

# High-level Meeting on Financing the 2030 Agenda for Sustainable Development in the Era of COVID-19 and Beyond

29 September 2020

Heads of States and Governments and principals of international organizations participating in the High-level Meeting on *Financing the 2030 Agenda for Sustainable Development in the Era of COVID-19 and Beyond* called for urgent and bold multilateral action to recover from the current economic crisis, avoid a looming humanitarian emergency, and ensure gains towards the Sustainable Development Goals are not lost in this crucial Decade of Action.

The meeting underscored the *need for multilateral action*, including:

- *Providing concessional finance* to developing countries in need, especially those in special situations, and adequately funding the ACT-Accelerator, including its COVAX Facility;
- *Addressing liquidity constraints*, e.g., through issuance of new SDRs, the reallocation of unused SDRs or through targeted funds and facilities, including a Liquidity and Sustainability Facility (LSF) and a Fund Against COVID-19 Economics (FACE);
- *Ensuring debt relief*, e.g., through extending the DSSI and expanding the criteria for eligibility to include vulnerable countries, including Middle Income Countries and Small Island Developing States; engaging private creditors; providing targeted debt relief, using innovative instruments such as debt swaps, increasing transparency, and in the medium term addressing structural issues;
- *Building back better by reorienting the financial system and aligning finance with sustainable development*, e.g., through aligning national budgets with the SDGs; mandatory reporting of climate risk; support for equitable digitalization; investment promotion and resilient infrastructure; lowering the cost of remittances; and investing in a greener future by phasing out fossil fuel subsidies, increasing the ambition of Nationally Determined Contributions (NDCs) under the Paris Agreement, pricing carbon and issuing green bonds.
- *Tackling illicit financial flows* (IFFs) and other measures to expand fiscal space, e.g., through a fairer and more transparent international tax regime, taxing the digital economy; and providing advice on tax policy and digitalized tax administrations;

In their specific policy proposals, participants drew on the rich set of policy options prepared by the 6 Discussion Groups during the High-Level Event follow-up process. Policy suggestions focused on both immediate financing needs for a quick recovery in the short-term, and putting the world on a path towards achieving the Sustainable Development Goals, fostering a green, inclusive, resilient, and sustainable world in the medium to long run. In this effort, the needs of vulnerable countries, of women, and of vulnerable groups were put front and center.

The meeting was opened by co-conveners H.E. Justin Trudeau, the Prime Minister of Canada, H.E. Andrew Holness, Prime Minister of Jamaica, and H.E. Antonio Guterres, Secretary-General of the United Nations. The opening segment also included statements by Ms. Kristalina Georgieva, Managing Director of the International Monetary Fund, Mr. David Malpass, President of the World Bank Group, Mr. Mark Lowcock, Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator, Ms. Natalia Kanem, Executive Director of UNFPA, and Ms.

Amina Mohammed, the Deputy Secretary-General. In total, Heads of State and Government and Ministers of 46 countries and principals of 12 international organizations and UN agencies addressed the meeting.

### ***Suppress transmission of the virus and save lives***

Heads of State and Government underscored the importance of combatting the health crisis globally, and of ensuring that all countries have access to relevant medicines, testing technologies and equipment, personal protective equipment and a future vaccine. There were also calls for additional resources for the **ACT-Accelerator and its COVAX Facility**, which aims to deliver the diagnostics, therapeutics and vaccines needed to end the pandemic.

### ***Targeted support for developing countries, in particular countries in special situations, liquidity and debt sustainability***

Many participants re-emphasized the importance of protecting aid budgets. Several countries called for the establishment of new funds, including a **Fund Against COVID-19 Economics (FACE)**, a **Liquidity and Sustainability Facility**, **special support systems to vulnerable groups of countries**, and a **Global Trust Fund for tourism**. Several SIDS pointed to the need to update concessionality criteria to determine allocation of development finance through a **vulnerability index**.

A large number of countries reiterated the importance of ensuring global liquidity. Several participants pointed to the potential for increased use of **Special Drawing Rights (SDRs)** to ensure liquidity in this unprecedented time. The Managing Director of the International Monetary Fund called for issuance of new SDRs and reallocation of unused SDRs. She noted that some countries have already made available their unused SDRs for use for those most in need and called on other countries to do so. There were also calls to recapitalize international financial institutions, including multilateral and other public development banks.

Debt and debt sustainability emerged as a central theme of the meeting. Participants welcomed the G20 Debt Service Suspension Initiative (DSSI) but stressed the need for additional measures. There were calls to extend the DSSI up until the end of 2021, to include additional vulnerable countries in need, and to bring in commercial creditors. Many stressed the need to go further and provide debt relief. Several countries called for **cancellation of debt** for LDCs or highly indebted countries. Others suggested a **multilateral framework to address debt sustainability, while assessing each case individually on a case by case basis**. Many countries voiced support of innovative instruments, such as **climate, health and SDG swaps, and resilience funds**. Countries also called for including **state contingent elements in public and private debt to address future risks**. Several participants called for long-term solutions to foster debt sustainability, including an international sovereign debt restructuring mechanism, as well as calls for greater debt transparency and improved debt management.

### ***Building back better***

Many countries emphasized that current crisis could be an opportunity to build back better by aligning all investment with the 2030 Agenda for Sustainable Development and the Sustainable Development Goals. Countries highlighted **the continued importance of international public**

**finance in combatting climate change, the need to increase the ambition of NDCs, carbon pricing and offsets, and the issuance of green bonds.** To foster sustainable development, private financing should be aligned with the SDGs. Participants underscored the importance of integrating principles of sustainable development and social and economic inclusion into financial decision-making, **with a call for a joint commitment to harmonize standards for SDG reporting in 2 years.** Countries also pointed to the need to improve the transparency of all financing sources and align them with the SDGs. Several participants also underscored the importance of aligning private finance with climate action calling for commitments to climate risk disclosures, blended and ESG financing, and blue and green bonds.

Additional ideas included: **a call for a global coordination and cooperation mechanism for joint trade and investment promotion; mechanisms to ensure that all developing countries have access to digital technologies; an Infrastructure Investment Facility** to mobilize an additional \$1.5 trillion annually to help developing countries make the necessary development investments; **a global fund for the localization of SDGs** to help countries mobilize financing at the local level; and support for remittances, including the need to lower costs and tap into diaspora funds.

A number of countries emphasized the need to tackle Illicit Financial Flows (IFFs). These also included calls to tackle corruption. **Countries pointed to the FACTI panel,** which is set to offer several recommendations to combat corruption and tackle IFFs through existing institutional arrangements by making them more effective.

In closing, the Co-conveners Canada and Jamaica reiterated their commitment to the process. They called for proposals to be taken up in relevant intergovernmental fora, including the IMF and World Bank annual meetings, the G20 summit, the Financing in Common Summit, the Paris+5 Climate Summit, and ongoing and future work in the United Nations Economic and Social Council.