



Key Messages

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- 1. There is a risk of a sharply diverging world.** Despite an unprecedented policy response to Covid-19:
 - The global economy has experienced the worst recession in 90 years, with the most vulnerable segments of societies disproportionately affected.
 - Some 120 million people have fallen back into extreme poverty; and 114 million jobs have been lost.
 - Historic fiscal support measures, amounting to US\$16 trillion, were vital in addressing the immediate health crisis and preventing an even deeper economic downturn. But they were highly uneven, with developed countries accounting for over 80% of global fiscal stimulus.
- 2. We must take immediate action to avoid another lost decade for development.** Fiscal constraints in many developing countries have created a bifurcated global response. For example, widespread access to vaccines is imminent in developed countries, but many months or even years away in the poorest.
 - ODA commitments must be met, liquidity and concessional financing facilities replenished, and debt relief offered.
- 3. To achieve the SDGs, we need financing for investments in sustainability and resilience. Financing must also be sustainable and resilient.** As the cascading effects of COVID-19 and climate change in a digitalizing world demonstrate, immediate constraints are compounded by longer-term risks. Growing systemic risks present fundamental and unpredictable challenges to our economic and financial models.
- 4. The crisis response creates an unprecedented opportunity to invest long-term to rebuild better:**
 - Governments must invest in human capital, social protection systems, and update labour market policies to reflect a changing world; as well as in sustainable, resilient infrastructure and technology.
 - The international community must support countries, including those with already high debt burdens, such as through ultra-long term [e.g. 50-year] fixed-rate financing, debt swaps and buybacks, and by strengthening the system of public development banks
 - Policy makers should facilitate a new business model that works for everyone, including by pricing externalities such as carbon emissions, and reorienting capital markets toward sustainability.
- 5. The crisis opens space to reform and “future-proof” the policy and institutional architecture, at all levels:**
 - The international community must ensure that proposals in relation to taxation in the context of a digitalising economy, the multilateral trading system, international debt architecture and the global financial safety net are fully aligned with the 2030 Agenda and meet the needs of developing countries.
 - The United Nations’ unique convening power can serve to galvanize collective action.