

SAVE THE DATE

Financing for Development in the Era of COVID-19 and Beyond

Civil Society Meeting on the International Debt Architecture and Liquidity

March 23rd, 10:30 AM - 12:00 PM NY-Time

The United Nations Secretary-General António Guterres, together with the Prime Minister of Canada, H.E. Justin Trudeau, and the Prime Minister of Jamaica, H.E. Andrew Holness, will convene a virtual Meeting of Heads of State and Government on 29 March 2021 to discuss the international debt architecture and liquidity as part of the Financing for Development in the Era of COVID-19 and Beyond Initiative (FfDI).

The Civil Society Meeting on 23 March 2021 will be an opportunity for civil society to present its comprehensive set of demands to the UN Deputy Secretary General and UN Member States. The meeting will also be an opportunity for UN Member States to react and respond to civil society concerns and demands.

Connection details:

<https://unvc.webex.com/unvc/onstage/g.php?MTID=e45ef395db3193dbd4ee5745b4dfd7fd9>

Event number: 129 399 2552

Event password: 2021CSME

For those joining via SIP compatible videoconference systems or apps:

SIP URI: 1293992552@unvc.webex.com, PW: 480704

Broadcast live on:

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Background Note by Civil Society

The responses to the debt crisis provided so far by the G20 and the IFIs have been painfully falling short of what is needed. The shortcomings of the Debt Service Suspension Initiative (DSSI) -in short, temporary debt payments moratoria of merely around \$4.3bn to be repaid after 2022, to a limited number of countries, without binding participation of private and multilateral lenders - have been extended into the "Common Framework for Debt Treatments Beyond the DSSI" (CF). Like DSSI, the CF is yet another mechanism designed by and for creditors, which fails to ensure mandatory participation of private and multilateral creditors, limits eligibility to a subset of developing countries and disregards needs and financial vulnerability considerations. As the World Bank projections show, more than four fifths of the total new poor from the pandemic, will be in middle-income countries, which are excluded from the debt treatment initiatives.

It is time to move beyond these false solutions.

Systemic solutions to resolve debt crises in a fair, impartial and transparent process will be vital to overcome these limited responses and avoid devastating impacts. Without an ambitious, multilateral, inclusive and fair process leading to the debt cancellation that the countries in the global south need, the resulting crisis will keep exacerbating the already staggering levels of social and economic inequality, within and between countries. Without prompt and sufficient debt cancellation available for all the countries in need and from all creditors, there will be no chance of achieving the Sustainable Development Goals nor to fight economic, social, racial or gender inequality.

As civil society, **we call on governments to establish a debt workout mechanism, i.e.**, a transparent, binding and multilateral framework for debt crisis resolution, under UN auspices, that addresses unsustainable and illegitimate debt and provides systematic, timely and fair restructuring of sovereign debt, including debt cancellation, in a process convening all creditors.

Such a binding, multilateral framework should urgently address:

- **Supporting and providing immediate Covid-19 debt cancellation:** Debt sustainability consistent with the SDGs and human rights can be achieved through an ambitious process of debt restructuring, including extensive debt cancellation. Debt cancellation must be granted to all countries in need and assessed with respect to their development financing requirements, and provided by all creditors (bilateral, multilateral and private);
- **Building global consensus on Principles on Responsible Borrowing and Lending:** Long-pending issue of agreeing on common and binding principles on responsible borrowing and lending, and ensuring compliance with it. This should address the gaps in transparency and advance towards the creation of a publicly accessible registry of loan and debt data;
- **Using human rights and development impact assessments** in debt sustainability analyses to widen their focus solely from economic considerations to also address the impact of a country's debt burden on its ability to meet development goals (including SDGs, climate goals, human rights and gender equality commitments) and create the conditions for the realization of all universal human rights;
- **Assessing systemic risks posed by unregulated or inadequately regulated financial sector instruments and actors:** including regulation and supervision of Credit Rating Agencies and global agreement on importance of capital account management;
- **Supporting at the IMF Spring Meetings a new allocation of Special Drawing Rights (SDR)** in the amount of UD\$3 trillion - as an allocation of SDR 500 million will barely cover debt service payments in 2021.

Beyond the establishment of a multilateral debt resolution framework, we need to urgently implement substantial reforms in the financial system, including further regulation of the financial sector. We believe that the organisation of the [next UN Summit on Financing for Development](#) would be key to advance the systemic and urgent reforms of the global financial architecture.

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Provisional agenda

#CancelTheDebt #DropDebtSaveLives

Moderator: Eric LeCompte, Executive Director, Jubilee USA Network

Opening Remarks by the Co-Conveners of the Financing for Development in the Era of COVID-19 and Beyond Initiative

- Amina J. Mohammed, Deputy Secretary General of the United Nations
- Robert Rae, Permanent Representatives of Canada to the United Nations
- Courtenay Rattray, Permanent Representative of Jamaica to the United Nations

Presentation of civil society proposals and demands (3 speakers - 5-7 mins each):

- Jason Braganza, Executive Director, African Forum and Network on Debt and Development (AFRODAD), focusing on the urgency of the debt crisis and its impacts on human rights;
- Patricia Miranda, Advocacy Coordinator, Red Latinoamericana por Justicia Económica y Social (LATINDADD), highlighting how current approaches represent false solutions and calling for systemic reforms;
- Iolanda Fresnillo, Senior Policy & Advocacy Officer, European Network on Debt and Development (EURODAD), articulating the urgent need for a debt workout mechanism under the aegis of the UN.

Responses from the President of General Assembly and the President of ECOSOC:

- Volkan Bozkır, President of the General Assembly of the United Nations (TBC)
- Munir Akram, President of the Economic and Social Council of the United Nations (TBC)

Responses from UN Member States and other participants

Closing Remarks

- Lidy Nacpil, Coordinator, Asia People's Movement on Debt and Development (APMDD)
- Amina J. Mohammed, Deputy Secretary General of the United Nations