institutions and we look forward to finding ways to follow-up on these recommendations.

We need to make sure we get the basics right – accountable government, integrating climate action and gender equality in national budget and planning processes, involvement of civil society, and ensuring regulatory frameworks that facilitate private sector engagement.

Only when we get this right will building back better and greener transcend barriers and result in action on the ground.

Thank you!