



**UNCTAD Intergovernmental Group of Experts
on Financing for Development (IGE FfD)**

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Excellencies, Colleagues, Friends,

It is my pleasure to address the fifth session of the UNCTAD Intergovernmental Group of Experts on Financing for Development.

We meet at troubling times. The world faces an uneven recovery from COVID19; looming geopolitical tensions; and a rise in conflicts, including the unfolding tragedies in Ukraine.

Over the past two years, disruptions to supply chains, rising inflation, heightened financial volatility, and mounting trade costs have exacerbated the challenges faced by the global south.



Worsening trade balances; a steep fall in government revenues from custom duties; the virtual collapse of the tourist industry; and shortages of foreign currency earnings, have all severely impacted the servicing of outstanding international debt obligations by a number of developing countries, particularly by the SIDS.

And the outlook is even bleaker now, due to rising food and fuel prices. The resulting consequence is growing divestment in sustainable development and green industrialisation.

And unfortunately, the multilateral response to address those challenges has been insufficient.

External financial resources for development continue to decrease, which has been especially detrimental to low income and middle-income countries.



As we speak, LDCs, LLDCs and SIDS continue to endure severe financial constraints, which hinder their efforts to recover better and meet the Sustainable Development Goals. In fact, the financing gaps to achieve the 2030 Agenda continues to widen.

It is urgent that we initiate and enhance strong coordinated efforts to scale up development financing.

This must include targeted interventions to enable countries in special situations to build resilience and make progress towards the SDGs.

There are three areas I would like to highlight for prioritization:

First, we need **adequate financing of Covid-19 vaccine programmes.**



The rollout of vaccines has been hampered by insufficient funding and a lack of support for production and distribution in developing countries.

This has resulted in stark vaccination discrepancies. As spotlighted in the special event on universal vaccination, which I convened last month, nine out of ten people living in the poorest countries missed out on a Covid-19 vaccine in 2021.

As UNCTAD's own report has shown, slow vaccine rollout means that pandemic related financing will remain high for the foreseeable future. As a consequence, many countries will have to continue diverting their resources to address the immediate health impacts of COVID-19, leaving them with less to invest in economic growth and resilience.

I've said it before, and I say it again: we cannot get out of the crisis without universal access to vaccines.



Secondly, **emergency concessional financing needs to be increased, and better targeted.**

While the G20, IMF, World Bank and others have taken steps in the right direction, it is clear that these have fallen short.

For example, the IMF approved allocation of Special Drawing Rights provided member states with 650 billion dollars in additional liquidity.

Yet, only 42 percent was allocated to low and middle-income countries. Only 3.2 percent was allocated for the low-income countries.

We must urgently come to an agreement which facilitates the provision of SDRs to those countries that need them the most.



Mobilizing adequate levels of public and private financing for the SDGs were already a challenge prior to the COVID-19 pandemic. We must reverse this if we are to achieve Agenda 2030.

Thirdly, we must **drastically reduce the debt-burdens of developing countries.**

As it stands, many developing countries are being forced to allocate scarce resources to meet creditor claims, at the expense of financing the SDGs.

The G20's Debt Service Suspension Initiative, and the Common Framework, were steps in the right direction but remain inadequate in scale. We must do much more to mitigate unsustainable debt in the short, medium, and long terms.

Such measures need to be decided on with the full involvement of developing countries, and should extend to commercial and multilateral creditors.



In May, I will convene, together with the President of ECOSOC, a high-level dialogue on debt sustainability. This will focus on the concrete measures we can take to mitigate unsustainable debt, within our broader efforts to rebuild sustainably.

Excellencies,

The priorities I have highlighted reflect the magnitude of the economic and financial challenges faced by countries in special situations, including LDCs, LLDCs and SIDS.

Throughout our discussions, we should bear in mind the urgency with which we need to act. We must address the challenges developing countries face in mobilizing adequate levels of financing for development.

The 2030 Agenda will be “won or lost” in the developing countries.



We - the international community, national governments, the private sector and all stakeholders - have a responsibility to ensure that *all* countries and communities have the resources, and the enabling environment, to build back better and stronger.

In this context, I fully endorse the findings in UNCTAD's report that the pandemic has highlighted three areas that warrant a more centralized role for the State.

These include public health; social security; and an investment strategy to create green jobs, promote social inclusion, and fight climate change.

Colleagues, this is the *only* way we can usher in a comprehensive global recovery.

I thank you.