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G-24 urges international community to provide fiscal support, liquidity for developing countries amid pandemic Doaa A.Moneim, , Monday 5 Apr 2021

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The Group of 24 (G-24) nations has urged international financial institutions, especially the IMF and the World Bank, in coordination with the international community, to ensure the availability of the necessary liquidity and fiscal support for all developing countries to be able to counter the challenge imposed by the COVID-19 pandemic.

This came during a virtual meeting held on Monday in line with the official launch of the IMF and the World Bank's spring meetings to coordinate response efforts.

It mentioned that International assistance for developing countries has fallen short of their estimated \$2.5 trillion in additional financing needs.

Economic recovery from the COVID-19 pandemic has begun in some parts of the world, but many vulnerable nations remain in recession with rising infection rates and affordable vaccines in short supply. The crisis has strained the health systems and severely hit the economies of developing countries. Millions of people have fallen into extreme poverty, and food insecurity has risen starkly, especially in the poorest countries and those living in fragile and conflict-affected situations, according to the G-24 communique.

"COVID's destruction is global and will only be overcome through a bold global response that ensures fair roll out of vaccines and sustained support to vulnerable developing countries," said Abdolnasser Hemmati, governor of the Central Bank of Iran and chair of the G-24 nations.

He added that the G-24 believes all must recognise their common humanity and work together to defeat this pandemic.

G-24 members commended swift international economic and health support for the crisis so far, but noted that intensified action is needed to end the pandemic and prevent long-term economic damage in vulnerable nations.

Members noted that COVID harshly disrupted economic activity in many developing nations and intensified their fiscal and debt problems.

Recovery to pre-pandemic levels could be protracted where countries lack the revenues or borrowing capacity needed to stimulate their economies, according the G-24 communique.

The G-24 welcomed stronger support for a proposal for a new allocation of IMF Special Drawing Rights (SDRs), saying

that it could help support country liquidity needs.

G-24 nations also called for increased concessional financing and ensuring sustained positive net transfers from the World Bank and other multilateral development banks (MDBs) to avoid prolonged damage to development prospects of vulnerable developing countries.

It also empathised that fast access to affordable vaccines will be crucial for recovery in developing countries.

"Access now is heavily constrained by existing supply, which has mostly been purchased by advanced economies. We call on the World Trade Organization and MDBs to seek solutions to scale up the production of vaccines, including addressing intellectual property rules to expand the manufacturing of vaccines and other medical products needed to treat those infected by COVID-19," according the G-24 communique.

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