

## Sixth ECOSOC Financing for Development Forum (12-15 April 2021) - INF 10

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Dear ESs,

As you are aware, the **sixth ECOSOC Financing for Development Forum** took place in a hybrid (virtual and in-person) format in NY from 12 to 15 April 2021. I am enclosing herewith the **intergovernmentally agreed conclusions and recommendations (outcome document)** adopted by MSs after difficult and long negotiations. Among others, the ministers and other high-level officials reaffirm their commitment to strengthen multilateral cooperation and solidarity to combat COVID-19 and face a multidimensional health and socioeconomic crisis that is compounded by climate change, biodiversity loss and environmental degradation. The outcome document also include hardly negotiated language on international cooperation on taxation and combatting IFF.

The **Regional Commissions** have been represented by Ms. Barcena in Panel III on “Strengthening private creditor and credit rating agencies contribution to pandemic response and recovery” and by Ms. Songwe in Panel IV on “Unlocking liquidity to support sustainable development, especially for the most vulnerable countries”. In their interventions, Ms. Barcena stressed the need for debt renegotiation and restructuring and for a debt framework with transparent rules to level the playing field between debtors and creditors. She offered several measures to improve the current debt crisis, including: facilitating effective communication between governments and the private sector to manage expectations and share data; establishing deadlines for debt restructuring to provide greater certainty; and using collective action clauses in debt negotiation. She also reiterated a call for public credit rating agency. Ms. Songwe stressed the need to increase private financing on reasonable terms and described ECA proposal for a Liquidity and Sustainability Facility to go from billions to trillions. She highlighted the importance of recognizing the risk of a persistent divergence in access to liquidity and proposed using part of the special drawing rights as a cushion and to buy down the cost of market entry and access for developing nations. She also recalled that ECA was among the first to call for the use of special drawing rights in March 2020. The Forum also included a Panel on “Walking the talk on Illicit Financial Flows: Actions to achieve tangible progress” that discussed ways to strengthen cooperation to stem IFFs and called for urgent action on these matters, including the need to strengthen regional cooperation (raised by Mexico and reiterated by Mr. Ocampo).

The **regional dimension** was raised in various statements, such as by AOSIS on the need to complement SDRs with an increase in multilateral and regional development bank financing; by the African Group on the importance of making the best use of the FfD in the Era of Covid options and tailor actions in support of the recovery at the national, regional and international levels; and by Egypt that called for reinforced regional and international cooperation aimed at developing a comprehensive framework based on the principles of equity, and common but differentiated responsibilities. Moreover, Venezuela and Argentina cited ECLAC estimates on the regional setback in efforts to overcome poverty and on the impact of COVID-19 respectively; and the PM of Pakistan referred to the Liquidity and Sustainability Facility proposed by ECA. The African Group also raised the importance of addressing IFF as key to mobilizing and retaining critical resources for FfD.

The Forum was **opened** by the President of ECOSOC, the President of the General Assembly, the UN Secretary-General and included a video message by the PM of Pakistan at the outset. In the ensuing **general debate** on financing the recovery from COVID-19 held on 12 April, Heads of State and Government from across the globe

addressed the Forum in person and through pre-recorded video statements reaffirming their commitment to the Addis Ababa Action Agenda, adopted at the third International Conference on Financing for Development in 2015. Almost all of them called for greater partnership to counteract the deleterious and expanding impact of the pandemic, with many specifying the need for debt suspension and a more precise economic vulnerability index to capture the needs of middle-income countries.

**Closing the forum**, the DSG stressed how the worst health and economic downturn in recent history has exacerbated vulnerabilities in societies around the world and underscored the need for structural transformation to avoid another lost decade of development.

On 13-14 April, concurrent with the FfD Forum, finance ministers and senior government officials met with the private sector and financial intermediaries at the **2021 SDG Investment Fair**, where developing countries presented investment-ready projects to investors. The Fair stressed that scaling up private investment is crucial, particularly this year, as the COVID-19 pandemic resulted in a 42 per cent decline in foreign direct investment in 2020; and that expanding public-private partnerships, or blended finance, is also crucial for global recovery and for mobilizing implementation of the SDGs. The event featured participation from CEO members of the Global Investors for Sustainable Development (GISD) Alliance as well as Member States and key participants from the financial sector.

With regards,

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