

**Transcript of PM’s Speech at  
High Level Event: “Financing for Development  
in the Era of COVID 19 and Beyond”**

(29 September 2020)

**Prime Minister Trudeau,  
Prime Minister Holness,  
Secretary General,  
Excellencies, Ladies and Gentlemen,**

The COVID-19 pandemic is inflicting unparalleled human suffering. Controlling the virus is critical to addressing both the health and economic emergency.

In Pakistan, our strategy of “smart lockdowns” has fortunately controlled the spread of the virus. Yet, we are not complacent. No one is safe until everyone is safe.

I hope a vaccine will soon be available. Everyone, everywhere, must have equitable and affordable access to this vaccine.

The COVID crisis has triggered the worst recession since the 1930s Great Depression. As usual, the poorest countries and the poor in all the countries have been hit the hardest.

Despite our financial constraints, we have injected over \$8 billion – 3% of our GDP almost – to protect the poor and keep the economy going.

**Excellencies,**

Debt relief is one of the quickest ways to create fiscal space for developing countries. Therefore, in April, I called for a “Global Initiative on Debt Relief.”

Pakistan subsequently initiated discussions on this matter at the UN and co-led the Discussion Group on Debt Vulnerability under your initiative.

I welcome the extensive “Menu of Options” identified by each of the six Discussion Groups. We must prioritize those actions that can have a significant impact and can be quickly implemented.

*First*, extension of the G-20 Debt Service Suspension Initiative for at least one more year. The request for forbearance under this initiative should not affect the country’s credit rating, since this is due to force majeure, not mismanagement.

***Second***, the Multilateral Development Banks should participate in the Debt Suspension Initiative.

***Third***, other short-term measures which could cover both official and private creditors include: debt swaps for health, climate and SDGs; debt buy-backs; re-profiling debt; and regional resilience funds.

### **Excellencies,**

Investment in sustainable infrastructure will be key to economic recovery and realization of SDGs. We should create a UN Infrastructure Investment Facility to mobilize an additional \$1.5 Trillion annually for the developing countries.

The IMF estimates that the developing countries would require an additional \$2.5 Trillion to recover from COVID-induced contraction. Rich countries should support the creation of at least US\$500 billion in Special Drawing Rights and reallocation of unutilized SDRs.

Recovery from the recession, as from the pandemic, must be inclusive and equitable. We must break the shackles of poverty and inequality.

**I thank you.**