



**Statement by H.E. Mr. Andres Rundu, Deputy Minister, Ministry of
Foreign Affairs of Estonia, 2021 Financing for Development Forum**

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Excellencies, Ladies and Gentlemen,

We are here today as we face the worst recession in the global economy in 90 years. With all our countries struggling to overcome the human and economic devastation from the COVID-19 pandemic, developing countries and especially the most vulnerable countries are hit hardest.

The lack of domestic financial resources, high debt levels and fragile health systems have made it more difficult for developing countries to invest in recovery and resilience. This crisis has become a long-term challenge threatening stability, the lives and livelihoods of people and overturned the progress that had been achieved until now.

The pandemic has amplified more than ever how economics cannot be separated from health care and how dependent we are from each other globally. That is why we need to take bolder steps to recommit to the Addis Ababa Action Agenda in order to *build forward better*.

Most importantly, as the crisis has hindered developing countries to invest into recovery and sustainable development, donor countries have to recommit to stable and predictable funding of development cooperation. Estonia has supported its partner countries during the pandemic through development cooperation and humanitarian aid and by adjusting existing projects and funding new initiatives.



Estonia has been prioritising healthcare and socio-economic development, which are also priority areas of the Team Europe COVID-19 response that aims to reach beyond the recovery from the crisis.

Recognizing that the COVID-19 response can be a drive for innovation, Estonia has been at the forefront of the joint efforts of Team Europe Digital4Development Hub to support scaling up investments for digital transformation of partner countries and advancing a fair digital economy across the globe.

At the same time, we need more cooperation and new partnerships. In order to achieve long-term impacts and to build resilience, efforts should be made to bring together initiatives and combine funds. That is why national development plans and funds need to be aligned to support the Sustainable Development Goals. Having this in mind, Estonia has recently adopted a comprehensive strategy for engaging with Africa. The ambitious goal of the strategy is to broaden not only our development cooperation commitments but also to strengthen political ties and economic cooperation.

More than ever, we need a holistic approach to financing for development, taking into consideration both public and private resources. Here, I want to stress the importance of long-term *financing* in contrast to short-term *funding*. Innovative financial instruments, multi-stakeholder initiatives and platforms have to be established to mobilise private capital for SDG-s. Blended finance is a good example of how additional resources from the private sector are *blending* commercial investments with public sector resources and mitigating the risks of funding projects in developing countries.

With a focus on bridging the setbacks caused by the pandemic, we need to address systemic shortcomings of financing for development through the modernization



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of obsolete structures and systems. We cannot afford this to be a “lost decade” for many developing countries. Sustainable progress can only be achieved together through bold and innovative solutions.

Thank you.