



STATEMENT

Intergovernmental Group of Experts on Financing for Development, UNCTAD

5th Session

21-23 March 2022

Dear Excellencies, independent and governmental experts,

Ladies and Gentlemen,

Africa 21 is concerned that the global implications of the war in Ukraine and the economic impact of the pandemic are aggravating an already weak global environment. Even prior to the outbreak of COVID-19, the world economy was fraught with significant uncertainties and challenges in the achievement of the SDGs; and the fight against climate change.

Global economic implications of the war in Ukraine

Africa 21 shares UNCTAD's recent assessment on the worsening outlook for the world economy, due to the multifaceted impacts of the war on Ukraine, including rising food, fuel and fertilizer prices, heightened financial volatility, sustainable development divestment, complex global supply chain reconfigurations and mounting trade costs.

Africa 21 is deeply concerned of the ongoing impacts for African and least developed countries, some of which are particularly exposed to the war in Ukraine and its effect on trade costs, commodity prices and financial markets. The risk of civil unrest, food shortages and inflation-induced recessions cannot be discounted, particularly given the fragile state of the global economy and the developing world as a result of the COVID-19 pandemic

Post-pandemic recovery

Stressing that while the developed countries have been able to inject massive financial stimulus - of over \$17 trillion, Africa 21 regrets that most of the developing countries are still in the grip of the most severe recession in a century and have not been able to generate \$4.3 trillion per year required for recovery and achieve the SDGs during the remaining of the decade.





Fearing that owing to the extreme economic hardship, rising inflation, illicit financial flows, and difficulties in accessing concessional finance, Africa 21 warns that many developing countries would not be able to recover soon from the crisis and achieve the SDGs in the remaining of the decade.

Highlighting that African governments are spending more on debt servicing than on combating the health and economic crisis, Africa 21 calls for reforms in debt and public finance management to maintain access to commercial credit and to ensure long-term debt sustainability.

Achieving the SDGs

Reiterating the importance of prioritizing economic structural transformation for inclusive and people centered development in Africa in achieving the SDGs, Africa 21 is convinced that such a development approach requires: development of adequate policy space and productive capacities, notably through infrastructure development; science, technology development, transfer and innovation; value addition to primary commodities.

Recalling the significance of environmental sustainability, Africa 21 highlights the importance of addressing the challenges posed by climate change, desertification and land degradation, drought, loss of biodiversity, and sustainable natural resource management.

Highlighting the importance of promoting responsive and accountable global governance architecture, Africa 21 calls for the full and equitable representation of African countries in international financial and economic institutions.

Combating climate change

Regretting that to date, only \$80 billion of the \$100 billion per annum commitment by developed countries for climate finance for developing countries by 2020 has been met, of which only around \$18,5 billion was provided to Africa over 2016-2019 on annual average, Africa 21 recalls that the Africa Group of Negotiators has called for \$1.3 trillion a year in climate finance to be made available from 2025.

Recognizing that new estimates in the 2021 Adaptation Gap Report (AGR) point to more costs of five to ten times greater than current public adaptation finance, Africa 21 calls for the substantial increase of financial contributions from diverse sources for climate adaptation in developing countries and particularly in Africa.

Intergovernmental processes and civil society contributions

Expressing support towards Civil Society Declaration to UNCTAD XV, Civil Society Financing for Development Group's Inputs to UNCTAD's Intergovernmental Group of Experts on Financing for Development, Africa 21 believes that to recover in an inclusive, resilient and sustainable way,





developed countries need to uphold their commitments made under various multilateral instruments such as Addis Ababa Action Agenda, the Paris Agreement, and the 2030 Agenda.

As 2022 marks twenty years since the first International Conference on Financing for Development was held in Monterrey, Mexico in March 2002, Africa 21 calls for an active UNCTAD role at the next UN Summit on Financing for Development/Monterrey + 20, as expressed by Civil Society FfD Group's Inputs,

Such a summit has never been more urgent again given the financing needs in the context of the COVID-19 pandemic, and future summits including the proposed UN Social Summit in 2025 that will only succeed if reforms of the global financial system are advanced.

We thank you.

Geneva, 23 March 2022

