Making SDRs work better for Development

Working paper

March 2021

(Revised April 2021)

Authors

Mark Henstridge and

Stevan Lee

Oxford Policy Management

About Oxford Policy Management

Oxford Policy Management (OPM) is committed to helping low- and middle-income countries achieve growth and reduce poverty and disadvantage through public policy reform.

We seek to bring about lasting positive change using analytical and practical policy expertise. Through our global network of offices, we work in partnership with national decision makers to research, design, implement, and evaluate impactful public policy.

We work in all areas of social and economic policy and governance, including health, finance, education, climate change, and public sector management. We draw on our local and international sector experts to provide the very best evidence-based support.

Oxford Policy Management Limited
Registered in England: 3122495

Level 3, Clarendon House
52 Cornmarket Street
Oxford, OX1 3HJ
United Kingdom

Tel: +44 (0) 1865 207 300
Fax: +44 (0) 1865 207 301
Email: admin@opml.co.uk
Website: www.opml.co.uk
Twitter: @OPMglobal
Facebook: @OPMglobal
YouTube: @OPMglobal
LinkedIn: @OPMglobal

Summary

Innovation with the new issue of SDRs will strengthen international finance for post-pandemic recovery and unlock bilateral donor cash – without necessarily increasing Official Development Assistance (ODA) spending and without worsening their fiscal position. This paper explains how.

The purpose is to support recovery of hard-hit low-income countries from the impact of the pandemic; that needs development finance and can be accelerated with reform.

Both the IMF and the International Development Association (IDA) face limits to sustaining the flows needed to support recovery, having provided significant quick finance in 2020.

A fresh issue of Special Drawing Rights (SDRs) is expected this year. It will be allocated in proportion to quota – any variation is politically infeasible.

This is of value to low-income countries: even their 3.2% of total IMF quota is a material addition to their international liquidity relative to international reserves – but it isn't enough.

Recovery could be accelerated if rich countries re-allocate some of their new SDRs. For example, at the time of the global financial crisis rich countries lent SDRs to the IMF's concessional finance facility, the Poverty Reduction and Growth Trust (PRGT).

This paper presents an innovation for re-allocating SDRs as follows:

1. A new issue of SDRs – expected to be USD650 billion.
2. Donor countries then replenish IDA by USD80 billion funded by part of the new SDR allocation. For example, IDA could be fully replenished with funding of just 30% of the new SDRs that will go to the G7. Other combinations of donors could step up, perhaps the G20.
3. In consequence, donors would no longer face an obligation to spend ODA cash on the accelerated replenishment of IDA due soon. That then releases that cash for additional ODA spending, without worsening their fiscal position – *this costs taxpayers nothing*.
4. As a result, they can deliver stronger bilateral technical support for reforms in low-income countries to complement increased international development finance through IDA, and help accelerate recovery from the impact of the pandemic.

The zero fiscal cost replenishment of IDA with grants is compatible with other uses of SDRs. The PRGT could be expanded in the now conventional way with a loan of SDRs. But IDA brings distinct advantages for the poorer, smaller, most financially constrained economies, especially those at risk of debt distress.

This innovation offers global leadership to a country with the verve to seize the initiative.

For example, the UK will receive the equivalent of USD27.6 billion (GBP20 billion) from a USD650 billion issue of new SDRs by the IMF. For the UK, funding an accelerated replenishment of IDA by transferring SDRs or their counterpart has no fiscal cost to the Treasury.

If a total IDA replenishment of USD80 billion is from the G7 in proportion to IMF quota, then for the UK that releases the equivalent of GBP1.4 billion a year in ODA for four years, which would otherwise have gone towards an IDA replenishment – *at no cost to taxpayers*.

Renewed UK bilateral ODA programmes could strengthen vital humanitarian assistance, support reform programmes for economic recovery in developing countries (which would augment replenished IDA finance in accelerating post-pandemic recovery), and strengthen funding for priorities such as COVAX and re-starting girls' education.

There is no reason that a replenishment of IDA funded by SDRs must be accounted for as ODA. There is no fiscal burden, and this additional action can be permitted without breaking the Treasury's 0.5% ODA target. An argument could also be made to include it as ODA and move UK ODA closer to 0.7% of GNI, by nearly 0.1% points a year for four years.

The projection of soft power through this strengthening of the UK ODA programme is key for foreign policy in the national interest. This is especially the case when the UK holds the G7 Presidency and hosts COP26 this year.

This initiative leverages the impact of new SDRs as finance, but also strengthens bilateral donors as partners in support of reform. And it is the *combination* of reform and finance which will accelerate a post-pandemic recovery in low-income countries to restore the human development lost to the pandemic.

Making SDRs work better for Development

Mark Henstridge and Stevan Lee[1]

Only a few countries have escaped a devastating impact from the COVID-19 pandemic which was un-imaginable at the beginning of 2020. The hardest hit are low-income countries which cannot 'do whatever it takes' to cushion the impact on businesses, jobs and people.

This paper sets out an innovation to make a new issue of IMF Special Drawing Rights (SDRs) work better and to ensure that developing countries access the finance and technical support for reform needed to accelerate recovery from the global COVID-19 pandemic.

This innovation works by leveraging a new issue of SDRs. In effect it is quantitative easing for development working through the International Development Association (IDA) and bilateral Official Development Assistance (ODA).

The benefits are both global and national – and come at no cost to taxpayers. This not only unlocks bilateral donor resources to support reform, which complements sustained multilateral development finance, it can also help finance vaccinating the world, restarting girls' education, and strengthening the fight against climate change.

It requires bold leadership. It requires a number of initiatives to line up. As G7 President and host of COP26, it is in the UK national interest to see that they do, and strong UK leadership could ensure that they can.

Decades of progress on human development have been reversed by the COVID-19 pandemic and hundreds of millions have been thrown into poverty.

The policy options for governments to drive recovery in low-income countries are severely limited. Their public finances are in dire straits: tax revenues are squashed, several are edging close to debt distress. At the same time, there are sharply increased needs for public spending to restore learning (especially for girls), revive health systems, secure social protection, and re-build public finances.

[11] We gratefully acknowledge valuable and insightful comments from Christopher Adam and Calum Miller, and insightful conversations with David Andrews: the usual disclaimer applies.

G20 rich countries spent an extra US$10 trillion last year because they can 'do whatever it takes'. Poor countries have no such access to private domestic or international finance, and millions of people suffer as a result.

The international response to the impact of the pandemic in 2020 came from the multilateral system: principally the IMF through its concessional finance facility, the Poverty Reduction and Growth Trust (PRGT), on which zero interest is charged to low-income country borrowers, and from the International Development Association (IDA), the concessional lending arm of the World Bank, with a similarly high grant element to lending (Lee *et al*., 2021).

Sustained recovery requires sustained development finance for low-income countries and recovery will be further accelerated by domestic reform. Sustaining international finance will most likely rely on the multilateral system.

However, both the PRGT and IDA face limits. The PRGT needs more resources to on-lend having become quite extended during 2020, and at some point may need an increased interest subsidy – especially if interest rates increase. IDA also depleted its resources in 2020 which brings forward the moment when there will next need to be a replenishment to top-up the funds on-lent or granted to low-income countries.

At the same time, bilateral donors who have previously provided grant funding to cover the subsidy element of the PRGT and to replenish IDA are tight on cash. They have sharply wider fiscal deficits as a result of being able to do what it takes.

In the UK, pressure on the public finances has contributed to a cut in the ODA budget from 0.7% of GNI to 0.5% of GNI. It is particularly difficult for the new Foreign Commonwealth and Development Office (FCDO) to sustain the UK's position as the 'development superpower' when a set of existing, mainly multilateral, commitments have left the more discretionary bilateral programmes subject to prospective cuts out of all proportion to the 30% cut in total UK ODA.

As a result, just when developing countries really need support, the scope for the UK to be the friend to those in need has been sharply curtailed. Yet, at the same time, the UK holds the Presidency of the G7 and hosts the 2021 United Nations Climate Change Conference (COP26). Undermining development pre-eminence dilutes such opportunities for re-establishing a position of global distinction and significance.

This is an opportunity for global leadership. The innovation proposed here applies to all bilateral donors, in particular members of the G7 and G20. This paper addresses the UK situation mainly because there is a unique opportunity for UK global leadership with the Presidency of the G7 and the hosting of COP26.

Innovation around the new issue of SDRs could unlock bilateral donor cash without increasing their ODA spending, and without changing their fiscal position.

This requires a number of initiatives to line up: but it is in the UK national interest that they do, and under strong UK leadership they can – although these arguments apply to any other G7 country or major international bilateral donor with the vision and verve to take on this innovation.

This is what the UK – or any global leader – would need to broker:

First, start with a new issue of Special Drawing Rights (SDRs) at the IMF. The veto wielded by the last US administration has been lifted by the new administration; an issue of US$650 billion worth of SDRs is expected later in 2021.

Second, lead a collective initiative among the G7, or another grouping of donors such as the G20, to fund an accelerated replenishment of the World Bank's International Development Association (IDA). This can be achieved by funding equivalent to just 30% of each G7 countries' new SDRs.

- **There are options about how to achieve this.** The options that have zero fiscal cost and are most useful to lower income countries involve G7 or G20 accepting an increase to their reserve assets which is less than the increase in SDR quota, and effectively sending the balance of reserves to IDA
- **There are options on the ODA treatment of this way of financing IDA.** This is important for the UK. There is no reason it must be accounted for as ODA, since there is no fiscal burden to it, and so this additional action can be permitted without breaking the Treasury's 0.5% ODA target. An argument could also be made to include it as ODA and move UK ODA closer to the (legal) 0.7% of GNI, by nearly 0.1% points a year for four years.

Financing IDA in this way releases IDA contributors from their obligation to find cash resources for the next IDA replenishment. That releases ODA cash for renewed programming. Three options stand out. One is restoration of bilateral support for urgent humanitarian needs; a second is bilateral technical support to developing countries to sustain reform for recovery, which augments replenished IDA finance for accelerating post-pandemic recovery and amplifies the projection of soft power; a third would be stronger support for fighting climate change and the global loss of biodiversity, as highlighted by the recent Dasgupta review.

This is ambitious, but feasible and – with flair and verve – it is within the scope of the UK, or any major donor, to provide the leadership make it happen.

In the next sections, we review this innovation in more detail.

1 The IMF and new SDRs

SDRs are the reserve asset of the IMF. They can be created by an 85% majority vote of the IMF Board, and are then allocated to each member in proportion to their quota in the Fund. Last year the US blocked a new issue, but the new US administration has backed one, and a new issue equivalent to USD650 billion is expected later this year (Reuters, 2021, IMF 2021).

The allocation in proportion to quota means that richer countries get more than poorer ones. The G7 countries get 43% of any new issue; low-income countries get 3.2%.

Even so, a new issue is still well worth it for low-income countries. It provides international liquidity not otherwise available and it is big compared to existing international reserves. Any variation in the initial allocations would be politically fraught and require a further 85% majority vote of the IMF Board.

The orthodox approach to re-allocating SDRs has been to think of ways in which they can be lent or transferred from rich countries to poor ones within the architecture of the IMF. For example, at the time of the global financial crisis a new issue of SDRs saw some rich countries lending SDRs via the IMF's PRGT.[2]

The suggestion we make is to leverage fresh SDRs through IDA to be even better used. The financial leverage works in two ways:

- **First, there is leverage for development finance when key bilateral donor countries – such as the G7 under UK leadership – use just some of their newly issued SDRs to fund an accelerated replenishment of IDA with US$80 billion.**

  This IDA finance for low-income countries complements the strengthening of liquid international reserves through the issue of new SDRs as well as any further support through the PRGT.

  At the same time bilateral donor international reserves are still boosted by their share of the new issue of SDRs.

  In fiscal terms, this need not be treated as ODA – if the aim is to keep ODA within the 0.5% of GNI target.
- **Second, there is further leverage since bilateral donors were going to have to come up with the cash for IDA within their existing ODA commitments anyway.** They can use the ODA cash freed up to strengthen their bilateral ODA programmes: for urgent humanitarian needs, to support effective reform which complements multilateral finance, and to support global initiatives, such as COVAX or combatting climate change.

A third point of leverage accrues to the country with the boldness to lead: as G7 President and host of COP26, the UK is well placed to seize this opportunity.

[2] See Plant and Andrews (2021) for specifics.

2 How to allocate new SDRs to IDA

The members of the IMF are also shareholders in the World Bank and donor groups, such as the G7 and G20, subscribe to regular replenishments of IDA. The immediate support provided by the IMF and IDA to low-income countries as the pandemic hit in 2020 has brought forward IDA disbursements and so pulled the next replenishment of IDA nearer.

Our proposal is that IDA is replenished with funding from new SDRs rather than cash.

The administration of this transaction is, in principle, straightforward. For example, the G7 countries, preferably under UK leadership as President, collectively agree to an IDA replenishment funded with just 30% of their share of a new issue of SDRs.

There are variations country by country on the detailed mechanism. In principle, a member country could receive their new allocation and instantly transfer a proportion to IDA; their reserves are still boosted, but by less than the full allocation.[3] Alternatively, a member country could hold their new SDRs and transfer an alternative reserve asset to IDA.

If a donation of SDRs gives rise to a difference between the allocation of SDRs and the member country holdings of SDRs that, in turn, leads to an interest charge. However, since the SDR is a reserve asset, the monetary authority can balance allocation and holdings of SDRs by buying more SDRs with other assets held in international reserves. The net result is that the replenishment of IDA would be funded out of accommodating a smaller increase in international reserves arising from the issue of new SDRs.[4,5]

In any case, this is not a fiscal transaction; and the replenishment of IDA funded by new SDRs does not have to be treated as ODA.

Detailed modalities for funding a replenishment of IDA with a share of new SDRs for the UK are set out in careful detail in Andrews (2021b). The management of foreign reserves and SDR holdings in the UK varies from other countries. In presenting the way this innovation could work for the UK, Andrews concludes that "it may be possible for the UK government to make a donation equivalent to at least part of the SDR allocation without this adding to total government borrowing prior to the SDR allocation." He highlights that this treatment of a donation outside the usual budgetary constraints "would in a real sense be costless". He further points out that to score a donation funded by SDRs as ODA and make a corresponding cut in a fiscally funded ODA levels (i.e. the FCDO budget) "would simply be to mobilize the unused SDRs to finance existing expenditure with no net benefit to LICS or middle-income countries in need."[6]

There may need to be a settlement on how funding an IDA replenishment affects the governance of IDA. The IDA19 replenishment had 53 contributors. While we have framed

---

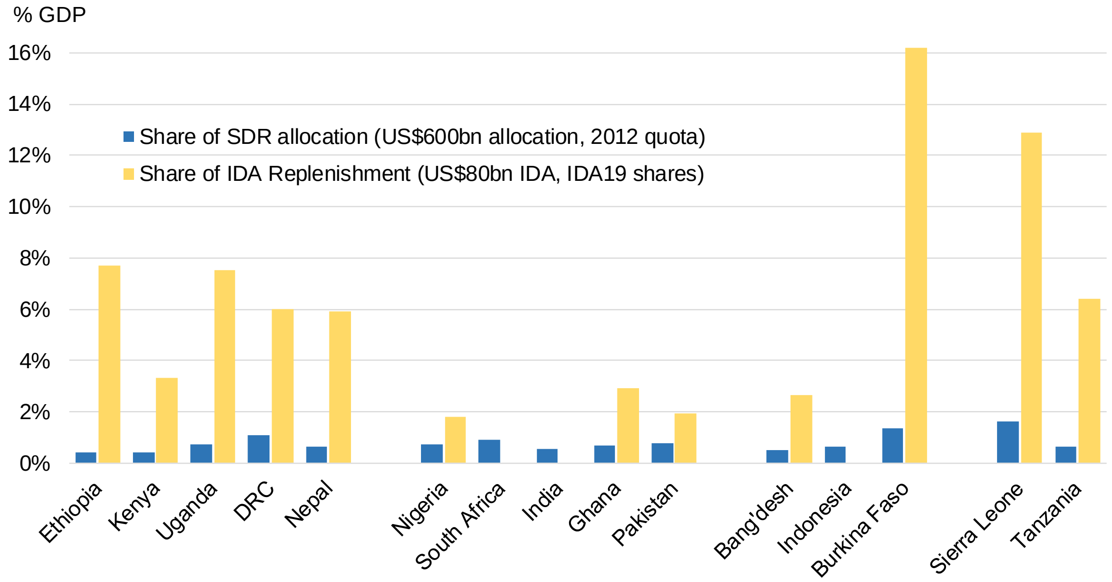
[3] Unlike the PRGT, IDA is an authorised holder of SDRs.
[4] Andrews (2021a) carefully outlines the nuances on interest costs for donating SDRs.
[5] There is another more complex modality for directing new SDRs to IDA which unlock ODA, which is lending SDRs. Loans do not give rise to an interest charge because the country making the loan still holds ownership. This was a feature of the lending of SDRs to the PRGT; see Andrews (2020).
[6] Andrews (2021b), page 4.

this as a G7 initiative to reflect the UK Presidency of the G7, it would be possible for any country to lead or join the initiative, which may change the balance of contributions to IDA.

Our idea is that transferring SDRs to IDA works to leverage SDRs because the development finance provided by IDA complements the liquidity support provided by the SDRs allocated direct to low-income countries as part of the allocation against their quota or recycled through the PRGT. Fresh IDA finance can be focused on specific IDA allocation criteria tailored for countries to help get out of a post-pandemic recession.

Figure 1 illustrates how the IDA allocation criteria for the last replenishment worked for low-income countries out of US$80 billion from IDA compared to the equivalent of US$600 billion of new SDRs.

Figure 1: A US$600 billion SDR allocation and US$80 billion IDA replenishment (% GDP of recipient country)



Source: Lee *et al.* (2021)

At the same time, G7 countries could also lend SDRs to the IMFs PRGT, as they did in the aftermath of the global financial crisis. One complication with lending to the PRGT is that if the lending to central banks is converted into support for the government's budget – which is what is needed in the most financially constrained countries – then this increases debt. For the countries at risk of debt distress this makes the PRGT less useful. In contrast IDA can make much more concessional loans or grants, especially when funded by donations. In addition, the PRGT also needs grant funding to cover the subsidy element of its operations – which will run into short supply in a few years, not least as a result of the sharp expansion during 2020.[7]

[7] Andrews (2020) sets out options for financing IMF lending to low-income countries.

3 Bilateral ODA: a UK example

The key to the second point of leverage for this treatment of a new issue of SDRs is that the transfer from the IMF to IDA does not entail a transaction that is part of the ODA operations of the donor country.

Members of the G7 and other bilateral donors will be obliged to provide for the next replenishment of IDA; the response of IDA to the pandemic has pulled that obligation closer, possibly to later in 2021.

Substituting a cash ODA expenditure with non-ODA financing provides this second point of leverage: it frees up national ODA resources.

For example, funding an IDA replenishment out of part of the UK's SDR issue should not count against the UK ODA target *if* the aim is to keep ODA below 0.5% of GNI. As highlighted above, it does not entail any UK transaction; there is no fiscal burden, and no public sector borrowing implication associated with SDRs used to fund an IDA replenishment. There is therefore no reason that they *must* be included against the ODA target. In effect, this can be treated as IMF monetary financing.[8]

It is worth working through the magnitudes involved in a G7 initiative to get a sense of the scale of opportunity in prospect. These apply to any country bold enough to take this innovation forward – we use the UK as a well-placed example.

- The expected scale of a new issuance of SDRs is below the limit at which the US would need to go to congress for approval, which is the equivalent to the US quota of SDR477 billion or about USD685 billion. We assume an issue of USD650 billion.[9]
- The SDRs would be allocated to members of the Fund according to quota. The UK quota is 4.24%. That would mean that from an issue of USD650 billion of SDRs, the UK would receive the equivalent of USD27.6 billion, which is currently GBP20 billion.
- The G7 together hold quotas amounting to 43% of the Fund, equivalent to USD283 billion out of a new issue of USD650 billion.
- A full replenishment of IDA of USD80 billion would be provided if the G7 countries each assigned only just under 30% of their new SDRs to IDA. The remaining balance across all G7 members would still amount to US$203 billion.
- For the UK, using just under 30% of a new SDR issue to fund a share of IDA replenishment amounts to US$7.8 billion – which is GBP5.6 billion, or GBP1.4 billion over four years – and it leaves the UK with some GBP14.2 billion in remaining SDRs. These can remain on the UK's accounts at the IMF as reserve assets; and part of them can be lent to provide, now orthodox, support to the IMF PRGT.

[8] There is no precedent for this type of transaction, so if the aim is to shift the UK back towards 0.7% of GNI, it is possible for this action to be included as ODA and get the UK almost to 0.6%.
[9] At the SDR:US$ exchange rate of US$1.437/SDR on 1st March 2021.

Importantly, not counting this replenishment of IDA from the assignment of SDRs as ODA provides the UK with a revitalised opportunity to assign that amount to other initiatives without impact on ODA targets or the UK fiscal position: *it costs taxpayers nothing*.

We can think of at least three ways in which the UK can leverage this opportunity for global leadership at the G7, supported by an additional GBP1.4 billion per year for four years:

1. **strengthening UK foreign policy as President of the G7** through the projection of soft power in bilateral ODA programmes which can meet urgent humanitarian needs and support reform that complements sustained international development finance in accelerating recovery from the pandemic;
2. **accelerating global vaccination with increased support to COVAX, and**
3. **strengthening efforts to combat climate change as host of COP26**.

3.1 Strengthening UK soft power as G7 President

The projection of soft power through the UK aid programme is a robust foundation for sustaining 'global Britain' – and key for a foreign policy in the national interest. This is most pertinent for the UK FCDO during the G7 Presidency.

This initiative leverages the impact of new SDRs as finance, but also strengthens bilateral donors as development partners in support of reform: removing the cash obligation for IDA replenishment frees up ODA budgets both for urgent humanitarian needs and to sustain bilateral technical assistance programming.

As a result, the UK (and other bilateral donors) would be in a strong position to provide technical support for domestic reform, where asked for and needed. This has two appealing aspects: first, it is the combination of reform and sustained development finance which will most accelerate a post-pandemic recovery and restore lost human development, such as through re-starting girls' education; second, it retains the leverage of bilateral donor partnerships which would otherwise be diluted through less effective multilateral delivery of technical assistance.

It retrieves something of the impact of the work undertaken when ODA was at 0.7% GNI, but with suitably sharp-eyed, zero-based budgeting, provides a significant opportunity to strengthen UK soft power.

Additional cash for UK ODA can also provide for a grant to the PRGT: to support the subsidy element from on-lending new SDRs, and so sustain the operational viability of PRGT concessional lending.

3.2 COVAX

The world is only safe from COVID-19 when almost everyone in *every* country is vaccinated. The UK made a matching funding pledge to provide GBP1 for every USD4 that others contributed to COVAX, up to GBP250 million. This ceiling was reached earlier this year. Unlocking ODA of GBP1.4 billion each year over the next four years offers the chance to accelerate COVAX funding – not least when each of the G7 can also be persuaded into unlocking cash at no fiscal cost from their ODA budgets by bringing forward IDA replenishment obligations and fulfilling them with the assignment of new SDRs as part of a G7 initiative, as proposed here.

An additional GBP250 million on a 1:4 ratio would add a gross total of more than GBP1 billion to COVAX over each of the next four years. That doubles the effort already made by UK matching funds and would be a major contribution to global recovery from the pandemic (FCDO, 2021).

For the UK to take the lead is both a part of the current G7 Presidency as well as reflecting on the UK lead in creating and deploying COVID-19 vaccines: this offers the opportunity for the rest of the world to keep up with the pace now set by the UK.

3.3 Climate Change, nature, and biodiversity

There will a substantial set of initiatives to move the global fight to combat climate change forward at COP26, hosted in the UK in November. An additional GBP250m could be catalytic in unlocking climate finance, and in putting the work of the Dasgupta Review into action.

Existing ideas for the re-allocation of rich country SDRs have included a standalone health fund or a 'green' fund (IMF, 2010). There are particular complications arising from the fact that none of those entities yet exist or have the formal right to hold SDRs.

Many of the countries hardest hit by COVID-19 are relatively rich in natural assets. A mechanism is needed to support poor countries which are short of cash but rich in natural assets from plundering such non-renewable resources. Such a mechanism would enable cash-poor but natural asset-rich countries to unlock a financial yield from preserving and sustaining reservoirs of nature and biodiversity. There is scope for effective contracts to combine short-term finance with long-term commitments – and constructing something innovative around debt-relief may well be possible, and also beyond the scope of this note.

Suffice it to say that right now, there are significant quantities of climate and environment finance – hundreds of billions of dollars on some counts, and most rich country governments want there to be more – which can be like a stranded asset, inaccessible to lower-income countries that face financing crises post-COVID, and which is tied into complicated long-term contracts designed to ensure environmental protection.

References

Andrews, D. (2020) 'How Might an SDR Allocation be Better Tailored to Support Low-Income Countries?' *CDG Note*. Center for Global Development, Washington DC. Available at www.cgdev.org/sites/default/files/Andrews-Plant-SDR-Allocation.pdf.

Andrews, D. (2021a) 'Financing a Possible Expansion of the IMF's Support for LICs'. *CDG Note*. Center for Global Development, Washington DC. Available at www.cgdev.org/sites/default/files/Andrews-Financing-Expansion-IMF-LICs.pdf.

Andrews, D. (2021b) 'Can Special Drawing Rights Be Recycled to Where They Are Needed at No Budgetary Cost?'. *CDG Note*. Center for Global Development, Washington DC. Available at www.cgdev.org/publication/can-special-drawing-rights-be-recycled-where-they-are-needed-no-budgetary-cost

DFID (2019) 'ODA Grant Equivalent Measure – Short Technical Note'. UK Government, London. Available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/854342/Grant-Equivalent-Technical-Note1.pdf.

FCDO (2021) 'UK meets £250m match aid target into COVAX, the global vaccines facility'. Press Release. UK Government, London. Available at www.gov.uk/government/news/uk-raises-1bn-so-vulnerable-countries-can-get-vaccine.

IMF (2010) 'Financing the Response to Climate Change'. *IMF Staff Position Note*. International Monetary Fund, Washington DC. Available at www.imf.org/~/media/Websites/IMF/Imported/external/pubs/ft/spn/2010/_spn1006pdf.ashx.

IMF (2021) 'IMF Executive Directors Discuss a New SDR Allocation of US$650 billion to Boost Reserves, Help Global Recovery from COVID-19'. Press release 21/77. Available at: https://www.imf.org/en/News/Articles/2021/03/23/pr2177-imf-execdir-discuss-new-sdr-allocation-us-650b-boost-reserves-help-global-recovery-covid19

Lee, S., Adam, C., Yusuf, Y., Templeton, A., and Henstridge, M. (2021) 'Development Finance and the Macro Economic Impact of COVID-19'. Oxford Policy Management, Oxford. Available at www.opml.co.uk/files/Pages/1614603416_development-finance-and-the-macro-economic-impact-of-covid.pdf?noredirect=1.

Plant, M. and Andrews, D. (2021) 'What is the Best Way to Allocate New SDRs?' Blog post, 4 February 2021. Center for Global Development, Washington DC. Available at www.cgdev.org/blog/what-best-way-allocate-new-sdrs.

Reuters (2021) 'Yellen backs new allocation of IMF's SDR currency to help poor nations'. 25 February 2021. Thomson Reuters, London. Available at www.reuters.com/article/g20-usa/update-1-yellen-supports-new-allocation-of-imfs-sdr-currency-to-help-poor-nations-idUSL1N2KV1IA.

About Oxford Policy Management

Oxford Policy Management is committed to helping low- and middle- income countries achieve growth and reduce poverty and disadvantage through public policy reform. We seek to bring about lasting positive change using analytical and practical policy expertise. Through our global network of offices, we work in partnership with national decision makers to research, design, implement, and evaluate impactful public policy. We work in all areas of social and economic policy and governance, including health, finance, education, climate change, and public sector management. We draw on our local and international sector experts to provide the very best evidence-based support.

Find out more

For further information

visit: **www.opml.co.uk**

Or email: **admin@opml.co.uk**

OPMglobal

Oxford Policy Management

Oxford Policy Management Limited

Registered in England: 3122495

Registered office: Clarendon House,

Level 3, 52 Cornmarket Street,

Oxford, OX1 3HJ, United Kingdom