



PRESIDENCIA  
DEL GOBIERNO

**REUNIÓN DE JEFES Y JEFAS DE ESTADO Y DE  
GOBIERNO SOBRE LA ARQUITECTURA DE LA  
DEUDA INTERNACIONAL Y LA LIQUIDEZ**  
*(29 de marzo de 2021)*

Secretary-General, Prime Ministers:

Developing countries are suffering the direct effects of the pandemic in their economies, increasing their poverty and inequality levels. Countries that continue to face liquidity constraints and challenges accessing multilateral financing.

2020 saw a record number of sovereign bond defaults. We must avoid this sad record to be broken again.

First, we must agree on an ambitious new allocation of Special Drawing Rights, or SDRs, to help ease those liquidity problems.

But simply allocating the new SDRs to all IMF-member countries according to their quotas will not suffice. Low-income countries would only receive 3.3% of those SDRs, while hard-hit Latin American economies would get less than 8%. If G20 countries set aside just 10% of their new SDRs, it would more than double the additional funding for low-income countries.

This is why Spain is proposing to create a new IMF facility for just and sustainable development. This new facility should particularly target those developing countries with higher levels of income inequality and poverty rates, and those have been especially affected by the COVID-19 crisis.

Second, we should extend the Debt Service Suspension Initiative until the end of the year. 46 out of 73 eligible countries have benefitted from it, postponing more than 5 billion US dollars in payments. However, over 40% of eligible countries are still in debt distress or at high risk.

Third, we need to fully and effectively implement the G20 Common Framework for Debt Treatment. Coordination and inclusiveness will be key for its success.

Private creditors will have a major role to play, and we should also seek greater cooperation from rating agencies.



Also, the Common Framework should benefit not only least developed countries, but also vulnerable middle-income economies, like those in Latin America.

These measures should be coupled with commensurate efforts from our partners to strengthen their administrative capacity and to make their tax systems more effective and progressive.

This is a critical decade for our future. During this decade we must decarbonise our economies and stop climate change. During this decade we must achieve the Sustainable Development Goals. This is the decade, in sum, where we have to build back better and move towards a sustainable economic model that leaves no one behind.

We must act now and we must do it right. A lost decade for developing countries would be a collective defeat, and we cannot afford it.

Thank you