

Discussion Group 3: Global Liquidity and Financial Stability

Second Meeting Summary

5 August 2020

Group III held its second meeting with Member States, institutional partners, and UN entities on Wednesday, 5 August. UNCTAD gave a presentation on the characteristics of policy options using a radar charts to compare policy options, which serves to highlight trade-offs between and within options. In addition, proposals were submitted by Costa Rica and Russia to address global liquidity and financial stability. The Co-Chairs will hold a coordination meeting with the group next week (date TBD) where participants will further refine the list of policy options and discuss how to incorporate inputs from the presentation given during the second meeting.

Key messages presented:

Discussion Group III reviewed various proposals received by its members, which were classified into short-term and long-term options. Short-term policy options discussed included a substantive scaling up of the DSSI, reallocating existing SDRs and allocating new SDRs, a SPV facility, repo facilities, and strengthening the quick disbursement of the IMF through RCF & RFI and short-term liquidity lines. Long-term policy options discussed included capital account management, debt swaps, and recapitalization of MDBs and international financial institutions.