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Economic and Social Council forum on financing for development follow-up

Item 3 of the provisional agenda

Adoption of the intergovernmentally agreed conclusions and recommendations

Draft intergovernmentally agreed conclusions and recommendations submitted by the President of the Economic and Social Council, Mona Juul (Norway), on the basis of informal consultations

Follow-up and review of the financing for development outcomes and the means of implementation of the 2030 Agenda for Sustainable Development

1. We, high-level representatives, have adopted the present document at the fifth Economic and Social Council forum on financing for development follow-up, at the time of an unprecedented crisis caused by the coronavirus disease (COVID-19) pandemic.
2. We express our resolve to continue to scale up our efforts towards the full and timely implementation of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development.
3. The COVID-19 pandemic has led to immense suffering for people across the globe. No nation is being spared its devastating multidimensional impacts. The global health crisis has triggered economic and financial shocks, exposing and exacerbating existing vulnerabilities and inequalities. We are determined to advance bold and concerted global action to address the immediate social and economic impacts and achieve a quick, inclusive and resilient recovery, while keeping in sight the achievement of the Sustainable Development Goals. We recognize that recovery strategies out of the crisis need to be designed to keep us on track towards the 2030 Agenda for Sustainable Development, building a sustainable and inclusive economy, as well as helping to reduce the risk of future shocks. We reaffirm our commitment to strengthening multilateral cooperation and solidarity to combat the consequences of the pandemic.
4. We stand firm in our determination to implement the 2030 Agenda for Sustainable Development and the Sustainable Development Goals. At the start of the decade of action and delivery for sustainable development, we are determined to set the economy on a more sustainable pathway to achieve the Goals by 2030. We call



upon all stakeholders to support these efforts in the spirit of solidarity and partnership. Despite the progress achieved so far, we note with concern that mobilizing sufficient financing from all sources remains a major challenge in implementing the 2030 Agenda and that there has been substantial backsliding in key action areas.

5. We recognize the challenges faced in tackling the pandemic by countries in special situations, in particular those with weak health systems and limited fiscal space to invest in health systems and social protection. We stress the need for improvements and investments in infrastructures, especially related to health facilities. We recognize the urgent need to support those who are vulnerable or in vulnerable situations, including women and girls, youth, persons with disabilities, older persons, indigenous peoples, refugees, displaced persons, migrants, and other marginalized groups, protect human rights for all and ensure that no country or person is left behind.

6. We will promote a coordinated, decisive and innovative policy action, in partnership with the United Nations and other international organizations to suppress the COVID-19 pandemic. We commit to using all available policy tools to minimize the economic and social damage from the pandemic, restore sustainable global growth, maintain economic and financial stability, safeguard jobs and incomes and strengthen resilience. We welcome the initiative taken by the Secretary-General, note the initiatives by the International Monetary Fund, the World Bank Group, the Group of 20 and the Group of Seven, and acknowledge the role of the World Health Organization. We urge the global community to work together in partnership with all relevant stakeholders to provide a coordinated, transparent and evidence-based global response. We recognize that the private sector and private finance can play a significant role in achieving the Sustainable Development Goals, as well as in the immediate response to and the longer-term recovery from the pandemic. We encourage the development of disaster risk reduction financing strategies and financial instruments, which are essential for improving the preparedness in response to future shocks.

7. The impacts of the crisis are felt disproportionately by women. Women make up a significant portion of front-line health workers, continue to do the majority of unpaid care work and face increased risks of domestic violence and exploitation. We will strive to ensure that emergency social and economic schemes integrate a gender perspective.

8. On our pathway to achieving the Sustainable Development Goals by 2030, our actions should be people-centred, gender-responsive and focused on climate resilient development, in order to ensure a sustainable and inclusive economic recovery. The current crisis has highlighted the need to reduce the risk of global disasters and emergencies, including those triggered by climate change. We recall the Paris Agreement and stress the importance of mobilizing further action and support for climate change mitigation and adaptation as well as strengthening resilience, taking into account the specific needs and special circumstances of developing countries, especially those that are particularly vulnerable to the adverse effects of climate change. We will strive to achieve the conservation of biological diversity, the sustainable use of its components and to mobilize appropriate financial resources to this end.

9. We will strive to address the systemic challenges that have been aggravated by the economic downturn caused by COVID-19, including increased risks to financial stability. We note with concern that the pandemic and related global economic and commodity price shocks could significantly increase the number of countries in or at risk of debt distress. We are deeply concerned about the impact of high debt levels on countries' abilities to withstand the impact of the COVID-19 shock and to invest in

the implementation of the 2030 Agenda. We welcome steps by the Group of 20 to provide a time-bound suspension on debt service payments for the poorest countries. We welcome the steps taken by the International Monetary Fund and the World Bank to provide liquidity and other support measures to ease the debt burden of developing countries. We will continue to address risks of debt vulnerabilities, through existing channels, in developing countries due to the pandemic.

10. We recognize that the international monetary system remains vulnerable to volatility and spillovers, such as the recent financial volatility as a result of COVID-19. We will consider all appropriate policies in order to manage excess leverage and financial volatility and to maintain the stability of global financial markets.

11. We will work to ensure the flow of vital medical supplies, critical agricultural products, and other goods and services across borders, and work to resolve disruptions to the global supply chains, to support the health and well-being of all people. We emphasize that emergency measures designed to tackle COVID-19, if deemed necessary, must be targeted, proportionate, transparent and temporary, and that they do not create unnecessary barriers to trade or disruption to global supply chains, and are consistent with World Trade Organization rules. We reiterate our goal to realize a free, fair, non-discriminatory, transparent, predictable and stable trade and investment environment, and to keep our markets open. We recognize that developing countries, and in particular least developed countries, face additional challenges in harnessing the full potential of international trade, and encourage donors to leverage the global Aid for Trade agenda to enable developing countries, and in particular least developed countries, to benefit from the opportunities afforded by global value chains and foreign investment in their sustainable recovery efforts.

12. We emphasize the need to strengthen development cooperation and to increase access to concessional finance, especially in the context of the global pandemic. Although we welcome the real-term increase in official development assistance (ODA), we note with concern that, nevertheless, ODA as a percentage of gross national income, fell. We call upon donors that have not done so to intensify their efforts to fulfil their respective ODA commitments, particularly to least developed countries, who may be hard hit by both social and economic impacts of the pandemic. We welcome the ongoing efforts to improve the quality, effectiveness and impact of development cooperation. We recognize that South-South cooperation is an important element of international cooperation for development as a complement to, not a substitute for, North-South cooperation. We also commit to strengthening triangular cooperation as a means of bringing relevant experience and expertise to bear in development cooperation. We note the challenges faced by developing countries graduating to higher income per capita status that may lose access to concessional finance, particularly for graduating countries that are highly vulnerable to shocks and other disasters.

13. We will harness emerging technologies for sustainable finance while managing the risks. We recognize that digital technologies create tremendous opportunity to increase access to health care, education and e-commerce during this pandemic. We recognize that the adoption of digital technologies remains highly uneven across the globe and commit to strengthen cooperation to close the digital divide within and among countries. We further commit to working together to seize the opportunities offered by technologies to help us to address the COVID-19 crisis. We are determined to scale up research and collaboration for the detection, prevention, treatment and control of pandemics, including vaccines and medicines, and innovations in health systems.

14. COVID-19 amplifies the crucial importance of domestic resource mobilization. We recognize that a large gap between public resources and financing needs persists in many countries and is widening in the wake of the pandemic. We will continue to enhance and strengthen effective domestic resource mobilization, including accountable and transparent public expenditure systems, and fiscal space. We will endeavour to strengthen cooperation by all countries on tax matters. We acknowledge that any consideration of tax measures in response to the digitalization of the economy should include a thorough analysis of the implications for developing countries, with a special focus on their unique needs and capacities. We recommit to addressing the challenges of combating illicit financial flows and strengthening good practices on assets return and recovery.

15. We note the progress made by countries in developing integrated national financing frameworks in support of their nationally owned sustainable development strategies, aiming at effectively mobilizing and aligning a wide range of financing sources and instruments with the 2030 Agenda and making use of the full potential of all means of implementation. We recognize that the pandemic highlights a stronger need for national action to be supported by complementary global action.

16. We welcome the growing interest in sustainable investment. We will strive to align investments with the 2030 Agenda, including investments in strengthening health systems and supporting progress towards universal health coverage, to help ensure a sustainable recovery from COVID-19, as well as pandemic preparedness and the prevention and detection of and response to any future outbreak. We commit to creating an enabling environment and incentivizing greater sustainable investment in developing countries, particularly in least developed countries, landlocked developing countries and small island developing States, to ensure a sustainable recovery from the pandemic. We stress the need to adopt policies and measures that stimulate the economy and labour demand, to prevent a prolonged economic recession. We are determined to improve access to finance and to working capital liquidity for micro, small and medium-sized enterprises, as well as to promote financial inclusion for the poor, women, young entrepreneurs and persons with disabilities, who are most vulnerable to the adverse effects of COVID-19.

17. We note the 2020 *Financing for Sustainable Development Report* of the Inter-Agency Task Force on Financing for Development and we invite the Task Force to examine the impact of the COVID-19 pandemic on financing for development, as well as sustainable finance, as a part of its 2021 *Financing for Sustainable Development Report*.

18. We decide that the sixth Economic and Social Council forum on financing for development follow-up will convene from 19 to 22 April 2021 and will include the special high-level meeting with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development. We also decide that the forum's modalities will be the modalities applied to the 2019 forum.

19. We also decide to defer consideration of the need to hold a follow-up conference to the outcome document of the 2021 forum.