



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

SECRETARY OF THE TREASURY

February 25, 2021

Dear Colleagues:

For more than a year the global community has faced a historic challenge from the dual health and economic crises caused by the pandemic. COVID-19 does not have a nationality nor respect borders, and we continue to see its devastating impact on the health and well-being of our people, our economies, and the social fabric of our societies.

No one nation alone can declare victory over these crises. Indeed, our cooperation has never mattered more. This is a moment made for action and for multilateralism.

Our first task must be stopping the virus. Containing the pandemic across the globe is paramount to a robust economic recovery. The United States is committed to an effective and comprehensive vaccine campaign for our own population. But we are also focused on a global immunization campaign. Without access to vaccines, low-income countries in particular will experience further tragic loss of life and needlessly delay their economic recoveries. We support multilateral efforts like the Access to COVID-19 Tools Accelerator initiative and its COVAX Facility to deliver vaccines to all parts of the world. I urge G20 countries to increase their support to meet the high, unmet needs of these initiatives. A rapid and truly global vaccination program is the strongest stimulus we can provide to the global economy.

Our response to the global economic crisis should be coordinated in a similar fashion. We must continue to provide economic support to our citizens, creating a bridge to the end of the pandemic and rebuilding our economies to be stronger and more inclusive. To this end, the Biden-Harris Administration has proposed another fiscal package to provide much-needed support to families, small businesses, and local communities. Our monetary authorities have done their part with global interest rates at historic lows. I urge G20 countries to continue to take significant fiscal and financial policy actions and avoid withdrawing support too early. If there was ever a time to go big, this is the moment. In addition, we must make sure that the benefits of international trade and investment are realized by all our workers and consumers. Together, our efforts will be greater than the sum of our individual responses. Together, we can build a better, stronger, more even global recovery.

Low-income countries have been particularly hard hit and face limited policy options to respond to the health and economic crises. Without further international action to support low-income countries, we risk a dangerous and permanent divergence in the global economy. International financial institutions, like the IMF and World Bank Group, have provided much-needed emergency support. They must continue to play a role in financing the global health response, supporting a green recovery, and addressing the debt vulnerabilities exposed by the crisis. We look forward to exploring ways to further strengthen their toolkits, including the World Bank and

IMF's concessional facilities. The G20's Common Framework for Debt Treatments is an important step, though its effective implementation to support countries in addressing debt burdens will be the true multilateral achievement. I encourage the G20 to finalize a debt data reconciliation process, as transparent and comprehensive debt data will help promote sustainable growth.

An allocation of new Special Drawing Rights (SDRs) at the IMF could enhance liquidity for low-income countries to facilitate their much-needed health and economic recovery efforts. To make this tool effective, the G20 must work with a broad coalition of countries on a set of shared parameters for greater transparency and accountability in how SDRs are exchanged and used. We would also strongly encourage G20 members to channel excess SDRs in support of recovery efforts in low-income countries, alongside continued bilateral financing. We look forward to discussing potential modalities for deploying SDRs.

The pandemic has moved much of work and life online. We must invest in efforts to help people adapt to this increasingly digital world. The G20 should continue to support work on digital payments at the Financial Stability Board and standard-setting bodies. I believe we can improve the speed and efficiency of our payment systems while mitigating potential risks, including their use for malign and illegal activities. As we know, the changing global economy presents new challenges for corporate taxation. The United States is committed to the multilateral discussions on both pillars within the OECD/G20 Inclusive Framework, overcoming existing disagreements, and finding workable solutions in a fair and judicious manner.

Finally, COVID-19 has once again shown us the need for better global cooperation to address the existential threat of our time: climate change. The United States will work closely with the G20 as we prepare for COP26 and beyond. I am pleased that the U.S. Treasury will co-chair the relaunched G20 sustainable finance group, which we propose to elevate to a working group to reflect its importance. This group will advance and coordinate the G20's initiatives to promote transparency around climate-related financial risks, sustainable finance, and a strong, green recovery. As policymakers of leading economies, we must have frank, open, and sometimes difficult discussions about how to share the burdens and opportunities of transitioning our economies toward a more sustainable, equitable, and prosperous future. While we address the difficulties transitioning our own economies, we should also support low-income countries as they pursue their climate goals, balanced with their development objectives. A truly collective and multilateral response is the only realistic solution to this global challenge.

The G20 was created out of the need for international cooperation in the face of a deep, extraordinary economic crisis. We have come together to face great challenges in the past. We must do so again. I look forward to re-joining you in my new position as we work together over the coming year and into the future.

Sincerely,

A handwritten signature in black ink that reads "Janet L. Yellen". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Janet L. Yellen