

Financing for Development in the Era of COVID-

The World Bank has estimated that the pandemic has pushed 120 million into extreme poverty in 2020.

For the first time in two decades, poverty is set to rise significantly and there is no sign this increase will be reversed this year.

Last April, the G20 has shown unity and leadership and approved an Action Plan, that included a Debt Service Suspension Initiative (DSSI).

As a result, 73 countries became eligible to suspend temporarily their payments to official debtors and concentrate their resources on fighting the pandemic.

This measure has been extended until June, and I am confident there will be a further extension until the end of 2021.

However, these initiatives are by their very nature temporary. They must be part of a broader package to support low-income countries on a longer-term basis.

Italy intends to use its Presidency of the G20 to build consensus on a new general allocation of Special Drawing Rights, which appears to be within reach.

This would help to boost global reserves and support countries experiencing foreign exchange troubles.

Italy is also working on creating options for those IMF members who do not presently need their SDRs to mobilize them in support of those who do.

Multilateral Development Banks can also play an important role.

During our Presidency of the G20, we will continue to hold them to their commitment to ensure net positive financing flows towards low-income countries.

For those countries facing problems of long-term debt sustainability, the Common Framework for Debt Treatment offers an efficient way to intervene timely and orderly.

For the first time, all G20 and Paris Club creditors will sit around the same table to negotiate debt treatments and will ask creditors from the private sector to work towards the same goal.

Finally, we must promote greater transparency in debt data, in both creditor and debtor countries.

At a time of unprecedented crisis, all countries must work to help those in greatest need.

I am sure that this high-level meeting will provide effective and ambitious proposals to provide liquidity, address debt-sustainability and ensure a robust recovery for all.

Thank you.