



## W7 Policy Asks – Finance Track Consultation Document

### Summary

The COVID-19 pandemic has highlighted and exacerbated long-standing structural gender inequalities. At the same time, it has also exposed how women and girls who experience other forms of intersecting discriminations have disproportionately borne the pandemic's impacts – whether as frontline responders, through increased unpaid care work, due to restricted access to social protection and public services, or as a result of their employment in vulnerable sectors. We call on G7 Finance Ministers to recognise that gender equality and the fulfilment of women's rights is an aspiration that must be present across the Finance Track.

### Enabling a sustainable, inclusive, just global economic recovery

We welcome the Chancellor's [intention](#) to shape 'support for vulnerable countries', and ensure the International Financial Institutions (IFIs) have the right tools to enable these countries to respond to the pandemic. We also welcome the G7 Finance Ministers' consideration of what an inclusive global economic recovery might entail.

Low-income countries are experiencing falling revenues, lower foreign exchange earnings and higher fiscal and debt burdens as a result of the pandemic and do not have the resources to meet fiscal needs. Women have already borne the brunt of the economic impacts of the pandemic – whether as frontline workers, workers in the informal sector with insecure jobs and limited access to social protection, or through their work as unpaid carers filling the increasing gaps in public provision.

Inclusive COVID-19 economic recovery plans must, as the last year has clearly demonstrated, include public investment in the care economy if they are to have any hope of success. For 'vulnerable' countries this will require the G7 to support a substantial increase in fiscal space.

Moreover inclusive economic recovery that reaches the most marginalised women will require substantial investment in social infrastructure, along with the creation of decent work for women. Any cuts in public services will have a particularly harmful impact. However the majority of International Monetary Fund (IMF) COVID-19 loans [include](#) fiscal consolidation measures which will lead to the very cut in public services that will be most damaging to marginalised women.

To achieve inclusive economic recovery and support 'vulnerable countries' G7 Finance Ministers should:

- Prioritise the creation of a more **sustainable, inclusive, and just global recovery**.

- **Clearly state the need for an increase in fiscal space in low-income countries** in order to allow an increase in public spending on gender transformative public services and social protection.
- **Provide additional and urgent grant financing for gender-responsive public services and social protection** without incurring extra debt.
- **Create a comprehensive system to cancel global external debt** to a level consistent with sustainable development across private, multilateral and bilateral creditors including immediate and enforceable legal changes to ensure private lenders are included in international debt cancellation initiatives.

In addition, G7 Finance Ministers should use their influence within the IMF and World Bank to:

- **Leverage more grant lending by the IFIs** to create fiscal space without a further build-up of debt.
- **Remove medium-long term fiscal consolidation targets in IFI lending programmes** to enable low-income countries to increase public expenditure on gender transformative public services and social protection.
- **Support a new allocation of Special Drawing Rights (SDRs) to the amount of US\$ 3 trillion** which would enable countries to strengthen their balance sheets, reduce borrowing costs and capital flight as well as boost reserves and stabilise economies.

### **Fair vaccine distribution**

We welcome the Chancellors' [recognition](#) of the moral, health and economic case for rapid and fair vaccine distribution across the world and the need for the G7 to lead in shaping support for 'vulnerable countries'.

Two-thirds of World Trade Organisation (WTO) members, led by India and South Africa, have proposed a temporary waiver of certain provisions of the Trade and Intellectual Property Rules (TRIPS) in order to enable the production of COVID-19 vaccinations in developing countries and so accelerate the global effort to contain the pandemic.

As part of a commitment to fair vaccine distribution, G7 Finance Ministers must:

- Support the temporary waiver of patent rights at the TRIPS Council meeting on 8 - 9 June.

### **For more information**

The W7 is a group of civil society organisations promoting gender equality and women's rights within G7 processes. This is a background note prepared in advance of the W7 Summit. The full W7 Communique will be produced after the Summit on April 21<sup>st</sup> and 22<sup>nd</sup> 2021.

For more information, please visit the [W7 2021 website](#) or contact Sophie Efange, Gender and Development Network Policy Manager ([Sophie.Efange@gadnetwork.org](mailto:Sophie.Efange@gadnetwork.org)).