

Remarks by ICC Chair Paul Polman

Financing for Development in the Era of COVID-19 and Beyond – 28 May 2020

10:30am EST / 4:30pm CEST

- Thank you, Mr Secretary General and the honorable prime ministers of Canada and Jamaica, for the opportunity to address this important meeting.
- The International Chamber of Commerce – the institutional representative of over 45 million businesses – stands shoulder-to-shoulder with all governments in the effort to protect lives and livelihoods in the context of the COVID-19 pandemic.
- I will focus my brief remarks today on three themes central to today’s agenda – issues that will ultimately determine our ability to contain the spread of the virus and “build back better”:
 - o First, the absolute business imperative to ensure universal access to COVID-19 diagnostics, treatments and vaccines;
 - o Second, the need for continued fiscal interventions to help small businesses weather the crisis; and
 - o Third, the fundamental importance of ensuring developing economies have sufficient fiscal space protect lives and livelihoods in the face of the virus – and mitigate against the risk of systems collapse.
- On the issue of universal access...
- While the natural reflex of any government in response to the virus is to protect the immediate wellbeing of its citizens, this does not obviate the need for forward-looking international cooperation in the face of a virus that – by its very nature – knows no borders.
- We have repeatedly called on governments to reverse the counterproductive restrictions placed on the export of essential supplies to fight the global spread of the virus – and, make no mistake, will continue to do so.
- We are also alert to the risk that the emergence of a viable vaccine for COVID-19 could trigger further beggar-thy-neighbor trade actions, which risk compounding the human and economic toll of the pandemic. **Leadership is urgently required from the G20 – and, more broadly, members of the WTO – to establish a cogent roadmap to ensure that the access to a future vaccine is not artificially restricted by asinine trade restrictions as governments scramble to secure supply.**

- There is also an essential financing element to this agenda...
- **Today, we are joining forces with Global Citizen to campaign for further financial commitments to ensure everyone, everywhere can access the medicines and diagnostics needed to bring the pandemic to an end in all countries.**
- This is, of course, essential if we are to deliver on the core promise of the Sustainable Development Goals to “leave no one behind”.
- But this is not just a moral issue. There is also a cast-iron business case for equity to be foundational to response to the public-health response to COVID-19...
- In a deeply – and in many ways intrinsically – interconnected world, a sustainable economic recovery will only be possible if the virus is contained globally. Simply put: a country that is free from the virus will not be immune from the economic impacts of outbreaks in other parts around the world.
- Value chains will not be able to function effectively if there remain countries where COVID-19 continues to spread. Cross-border food systems risk being deeply affected – potentially resulting in dangerous supply shortages in some regions. Economic activity in many sectors is unlikely to be able to return to the levels needed to avoid a devastating economic downturn.
- As the Secretary General has noted, many multiples of the US\$8 billion already pledged will be required to ensure universal access to tests, treatments and – ultimately – vaccines is an essential upfront investment in a sustainable future for all.
- **G7 leaders can now consider themselves “on notice” that we expect them to make bold financial commitments to ensure universal access to tests, treatments and vaccines at their summit next month.**
- **We also commit to roll out, by the time of our next meeting, new tools and guidance to help businesses adopt “best practices” to protect their workforces in the absence of a readily available vaccine...**
- **We will do this working with a broad range of partners, including the UN Global Compact – whose response to the crisis has rightly emphasized the heightened importance of responsible business conduct in the context of their “10 Principles”.**

- On a similar theme of inclusion, in thinking about the big picture, we urge governments not to forget the financing needs of small businesses – who, as you know, have been deeply affected by the economic impacts of COVID-19.
- While we acknowledge the unprecedented response from governments, IFIs and development banks in response during the early phase of the crisis... **the scale of the disruption means that further fiscal interventions will inevitably be needed to enable SMEs to weather the crisis and – hopefully – build back better.**
- The scale of public financing required in this regard should not be underestimated...
- To give just one angle, we estimate that a **possible US\$5 trillion of trade financing capacity will be needed in 2021 to restore global commerce to its pre-COVID-19 trend.** It is unlikely commercial markets can satisfy this need without appropriate public support. In this connection, we urge governments to agree urgently on **proactive coordinated interventions to ensure small businesses can access the credit needed to trade internationally** once demand returns to the economy.
- Finally, **developing countries must be given the fiscal space needed to support their domestic economies and citizens through the crisis.** Without adequate fiscal interventions we risk wholesale systems collapse of local private sectors – which will bring with it devastating social impacts and significant international ripple effects.
- For this reason, ICC commits to continue its advocacy in cooperation with partners from the trade union movement and civil society to ensure **all developing economies in need receive appropriate forbearance from debt payments – from both sovereign and private creditors.**
- Simply put, it's time to take debt out of the equation in the response to COVID-19. No government should be forced to choose between servicing debt requirements and protecting the lives and livelihoods of its citizens.
- While debt forbearance is an immediate imperative, it is clear to us that a new global roadmap will be required in the wake of COVID-19 to provide systematic and comprehensive debt relief – and, in appropriate circumstances, debt cancellation – to allow developing economies to build back from the crisis. Any such process should be squarely targeted at enabling achievement of the Sustainable Development Goals and the Paris Agreement.

- In concluding, I want to emphasize that the global private sector stands squarely with the UN and with all governments in responding to the crisis.
- Do not hesitate to let us know when and where you need our help. We are all in this together.
- I hope I've clearly conveyed the "business case" for leaving no one behind in response to COVID-19... The reality is that we will only truly emerge from this crisis if we chose the path of cooperation – not isolation.
- Thank you.