

## Financing for Development in the Era of COVID-19 and Beyond

### The Way Forward

The COVID-19 pandemic started as a health crisis and quickly evolved into the worst economic crisis since the Second World War; with increasing poverty and food shortages, it is now fast turning it into a humanitarian crisis.

It is in this context that the Secretary-General and the Prime Ministers of Canada and Jamaica launched the **Initiative on Financing for Development in the Era of COVID-19 and Beyond** on 28 May 2020. Six open-ended discussion groups were established to enable all stakeholders to debate and generate a comprehensive menu of policy options to address the current emergency, recover swiftly and sustainably, and build an inclusive and resilient future. The menu of options was discussed by Ministers of Finance on 8 September 2020 and refined with their inputs and considered by Heads of State and Government on 29 September 2020.

As the world continues to reel from the crisis and the recession slowly turns into a depression, now is the time to enable the debate among relevant processes within and outside of the UN around the policy options that could help us address the crisis, recover more swiftly and invest in a more resilient, inclusive and sustainable future.

With the menu of options now vested with solid political momentum at the highest level, relevant networks which could take on board these contributions to inform their work include:

- **The Economic and Social Council (ECOSOC)**<sup>1</sup> which may consider the options relevant to inform the work of the fora, subsidiary bodies, commissions and committees that convene under its auspices.
- Members of **the Group of Friends** on SDG Financing – a group of Member States that champion Financing the 2030 Agenda for Sustainable Development – that could contribute specific options to relevant governing bodies they sit on and drive consideration of the options toward concrete solutions for resolution of the crisis and for financing sustainable development in the longer term.
- Entities within the **United Nations Development System**, including UNDP, UNCTAD, ILO, UNEP, UN Women, UNFPA, UNICEF, OHRRLLS, UNODC, among others, which could consider options that fit into their respective mandates. Regional Economic Commissions and UN Country Teams can help distil options at regional and national/subnational levels respectively.
- **The Secretary-General and the Prime Ministers of Canada and Jamaica**, who convened the initiative on Financing for Development in the Era of COVID-19 and Beyond, and **the Deputy Secretary-General**, who actively supported the process throughout. They could continue providing the high-level engagement and political momentum necessary to enable each policy option to be debated in the relevant fora in the search for urgent and concrete solutions.

Key partner institutions and events outside the UN System could also be opportunities for further collaboration and consideration of certain policy options. This includes civil society, the private sector and

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<sup>1</sup> Based on their work programme and priorities as laid out by the President of ECOSOC. More may be added based on the priorities of the President of the General Assembly.

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non-UN intergovernmental organisations, and the major events they will be hosting in the coming months (see Annex II).

In **Annex I**, the menu of options is organized into six clusters. The annex also reflects leadership by a UN entity to facilitate continued technical and policy advisory support in the consideration of the options at global, regional and country level, that would report quarterly to the co-conveners:

- (i) Sustainability and climate action, led by UNDP;
- (ii) Socio-economic response: social protection, gender, youth, health, education and human rights, led by ILO;
- (iii) Finance and technology, led by UNCTAD;
- (iv) Liquidity and debt vulnerability, led by DESA;
- (v) Illicit financial flows, led by the Regional Economic Commissions; and
- (vi) Addressing special country needs, led by DESA.

Leadership of each cluster would be open and collaborative, continuing the spirit of the discussion groups, drawing on the knowledge and expertise of other UN entities that conduct work relevant to the cluster. And would convene cross-cluster work as necessary.

**Annex II** presents a timeline of events, both within and outside the United Nations that may could present opportunities for conveying relevant policy options.

## Annex I: Matrix of Options

Cluster and Lead Entities	Policy Option	Support Networks			
		ECOSOC	UN System	Group of Friends	High-level
(i) Sustainability and climate action <b>(UNDP)</b>	Aligning budgets and finance with SDGs, INFFs, NDCs and climate finance	FfD Forum	UNDP, UNEP, UNFCCC, UNCBD, FAO, IFAD  National-level work: UNDP, DCO/UNCTs IATF (on INFFs) DESA's Division on SDGs (DSDG) on climate issues	France, UK, EU, Fiji, Rwanda, AOSIS, Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to make a call at Paris+5 (Dec 2020).  Mark Carney, Special Envoy of the Secretary-General on Climate Action and Climate Finance
(ii) Socio-economic response: social protection, gender, youth, health, education and human rights <b>(ILO)</b>	Social protection floors, jobs and SMEs	FfD Forum	Jobs/labour: ILO SMEs: UNCTAD  Social protection: RECs, UNDP, UNICEF, ILO  IATF	LDCs, Bangladesh, Egypt, Japan, Spain, Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to convey message at G20 and in other for a including Roundtable of Renowned Economists.
	Gender, youth, education and human rights	FfD Forum	UN Women, UNFPA, UNDP,  DESA and Office of Special Envoy on Youth on gender and youth  Education: UNESCO, UNICEF  Human rights: OHCHR  IATF	Jamaica, Rwanda, UK, Canada, Georgia, Fiji, Guyana, Saudi Arabia and Italy as current and upcoming G20 Chairs	SG follow up to SG's Nelson Mandela speech, shape messages on the new social contract and New Global deal and convey message  Secretary-General's SDG Advocates  H.M. Queen Maxima, Secretary-General's Special Advocate for Inclusive Finance for Development  Gordon Brown, Special Envoy of the Secretary-General for Global Education

Cluster and Lead Entities	Policy Option	Support Networks			
		ECOSOC	UN System	Group of Friends	High-level
	Universal health care systems; funding a vaccine and ensuring its fair and equal distribution		WHO (ACT Accelerator and COVAX)	LLDCs, Rwanda, Ecuador, UK on universal health care Canada, France to champion ACT-A and COVAX, Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to urge donors to close funding gap (\$34b) Secretary-General's SDG Advocates
(iii) Finance and technology (UNCTAD)	Increasing ODA	FfD Forum, Development Cooperation Forum	UNCTAD, DESA IATF	France, Rep. of Korea, Canada, Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to link ODA to his call to allocate at least 10% of global GDP to address the crisis; Mahmoud Mohieldin, Special Envoy of the Secretary-General on Financing the 2030 Agenda
	Multilateral finance and the role of MDBs	FfD Forum	RECs, IATF	Bahamas, Gambia, Maldives, Barbados, Ethiopia France (for Finance in Common Summit) Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to call for increased disbursement and maintaining net positive flows at WB Annual Meeting; to call for recapitalization of PDBs and alignment with SDGs at Finance in Common Summit; Special Envoy Mahmoud Mohieldin
	Remittances and diaspora investments	FfD Forum	IFAD, IOM, RECs, IATF	Remittances: Bangladesh, Bosnia & Herzegovina, Egypt, Nigeria Diaspora investments: Georgia Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to convey message; Special Advocate H.M. Queen Máxima

Cluster and Lead Entities	Policy Option	Support Networks			
		ECOSOC	UN System	Group of Friends	High-level
	Aligning private finance with SDGs and the Paris Agreement	Norms and standards: Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), FfD Forum	UNCTAD, UNDP, RECs, DESA, UNEP-FI, UN Women IATF	France, EU, Japan, Bangladesh, LLDCs, Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to convey message, GISD, Special Envoys Carney, Mohieldin; Special Advocate H.M. Queen Máxima
	Closing the digital divide and investing in sustainable infrastructure for energy transition	Commission on Science and Technology for Development	RECs, ITU, UNDP, Technology Bank, UN Habitat IATF	LLDCs, Jamaica, Rwanda, Bahrain, EU, Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to convey message Special Advocate H.M. Queen Máxima (on digital inclusion)
(iv) Liquidity and debt vulnerability (DESA)	General issuance and voluntary redistribution of SDRs	FfD Forum	RECs, IATF	Pakistan, Nigeria, LDCs, Canada Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to advocate on behalf of “G193” at IMF Annual Meeting (Oct 2020) and at G20 Leaders’ Summit (Nov 2020); Special Envoy Mahmoud Mohieldin
	Extension of DSSI to the end of 2021 and expansion to vulnerable countries and commercial creditors	FfD Forum	UNCTAD, RECs, IATF	Canada, EU, France, AU, UK, Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to advocate on behalf of “G193” at G20 Leaders’ Summit (Nov 2020); Special Envoy Mahmoud Mohieldin
	New mechanisms, e.g., FACE, LSF	FfD Forum	ECLAC, ECA, IATF	FACE: Costa Rica LSF: Ghana, Barbados Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to convey message; Special Envoy Mahmoud Mohieldin

Cluster and Lead Entities	Policy Option	Support Networks			
		ECOSOC	UN System	Group of Friends	High-level
	Debt relief	FfD Forum: Policy advice/guidelines on debt swaps, debt relief and cancellation	ECLAC, ECA, UNFCCC, UNDP, UNEP-FI, IATF	Debt-for-SDG/climate swaps: Spain, EU, Pakistan, Canada (Pakistan and Canada are co-chair of GCF Board) Debt cancellation: AU Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to call for debt swaps, including with GCF Board; Special Envoy Mahmoud Mohieldin
	Engaging credit rating agencies	ECOSOC/DESA to facilitate a special event on credit rating agencies	RECs	Senegal, Antigua and Barbuda, Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to convene a special event on credit rating agencies; Special Envoy Mahmoud Mohieldin
(v) Illicit financial flows (RECs)	Taxing the digital economy and supporting correspondent banking relationships	UN Tax Committee	DESA, UNDP (Tax Inspectors without Borders), UNODC	Nigeria, Norway, Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to convey message; Special Envoy Mahmoud Mohieldin; Special Advocate Queen Máxima (on correspondent banking)
	Combating corruption, proceeds of crime and tax havens	FACTI Panel, FfD Forum	UNODC, UNDP, RECs, IATF	Nigeria, Norway, Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to convey message
(vi) Addressing special country needs (DESA)	Africa	FfD Forum, FACTI Panel, UN Tax Committee	ECA, UNDP, IATF	Nigeria, Kenya, African Union, Ghana, Norway, Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to convey message; Special Envoy Mahmoud Mohieldin
	SIDS	FfD Forum, FACTI Panel, UN Tax Committee	ECLAC, ESCAP, ECA, OHRRLLS, UNDP; UNSDG Vice-Chair, IATF	Jamaica, Barbados, Antigua and Barbuda, Trinidad & Tobago, St	SG to convey message

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Cluster and Lead Entities	Policy Option	Support Networks			
		ECOSOC	UN System	Group of Friends	High-level
				Lucia, Fiji, AOSIS, Canada, Saudi Arabia and Italy as current and upcoming G20 Chairs	
	Fragile and post-conflict countries	FfD Forum	OCHA, PBSO, UNDP, RECs	Sweden, AU, France, Germany, Norway, Italy, Saudi Arabia and Italy as current and upcoming G20 Chairs	SG to convey message

Annex II: Timeline for 2020 and 2021





