

UN FFD panel - Remarks by Nyaradzayi Gumbonzvanda, Chair, ActionAid International

UN Secretary-General Mr. António Guterres,
President of the General Assembly Mr. Tijjani Muhammad-Bande,
President of ECOSOC Ms. Mona Juul

Ladies, gentlemen and friends,

Greetings from Zimbabwe where we are on lockdown and have just travelled 100 kilometres from my village for internet connection for this forum.

We meet today in the most trying of times, to design the future together on financing for sustainable development, the age of coronavirus. This virus has unleashed an unprecedented economic and social crisis in this century. This demands that we completely rethink our approach to each of these three words: financing, sustainability and development.

We must revisit the **fundamental values** that underpin financing for development. Human solidarity and wellbeing; not just economic growth, national self-interest, nor profit, should be the basis for our actions.

We must reclaim the ethos of the United Nations Human Rights Charter, the right to dignity, the right to development, and the fundamental principle of equality between all human beings, at the heart of financing strategies.

We are where we are today, standing on the brink of catastrophe, because of the yawning gaps we have tolerated in social and economic rights such as access to health care, clean water and rights to decent work. Gaps between rich and poor, women and men, within and between nations.

Medical experts tell us that those most vulnerable to coronavirus are people with pre-existing conditions. Well, inequality is [the mother of all pre-existing conditions](#).

In [Louisiana in the USA](#), for example, African Americans make up a third of the population, but 70 percent of coronavirus deaths. Why? Poor nutrition. Chronic ill health and inability to afford medical care. Stress. Exposure to pollution and unsafe workplaces. All these are violations that go with discrimination and poverty, in many communities across the world.

As we all know, the **COVID19 health emergency** is also triggering or exacerbating an economic crisis. Vicious as that crisis is in the global North, it will be utterly devastating for women, informal workers and farmers, and the economies in the global South.

In Bangladesh, for example, [poor households have seen their incomes slide by 80%](#) since February. Most say they only have enough to feed their families for another week or two. Yesterday, the Head of the World Food Programme warned that countries already hard hit by climate change and conflict are heading for “famines of biblical proportions” within months.

The [CSO Group on Financing for Development](#) aptly stated in their recent submission that coronavirus is exposing the consequences of decades of de-regulation, severe underfunding of public services and workers’ rights, and the unsustainable extraction of labour, wealth and resources from the Global South through one-sided globalization.

After years of systematic under-investment, only 15% of low-income countries have health care systems that meet WHO’s minimum standards. Two-thirds of these countries are spending more on debt service payments than public health care.

In Nigeria, ActionAid has found some health centres don’t even have running water. In one such centre, family members of patients had to fetch water in buckets from a nearby pond for use by healthcare workers. This is a reality in many communities in the global South.

In my home country, Zimbabwe, the coronavirus support that the government can afford to give those most vulnerable is [only enough to buy 7 loaves of bread](#) a month.

[According to the World Bank](#), only 1 in 5 people in Sub-Saharan Africa are covered by any kind of pension, social protection or safety net.

Unless this changes, and changes fast, almost [500 million more people could be pushed into extreme poverty](#) in the developing world.

So the question is, what are we going to do about it?

As the CSO FFD Group has so plainly put it, the bottom line is that everybody’s life, rights and income must and can be protected. The Universal Declaration on Human Rights demands no less of us. The pandemic itself demands no less, because no one is safe until everyone is safe.

In order to do this, **ActionAid is calling for a global people’s bailout worth at least \$4.6 trillion.** This may sound like a lot, until you consider that wealthy countries have already committed almost twice that much just to stimulate their own economies.

ActionAid's 5 point plan for a global people's bailout includes:

1. Rich countries must provide **a one-time aid boost of at least \$500 billion. This aid should not be diverted from existing priorities** - that would be robbing Peter to pay Paul. More coronavirus relief funds should be earmarked for **direct funding to CSOs**, particularly local groups, and women front line responders who are already on the ground and understand people's needs.
2. IMF members must agree **an emergency allocation of extra liquidity, with no conditions attached, for all countries**. Releasing 3 trillion in IMF Special Drawing Rights would give African governments a \$250 billion fire-fighting fund.
3. All creditors, public and private, should immediately suspend **debt payments by developing countries until 2022. This would free up \$50 billion for low-income countries alone**.
4. **Austerity policies advised by the International Financial Institutions and others must be reversed**. [ActionAid research](#) shows these policies have pushed 80% of low income countries to plan for zero increases in public sector worker numbers and pay this year. Some, like Sierra Leone, are even projecting a decline in health budgets in order to meet IMF macroeconomic targets. This is unacceptable at the best of times, but in the face of coronavirus it is deadly.
5. In planning their national financing packages, governments must prioritise working people over shareholders, and protect **the lives, rights and livelihoods of the most vulnerable**, including women, informal workers, market traders and smallholder farmers whose contribution to their local economies is immense. This unprecedented crisis is also the time for governments to take bold steps to stop leakages from their economies, such as illicit financial flows, tax loopholes, perverse subsidies for fossil fuels, and corruption.

Even as we fight the immediate crisis of unemployment, hunger, discrimination, gender based violence and sickness, we must ask, **what is the exit plan for the world?**

First, as our CSO FFD colleagues have said, **no lasting global recovery can be achieved without living wages and social protection for all workers, redistribution of women's unpaid care and domestic work and a significant strengthening of public services and institutions**.

Governments can pay for this by **massively expanding domestic resource mobilisation**, rejecting austerity policies to playing a more active redistributive role in the economy and **introducing progressive tax reforms**. [ActionAid research](#) shows almost all developing countries could double spending on education and health within 5 years by increasing tax to GDP rates at an average of 1% a year, and a reduction in

military expenditure. There is also a compelling case for governments to introduce a COVID-19 wealth tax to help fund the recovery.

Even more could be achieved through **coordinated global action for tax reform**, including setting up a UN tax body to end the use of tax havens where trillions of dollars are lying idle. Also critical will be greater international investment in global public goods and an end to the backsliding on overseas development assistance targets we've seen in recent years.

Second, **no lasting global recovery can be achieved without a transition away from dependence on fossil fuels, and investment in sustainable local production and consumption and food sovereignty. Coronavirus is the canary in the coal mine warning us of a much bigger disaster on the way if we do not fundamentally change our predatory global economic system and put people and planet ahead of profit.**

Third, even as we focus on expanding social and economic rights, we must continue to safeguard civil and political rights and combat the rise of authoritarianism, hate and fear. The lessons of the Ebola crisis teach us that when governments try to intimidate people into adherence, hide information, or silence critics, things get worse rather than better. The lessons of HIV-AIDS teach us that discrimination, stigma and fear ultimately do more damage than any virus, and a clear inter-generational approach is critical.

Finally, **we can neither exit from coronavirus nor survive climate catastrophe without strengthening multilateral institutions, particularly the UN system. As an immediate step, we call on all member states to make their full and fair contributions to the work of UN agencies and to the 0.7 aid target, and on the UN to convene a summit on coronavirus recovery.** The United Nations was forged in the ashes of World War II precisely to prevent such devastation being visited on humanity ever again. Now is its hour to lead.

Thank you.

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