

CIVIL SOCIETY MEETING
Financing for Development in the Era of COVID-19 and Beyond
Monday, 2 November 2020

Dialogue 2 – Debt Sustainability

Farooq Tariq

General secretary, Pakistan Kissan Rabita Committee

Your excellencies, I would like to thank you for inviting PKRC to participate in this civil society meeting. I would like to introduce an open letter sent to all governments, International Institutions and Lenders on behalf of 553 civil society organizations belonging to 80 countries. The letter was signed by these organizations during the Global Week of Action For Debt Cancellation from 10-17 October 2020.

As you are all well aware that The Covid19 pandemic has severely impacted on the health, safety and survival of hundreds of millions of people. It is estimated that 500 million more people could be pushed into poverty as a result of the pandemic and the economic downturn.

Over \$300 billion is being spent annually by the Global South for Public External Debt payments to bilateral and multilateral lenders such as the World Bank. The IMF and G20 countries have not written off debts but merely suspension for few and for a limited period.

Private lenders have so far also refused to cancel or suspend any of the debt they claim. Similarly, World Bank, have also failed to cancel debts. Meantime, World Bank and others are making available a combined total of \$205.5 billion of loans for COVID-19 response measures. The IMF has approved more than \$88 billion in emergency loans in the last six months. So, the countries of the Global South will end up with even more debts. Much of this debt is illegitimate and lent irresponsibly.

We demand for much more than “debt relief” we demand debt justice. We call on world leaders, national government, financial institutions, public and private, to:

1. Unconditional cancellation of public external debt payments by all lenders for all countries in need at least the next four years;
2. Use of resources freed from debt to address the immediate needs for vital and universal health care, social protection and other essential services;
3. National debt audits – both government and independent citizens audits;
4. A fair, transparent, binding and multilateral framework for debt crisis resolution under the auspices of the UN;
5. Thorough-going national and global review and changes in lending, borrowing and payments policies and practices;
6. Recognition and application of the primacy of human rights and corresponding obligations of the States, the international community and the private actors;
7. Reparations for the damages caused to countries, people and the nature, due to the contracting, use and payments of unsustainable and illegitimate debts and the conditions imposed to guarantee their collections.

We seek the decisive and full solution to the debt problem as part of the profound transformation of the economic and financial systems that the present crises so urgently demanded.

Here is the full text of the Open Letter: <https://debtgwa.net/open-letter>