



HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT

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Means of implementation to match the scope of the crisis and the breadth of our ambition for 2030:

Mobilizing well directed financing

Friday, 10 July 2020, 9:00 AM- 10:00 AM

Secretariat Background Note

The current context for financing

As economies are slowly reopening following a sudden halt of activity, countries have **the opportunity to build back better** by creating more sustainable, resilient and inclusive economies and societies. There is significant momentum within an increased number of countries around the notion that a reversion to the pre-COVID economy, which fueled environmental degradation, climate change and increasing inequalities, is not desirable. Many recognize the recovery from the economic fallout of the pandemic as a vital opportunity to shape a post-COVID economy that is greener, healthier, more inclusive and more resilient.

The recovery is a **vital opportunity to redouble efforts to advance achievement of the 2030 Agenda**. Prior to the economic, social and health crisis triggered by the COVID-19 pandemic, the world was already backsliding on some areas of the 2030 Agenda and the Addis Ababa Action Agenda. Past progress on eradicating poverty was already at risk and inequality and climate change continued to accelerate. As noted in the [2020 Financing for Sustainable Development Report](#), there is a real risk that we will not be able to implement the SDGs by 2030, unless we seize the opportunity of this recovery to set the world on a sustainable path.

Yet, the **context for financing this recovery is challenging**. Governments have seen the fiscal space for investment in a sustainable recovery significantly limited in the context of the global economic crisis. Countries are faced with a dual challenge of declining revenues due to the crisis and increased spending demands. An increasing number of countries is also facing acute debt distress. Efforts are being advanced to provide debt relief for all countries requesting debt alleviation, but a comprehensive solution that



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engages multilateral, public and private creditors is yet to be achieved. At the same time, the private sector also faces limited space to invest, as businesses have also been hit hard.

To unlock financing for a sustainable and resilient recovery, **resources that are being made available must be aligned with the SDGs**, including stimulus packages and bailouts, as well as international development cooperation in all its forms. There is also need for scaling up the availability of concessional financing for developing countries struggling to rebuild, especially the least developed and others in special situations. Moreover, there is the need to strengthen national and subnational capacities to manage and reduce risks and multidimensional vulnerability and advance multi-stakeholder partnership in the efforts to reach the SDGs.

Overall, mobilizing **well directed financing is the lynchpin for restarting the economy** and investing in the future. Only if the mobilization of resources is scaled up and financing is directed in investment that can advance achievement of the 2030 Agenda, will countries be able to build back better.

Objectives and scope

The session will provide a **platform to explore how to achieve the dual objective of (i) scaling up the availability of financing for the recovery, and (ii) effectively directing this financing towards achievement of the 2030 Agenda**. Both of these objectives are by themselves necessary, but not sufficient, for building back better. Only if achieved in a coordinated and coherent way can the opportunities of a resilient and sustainable recovery be achieved. The session will thus explore what policies can support the mobilization of resources and what complementary financing policies are needed to effectively manage resources to support achievement of the 2030 Agenda, leaving no one behind.

To this end, the session will **engage representatives of governments and international organizations** to highlight concrete avenues for scaling up well directed financing and stress the systemic changes needed at the global level to ensure that vulnerable countries, including SIDS, LDCs and Middle Income Countries, are not being left behind in the recovery. It will build on the virtual meeting of the ECOSOC Financing for Development Forum on 23 April and 2 June as well as the intergovernmentally agreed conclusions and recommendations of the 2020 ECOSOC FfD Forum by exploring concrete policy options to countries to achieve a recovery from COVID-19 that is aligned with the 2030 Agenda.



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Guiding questions

- What policy measures and financing options can enable countries to build back better and achieve a resilient and sustainable recovery?
- How can the economy be aligned with the 2030 Agenda and Paris Agreement, and how can the recovery preserve the environment and build resilience to climate change and other global risks?
- What steps are needed at the global level to support the most vulnerable countries and people to achieve a resilient and sustainable recovery?



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