

# SPECIAL DRAWING RIGHTS: SAVING THE GLOBAL ECONOMY AND BOLSTERING RECOVERY IN PANDEMIC TIMES

May 21 2021

9:00 am EDT – 15:00 CET

This webinar will feature high-level policymakers and experts from Latin America, Africa, the UN, the IMF and the Vatican to discuss:

- What role can Special Drawing Rights (SDRs) play in global pandemic crisis response and recovery?
- How can SDR transfer mechanisms be designed to maximize impact for all countries that need support, while avoiding harm?
- Is there a role for global, regional and sub-regional development banks and/or new trust funds or vehicles in the mechanisms?
- What complementary policies and reforms could help, in the short and the long term?

ENGLISH-SPANISH-FRENCH-PORTUGUESE SIMULTANEOUS TRANSLATION WILL BE PROVIDED

**Registration to attend:** [bit.ly/sdr\\_deg](https://bit.ly/sdr_deg)

Facebook Live Stream available (no registration required): [www.facebook.com/Latindadd/live](https://www.facebook.com/Latindadd/live)

For more information, please contact:

[operations@jubileeusa.org](mailto:operations@jubileeusa.org) / [latindadd@latindadd.org](mailto:latindadd@latindadd.org)



AFRICAN FORUM AND NETWORK ON DEBT AND DEVELOPMENT



Society for International Development



# **SPECIAL DRAWING RIGHTS: SAVING THE GLOBAL ECONOMY AND BOLSTERING RECOVERY IN PANDEMIC TIMES**

As the coronavirus health, social and economic crisis hammers the world economy, developing countries continue to bear the brunt of the impacts on growth, poverty and inequality. The uneven rollout of vaccines and appearance of new variants of the virus threaten to prolong the crisis.

Global reserve funds in the form of IMF SDRs are a vital tool to provide swift and unconditional support to the global response without increasing debt. Civil society organizations and experts called for a new allocation of \$3 trillion in SDRs. The IMF membership conveyed broad support for an allocation of \$650 billion in SDRs and will consider a formal proposal in June. Of this amount, low-income countries would receive \$21 billion – crucial relief, but not close to the \$450 billion financing needs identified by the IMF to step up pandemic response and accelerate growth. Developing countries would receive \$230 billion, short of IMF estimates that last year placed emerging economies' financing needs at \$2.5 trillion.

IMF membership also asked the institution to explore mechanisms for members to voluntarily transfer SDRs to vulnerable countries. Different stakeholders have proposed a number of, not mutually exclusive, forms for such mechanisms, for instance: contributing to the IMF Poverty Reduction and Growth Facility, financing expanded debt relief through the Catastrophe Containment and Relief Trust, strengthening the financial capacity of multilateral or regional financial institutions, and creating new vehicles – such as the Liquidity and Sustainability Facility or the Fund for Alleviation of Covid-19 Economics.