**U N I T E D N A T I O N S N A T I O N S U N I E S**

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Excellencies,
Distinguished delegates,
Ladies and gentlemen,

Thank you for the opportunity to address the intersessional meeting of the Human Rights Council on human rights and the 2030 Agenda for Sustainable Development.

The world stands at a crossroads. At the halfway point for implementing the 2030 Agenda and its Sustainable Development Goals, we find ourselves faltering. Progress on almost 85 per cent of SDG targets is insufficient, stalled, or regressing.

Financing is the fuel that will drive progress on the 2030 Agenda and the Paris Agreement. We will need to mobilize it at unprecedented scale and speed, to facilitate the massive investments in transformation that we urgently need to deliver sustainable development and on the promises made in the Universal Declaration of Human Rights.

In this context, I welcome this discussion on how the human rights framework can help inform and shape reforms of the international financial architecture. Our global financial system and the institutions that govern it must proactively support the realization of human rights and the 2030 Agenda for Sustainable Development. This is one of the principles embedded in the Addis Ababa Action Agenda on Financing for Development.

At the SDG Summit in September, UN Member States welcomed the Secretary General’s efforts to promote an SDG Stimulus and its proposals to: address the high cost of debt; dramatically expanding affordable long-term financing, including through public development banks; and provide contingency financing to countries in need.

But a short-term SDG Stimulus is not enough, we must finally address long-standing gaps and flaws in the international financial architecture. That architecture is not fit for purpose to address the challenges of the 21st century. The Secretary-General has set out bold recommendations to reform the international financial and tax architecture, starting with governance reforms to achieve more inclusive, representative and, ultimately, more effective global economic governance.

Advancing on many of these bold but indispensable reforms will be up to you, the Member States, and Member States in all their capacities need to be engaged. This is an agenda that requires the attention of the entire government, including human rights experts working alongside their finance ministries, health ministries, education ministries, trade ministries and foreign ministries.

Ladies and Gentlemen,

Let me turn to some of the specifics aspects of debt distress, the topic of this second panel. Sovereign debt sustainability concerns have dramatically increased. Currently, at least 19 developing countries are spending more on debt interest payment than on education and 45 are spending more on interest payment than on health.

In total, 3.3 billion people live in countries that suffer from underinvestment in education or health due to large interest payment burdens. Leaving them in protracted debt distress would undermine efforts to deliver on human rights obligations as well as progress towards sustainable development.

While these risks are broadly recognized, the international community has yet to find consensus on a commensurate response. A wide range of policy options and proposals for addressing these debt challenges have been discussed in various fora, but under the current system debt crisis resolution remains typically too little, too late.

We need long-term debt sustainability analyses that incorporate both climate risks and the positive impacts of investment in long term project. We must create fiscal space for countries that suffer from debt overhangs, effectively and at scale, so that they can invest in the SDGs and climate action in the critical period over the next several years. We need to achieve debt treatments that are more effective, timely, deep, and fair.

There are variety of tools at our disposal which can be the starting point to achieve some of these aims. Climate-resilient debt clauses that pause debt payments at the time of a natural disaster should be scaled up. Debt swaps – if carefully structured – can help to create fiscal space for SDG investment. But we must also create a more robust debt resolution architecture for those inevitable cases where debt workouts become necessary. The Secretary General has proposed a more sustainable debt resolution architecture.

There are already lessons we can draw upon that help to bring together the worlds of human rights and debt restructuring. Courts administering municipal bankruptcy regimes in some countries have used the level of public service provision and solidity of social protection as indicators of whether public debt should be restructured.

We should draw on these lessons as the international community seeks to enhance the sovereign debt resolution architecture, with a view to deliver these at the upcoming UN Summit of the Future in 2024 and the Fourth International Conference on Financing for Development in 2025.

Ladies and Gentlemen,

I would be remiss if I did not mention that Member States also recently agreed in New York to launch the process towards a UN Framework Convention on International Tax Cooperation.

Aggressive tax avoidance and tax evasion have a corrosive effect on public trust, financial integrity, the rule of law and sustainable development across the globe. Reduced public resource mobilization undermines the ability to deliver on our human rights commitments.

This UN process can enable an international tax system that respects countries’ sovereignty; reckons with the real ways markets operate and business is done in our modern world; and establishes transparent international tax rules and procedures that respond to the needs, priorities, and capacities of all countries.

Allow me to conclude by emphasizing that we must make our economic and financial systems fully aligned with sustainable development needs and human rights obligations. Recognizing and strengthening the links between the human rights agenda and the reforms of the international financial architecture can only bolster our efforts to transform our world.

I wish you highly successful deliberations.

Thank you.