

17 November 2020

King Salman bin Abdulaziz Al Saud
Chair, The Group of Twenty (G20)
9th Floor MU04 Tower Alraidah Digital City,
Riyadh 12382, Saudi Arabia

Chair Salman bin Abdulaziz Al Saud and G20 leaders:

Your Excellencies:

Our organisations – the World Council of Churches (WCC), World Communion of Reformed Churches (WCRC), Lutheran World Federation (LWF) and Council of World Mission (CWM) – represent over 500 million Christians worldwide; and many of our churches and congregations are situated in communities deeply vulnerable to the COVID-19 pandemic and hampered by heavy debt burdens.

We write to you with a sense of urgency as the pandemic continues to ravage the world in a devastating second wave, claiming tens of thousands of lives every day and deepening poverty for billions of people.

The economic impact from the pandemic has lengthened the already long list of developing and middle-income countries in sovereign debt distress. Yet even amid the ongoing global health emergency, hundreds of billions of dollars continue to be directed away from life-saving public health and social service systems, towards debt payments.

The extension of the debt moratorium granted by G20 creditors to the poorest countries last April 2020 is an important step to momentarily ease the pressure but is insufficient to offer lasting perspectives to countries suffocated by debt. The most difficult period likely lies ahead as more countries are expected to fall into debt default in 2021. Real, more durable solutions are called for to address the debt crisis as well as COVID-19-exacerbated hunger, joblessness, and homelessness.

Our organisations have reflected on these issues over these last months, taking into account various economic, theological and faith perspectives through a process of dialogue. It is with a shared moral responsibility to look out and care for the vulnerable that we continue to urge the G20 governments and international financial institutions to:

- Provide the means to alleviate and release countries from their onerous and historic debt burdens, exacerbated by the COVID-19 pandemic, as well as promote various forms of non-debt funding structures based on mutuality and equitable sharing of risks.
- Assure adequate funding for low- and middle-income countries, including by expanding and extending Special Drawing Rights (SDR) allocations, to enable their governments to tackle the COVID-19 crisis, building the resilience and livelihoods of people and communities as well as serving as social and ecological reparations for historical debts.
- Pursue taxation reform as a primary means of mobilising public resources. There is a need for special taxes on the super-wealthy, equity and hedge funds, as well as on multinational, e-commerce and digital corporations that have profited during the crisis, together with measures to curb tax evasion and avoidance.
- Establish a comprehensive, fair, transparent, and timely international debt restructuring mechanism to address sovereign insolvency. This mechanism must be empowered to audit sovereign debts and to cancel odious and illegitimate debts that are contracted fraudulently or by despotic regimes without public consent, charge usurious interest, involve repayment at huge social and ecological cost, or finance socially- and ecologically-damaging projects.
- Reject austerity policies and, instead, provide social protection floors and systems that safeguard against the socio-economic fallout of the present and future crises.
- Renew international financial institutions that would deploy funds in times of crisis without structural adjustment conditions; whose actions would not be dominated by the rich or vested-interest groups; and whose policies would be equitable and responsive to the social and ecological consequences of financial activities at different levels.¹

¹ These calls were discussed and developed at an Interfaith E-consultation on Just Finance and Reparations which produced the message, “Just Economics for Liberation and Life” (<https://www.oikoumene.org/resources/documents/just-economics-for-liberation-and-life>).

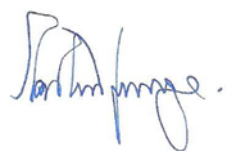
Your governments have the power and resources to make a positive difference in the lives of many people and communities. As you meet for the Leaders' Summit, we pray that the G20 will step up and make bold and principled decisions that are needed at this critical juncture.

Yours sincerely,



Rev Dr Chris Ferguson
General Secretary
World Communion of Reformed Churches

Prof Rev Dr Ioan Saucă
Interim General Secretary
World Council of Churches



Rev Dr Martin Junge
General Secretary
Lutheran World Federation



Rev Dr Collin Cowan
General Secretary
Council for World Mission

Copies:

Dr Kristalina Georgieva, Managing Director, International Monetary Fund

Mr David Malpass, President, World Bank

Mr Antonio Guterres, Secretary General, United Nations