

JOINT STATEMENT

Executive Board of UNDP/UNFPA and UNOPS

Second Regular Session 2020

**Agenda Item 11: UNITED NATIONS CAPITAL DEVELOPMENT
FUND, Midterm review of the United Nations Capital Development
Fund strategic framework, 2018-2021, including the annual report
on results achieved by UNCDF in 2019**

September 4, 2020, New York

Mr. President,

Dear Executive Secretary of UNCDF,

I have the honor to present this statement on behalf of the following countries, which all provide regular resources to UNCDF: Australia, Austria, France, Luxembourg, Norway, Sweden and my own country, Switzerland.

We wish to congratulate the Executive Secretary, Judith Karl, and her team for UNCDF's achievements presented in the annual report 2019. Since it is Ms. Karl's last Board meeting, we wanted to thank her for her tremendous efforts to make UNCDF a truly innovative and successful UN organization. We would like to explicitly mention Ms. Karl's efforts to build UNCDF's capacity to expand its mandate to issuing loans and guarantees, which is unique in the UN system. With the Investment Platform for Least Developed Countries, UNCDF now has a solid foundation in place to take this work forward.

As the only UN organization with an almost exclusive focus on the LDCs and with a particular commitment to innovative finance solutions, UNCDF's work is crucial. LDCs still face a significant gap in access to finance and we encourage UNCDF to continue working in places where financing sources are scarce or unavailable. We firmly believe UNCDF is filling a gap in the international financial architecture while providing finance in "last mile" settings.

Particularly now, UNCDF's work will be even more needed in those countries that are heavily hit by the current health, social and economic crisis. We must ensure that

the progress of the last decades will not be reversed and that we can help economies to recover in a sustainable manner.

Let me just highlight some elements that are of particular interest to us:

In May this year, the Call to Action “Remittances in Crisis: How to Keep them Flowing” was jointly launched by the Governments of Switzerland and the United Kingdom, in partnership with UNCDF, the World Bank and other partners from the UN and the private sector. Alarmed by the estimated slump in remittances of 20% or around 110 billion USD in 2020 due to COVID-19, the Call to Action raises awareness about the potentially devastating effect of this decline for millions of people around the world. Remittances play a key role in many low- and middle-income countries for the achievement of the SDGs. With nine concrete recommendations the Call to Action encourages policymakers, regulators and remittance service providers to improve access for migrants and diaspora communities to physical or digital remittance services. So far, 27 states from all regions of the world and 16 multilateral organizations, private sector entities and civil society organizations have joined the Call to Action. UNCDF’s technical expertise and network were a critical factor for the success of the Call to Action.

Mr. President,

We believe that UNCDF has an important role to play within the wider UN system. UNCDF has the potential to become *the* entry point for the UN’s work with financial instruments and innovations, both with public and private entities. UNCDF is an agile organisation and the UN Development System should take even more advantage of this flexibility and enhance its role. We would hope to see other agencies collaborate with UNCDF to make use of its unique instruments. With the Last-Mile Trust Fund UNCDF has an excellent tool, which provides the kind of flexibility necessary for innovations.

Mr. President,

To summarize, UNCDF has a very strong comparative advantage in creating and deploying financial instruments that support the private and public sector to reach the poor and tackle inequality and exclusion. It is crucial that UNCDF keeps their foot on the ground in LDCs – not only is it a fundamental element of their mandate, it’s also a strong element of UNCDF’s added value.

We warmly encourage other countries to consider a possible support to UNCDF's core resources – even modest contributions make a significant impact on UNCDF's work at country level in LDCs. Regular resources enable UNCDF to deliver on its mandate in a cost-effective and agile way, to the benefit of *all* stakeholders and partners.

Finally, we would like to thank Ms. Judith Karl again for the outstanding work and commitment. We wish her all the best and especially good health in her new phase of life.

Thank you for your attention.