



The Group of 78  
Le Groupe des 78

June 15, 2020

The Right Honourable Justin Trudeau  
Prime Minister of Canada  
80 Wellington Street  
Ottawa, ON K1A 0A2

Dear Prime Minister,

On behalf of the Group of 78, I am writing to commend you for your current initiative at the UN to tackle the international development emergency caused by the Covid-19 pandemic. As you know, the severe health crisis posed by the pandemic is being exacerbated by the deep economic recession emanating from the advanced economies. Together, these twin threats are particularly devastating for the poorest developing countries, already struggling with the challenges of climate change, making the achievement of the Sustainable Development Goals even more remote.

We are particularly glad that, along with other world leaders and the heads of multilateral institutions, you will address the mounting debt concerns of developing countries. A recent report of the International Monetary Fund stated that 35 of the world's 69 poorest countries were either in debt distress or at high risk of being so. These countries are facing dramatic increases in poverty rates, and the possibility of some countries' default threatens the world's financial stability. We would therefore urge you to consider debt relief measures that are deep and long-term, going beyond the temporary suspension of debt service payments this year.

To quickly boost liquidity in poorer and debt-distressed countries, we urge you and your counterparts also to approve a significant allocation of Special Drawing Rights from the International Monetary Fund. An allocation of \$250 billion was made during the last financial crisis of 2007-8, helping to relieve liquidity constraints among the poorest countries. The IMF's Managing Director, Kristalina

Georgieva, has recommended an allocation of \$500 billion as part of a comprehensive strategy to fight the pandemic and its economic fallout. Other individuals and agencies have called for an allocation of \$1 trillion, a level which we would fully support given the severity of the crisis.

Prime Minister, we urge you and your colleagues to act boldly and with determination. The danger posed by the pandemic to health and prosperity around the world demands nothing less.

Yours sincerely,



Roy Culpeper  
Chair, Group of 78

Cc H.E. Marc-André Blanchard, Canada's Ambassador to the UN  
Karina Gould, International Development Minister