



AUSTRALIA



AUSTRALIAN MISSION TO THE UNITED NATIONS

E-mail australia@un.int

150 East 42nd Street, New York NY 10017-5612 Ph 212 - 351 6600 Fax 212 - 351 6610 www.australia-unscc.gov.au

2021 ECOSOC Forum on Financing for Development

16 April 2021

Australian Statement

Australia welcomes the 2021 findings of the Inter-agency Task Force on Financing for Development. We are deeply concerned about the impact of COVID-19 on SDG progress, on lives and economies.

It is alarming that 120 million people have fallen back into extreme poverty; 114 million jobs have been lost; tax revenues, foreign direct investment, trade and remittances have decreased; debt and humanitarian vulnerabilities have increased; and all countries are having difficulties financing vaccine rollouts.

We are seeing first-hand how the impact of COVID-19 and global shut down are impacting our neighbours, including small island developing states (SIDS) in our own Pacific region. Australia supports the UN's growing recognition of SIDS vulnerabilities and encourage pausing graduation discussions to help countries stabilise negative trends and reinforce their pathways to recovery.

The pathway to recovery will be different for all countries. A strongly integrated approach to development, humanitarian, resilience and climate finance will help ensure that each dollar is most effectively spent. Australia is committed to improving the impact of humanitarian financing by increasing the use of cash assistance, localisation and flexibility in funding and supporting better coordination, collaboration and complementarity between development and humanitarian systems.

Australia is firmly committed to the Paris Agreement and an ambitious global response to climate change that requires collective action by all countries and sectors. That's why Australia is a committed supporter of the

\$100 billion global finance goal to support developing countries respond to climate change.

We exceeded our 2015 commitment to provide \$1 billion over five years by 2020 and will invest at least \$1.5 billion over 2020-2025. More than 80 per cent of our global, regional and bilateral climate finance supports climate adaptation and resilience, a priority for vulnerable communities in our region.

We remain deeply concerned about debt vulnerabilities and how these have been exacerbated by COVID-19. Australia is committed to transparent and sustainable lending practices that avoid unsustainable debt burdens, including for disaster and climate resilient infrastructure.

Australia has re-confirmed its commitment to the Addis Tax Initiative to strengthen domestic revenue mobilisation in our partner countries. COVID-19 has highlighted domestic resource mobilisation to be one of the most sustainable and reliable pillars of financing for development.

Australia is committed to supporting accessible and affordable remittance flows, and is pursuing this through: increasing market competitiveness; harnessing new and emerging technologies; enhancing transparency; and encouraging supportive regulatory environments.

We recognise that global economic recovery will be faster, more robust and more just, if we can better support the leadership, agency, resilience and productivity of all in our societies, in particular women, indigenous peoples and people with disabilities; and enable their full participation in the economy.

We cannot allow COVID-19 to create more inequalities for half the world's population. Closing the finance gap for women and girls means involving women in recovery decisions and giving them tools to transform their lives. Financial inclusion—enabling people to access financial services such as banking, credit and insurance—has a multiplier effect in boosting overall economic output and contributes to reducing poverty and income inequality at the national level.

We know that SMEs, including those led and managed by women, are the engine for growth in emerging economies. They provide the vast majority

of jobs, they drive innovation and they have kept essential food and health services running throughout the COVID-19 pandemic. But their access to finance has significantly declined, investors have withdrawn from emerging markets and banks are more risk adverse. Governments must step up to incentivise private and commercial investment into this critical sector of our economies. This is why Australia has established the Emerging Markets Impact Investment Fund to support the SME sector, and women's economic empowerment in our region.

We are determined to support and champion an inclusive and sustainable economic recovery that makes the most of **all** sources of development finance; and is inclusive of **all** segments of our societies. We must be innovative with finance and pursue new ways of getting the SDGs back on track.