

High-Level Event on Financing for Development in the Era of COVID-19 and Beyond

**Convened by Canada, Jamaica and the Secretary-
General**

May 28, 2020 — 8AM — 12 PM

Discussion Notes

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Discussion Note

Recovering Better for Sustainability

1. Background

The global health crisis caused by COVID-19 has rapidly developed into a development emergency. Most developing countries do not have sufficient domestic resources and fiscal space to fund adequate response and recovery measures. This makes international cooperation crucial to heal and prosper together. Increased liquidity and external finance, addressing debt vulnerability and cutting the drain of resources through illicit financial flows are crucial to fill the budget gaps that impede strong action in terms of testing, tracing, isolation and treatment, as well as supporting the most vulnerable, securing livelihoods and stimulating the economy.

International cooperation also provides an opportunity to reshape the global economy towards the future we want. Incentives associated with support measures can steer businesses, citizens, and government away from the status quo before the crisis and towards a sustainable and more inclusive world. It is fundamental to link short-term measures to fight the pandemic and the development emergency to the path we want to travel going forward, guided by the 2030 Agenda for Sustainable Development, the Addis Ababa action Agenda and the Paris Agreement on Climate Change.

From the start, along the response and recovery phases, our objectives should be bold: to build more prosperous, inclusive, just, resilient and sustainable societies and economies. With every step, we should be addressing systemic risks, such as climate change and persistent inequalities. In the future, as now, it will be easier and far less expensive to address risks by investing up front than be cornered into palliative or ex-post measures. Resilience must be put at the center of decision-making at all levels, such that the impact of future shocks can be absorbed more readily and with less upheaval and disruption to people's lives and livelihoods.

The crisis demonstrates the value of solidarity and social dialogue in our communities and across the global community. It lays bare the failings of the old approach and has surfaced deep-rooted social and economic inequalities and the potential for the crisis to intensify related impacts. By moving forward, we can build more equal, inclusive and sustainable economies and societies for the long-term for all-3 (ie)-3 Tw 2.043 0 ms d n o f f T J 0 5 - 0 . 0 1 2 T c r t e n

A sustained recovery requires solid foundations including global cooperation and the effective integration of the SDGs into national recovery plans of both developed and developing economies.

Achieving the SDGs is not only a moral imperative, but it is an economic and social one. Their achievement would mean greater productivity, increased labour supply and ultimately stronger growth with equality. There are significant economic opportunities in aligning the recovery with SDGs.

For example, green stimulus measures

