Remarks by Ambassador Julio Cesar Arriola, Permanent Representative of Paraguay to the United Nations during the Ambassadorial Dialogue on Debt Distress in LDCs, LLDCs and SIDS in the time of Covid-19

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Thank you for giving me the floor, Mr. Moderator.

First of all, I would like to thank OHRLLS and as well as the Chairs of the LDCs, LLDCs and SIDS, for convening this timely meeting on a very relevant issue for our countries. I would also like to extend my gratitude to all the distinguished panelists for their important remarks and informative presentations.

The Government of Paraguay took swift action to avoid the spread of covid-19, beginning a national quarantine after the first two confirmed cases in early March. This strategy has proven very effective in containing the virus and saving thousands of lives.

To help mitigate the economic impact of the quarantine, the Government passed an Emergency Economic Relief bill, which allowed access to financial resources through debt, including loans from multilateral financial institutions and sovereign debt, of about 6% of the Gross Domestic Product (GDP).

Although currently not on a debt distress situation, my country is monitoring closely the evolution of the debt stocks, specially in developing countries, as the outcome of the recovery after the pandemic still looks uncertain.
In this regard, we fully support the recommendations of the Secretary-General in his report on Covid-19 and Debt, specifically on the need to ensure that developing countries without high debt burdens still have access to credit needed to finance Covid-19 responses, without prejudice to debt relief for highly indebted countries.

Finally, we call on the multilateral financial institutions to continue providing low-cost and flexible support to our countries to overcome the pandemic and recover better, and we reaffirm our solidarity with our fellow countries in special situation that share with us special needs and challenges that need to be addressed today more than ever.

Thank you very much.