



United Nations



## Financing for Development in the Era of COVID-19 and Beyond Initiative

### MEETING OF HEADS OF STATE AND GOVERNMENT ON THE INTERNATIONAL DEBT ARCHITECTURE AND LIQUIDITY 29 March 2021, 10:00 am – 12:30 pm EST, virtual meeting

After more than one year since the onset of the pandemic, we have seen remarkable human resilience and ingenuity, reflected, for instance, in a new mechanism to facilitate equitable access to vaccines worldwide.

However, we must accelerate solutions to address the economic impact of the crisis and stem the potential for long-lasting damage, especially with regards to sovereign debt in LDCs, SIDS and middle-income countries with high debt vulnerability. **It is crucial that debt burdens do not undermine the SDGs or leave millions behind.** To that effect it is crucial to involve private sector creditors in our collective efforts.

Over the last year the United Nations, IFIs and the G20 have made great progress, but the global community has yet to implement measures commensurate with the sheer magnitude of the crisis. The initiative on Financing for Development in the Era of COVID-19 and Beyond provided many effective solutions that could be built upon.

Without bold action to address sovereign debt burdens, we could witness another lost decade of development. **Six developing countries have already defaulted since the pandemic began, while 42 have had their credit rating downgraded.** A third of emerging market economies are assessed to be at high risk of fiscal crisis, and over half of least developed and other low-income countries are assessed to be at high risk of, or in debt distress.

Until all countries have the fiscal space or international support to invest in a global recovery, including for **vaccines, climate action and biodiversity**, inequalities will continue to worsen. **Now is the time to provide a bridge to recovery and re-design an international sovereign debt architecture for a more efficient global allocation of capital.**

**The Prime Ministers of Canada and Jamaica and the Secretary-General are convening a Meeting of Heads of State and Government** to build on the solutions identified and underscore the urgent need to provide liquidity, address debt vulnerability, and provide targeted debt relief.

This Event will focus on four pressing issues:

1. Enhance global liquidity, including through new Special Drawing Rights and greater accountability in how they are used, and other measures by international financial institutions.
2. Extending the G20 debt service standstill and expanding coverage to include vulnerable middle-income countries.
3. Providing debt relief where needed, including for all countries that request forbearance.
4. Identifying the building blocks of a strengthened international debt architecture.

The Event will open with a High-Level Segment in which Heads of State and Government will express their commitment to decisively formulate global solutions. Leaders from **international institutions and partners from the public and private sector and civil society** will discuss the challenges and opportunities to act quickly. This will set the stage for conversations with finance, foreign, and development ministers, especially in the context of the Spring Meetings of the IMF and World Bank, the Summit on Financing African Economies, the G7 and G20.

**Together, we must end these vicious and recurring debt crises and create a more resilient world. The lives and livelihoods of billions will depend on our ability to meet this challenge.**