



Statement by

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**for
Special Segment on Financing the Recovery from COVID-19
of the Economic and Social Council Forum on Financing for
Development**

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Mister President, Excellencies, Ladies and Gentlemen,

Let me start by thanking the Presidency of ECOSOC for convening the Forum on Financing for Development. These past 12 months have been challenging for countries and communities across the globe – lockdowns and restrictions, measures to support people and economies, access to and distribution of vaccines, and above all – rising public criticism. This has caused many governments and their officials to look for new and uncharted ways. All this has been a test of endurance.

The COVID-19 crisis has been significantly impacting most economies. Also, Latvia is on the front lines in tackling this difficulty. Indications show that the pandemic may become more of a chronic challenge - with emerging virus variants and constraints in vaccine supplies. We should be prepared to manage the risk of a long-haul and continuous battle to contain the virus. And the longer pandemic continues, the harder poor and vulnerable countries will be hit.

Saving lives has to stand in the center of attention. Vaccination for all has to be ensured. The importance of joint efforts undertaken by World Health Organization, COVAX, UNICEF, and the World Bank Group, financing speedy, efficient and equitable vaccination schemes, cannot be underlined enough. In parallel, multilateral development banks have to invest in strengthening the health systems of developing countries on a long-term basis. It is a matter of preventing a further escalation of the crisis the magnitude of which we haven't experienced before.

Unsurprisingly, this crisis has again underlined increased levels of inequality facing people across the world. Sadly enough, their chances of simple survival are far lower than in the rest of the world.

The international community has responded with emergency financial support, including short-term debt treatment. That was a much-needed and timely response. But for the developing countries to recover and take new steps in their way to decrease poverty and inequality long-term, adequate fiscal space and capacities to undergo structural reforms – long overdue – are needed.

Addressing all these challenges with regard to the developing countries, strong and coordinated measures and support by the international community remain critical.

Going forward, we have to continue to confront the issue of income inequality, concentrated in the most vulnerable countries and their populations. I encourage the multilateral community to strengthen efforts in supporting the poorest countries:

- to help them enhance their domestic revenue structures in particular through tax progressivity,**
- to combat schemes of tax avoidance today used by multinationals and the wealthiest,**
- to eliminate the root causes of excessive public debt accumulation.**

These steps are essential to fully implement the Addis Ababa Action Agenda and to promote sustainable development.

Leading the way out of poverty in these countries lies at the center of our joint responsibility.

Thank You!