

## *External Debt*

**My name is Eva Friedlander of the International Women's Anthropology Conference and speak on behalf of the Doha NGO Facilitating Group and want to express my appreciation to the co-chairs for the opportunity to give our general perspective on several aspects of the section on External debt.**

**We welcome the statement that “debt service in a considerable number of low and middle-income countries is still too high”, but note that while official creditor initiatives to cancel the debts of heavily indebted countries have benefited a few countries, these are far from sufficient to help achieve the MDGs. No link has been established between the high level of debt servicing and the capacity of countries concerned to achieve the MDGs, as called for by the Monterrey Consensus. In this light the section on debt represents a major step backwards from the Monterrey commitments, not to speak of the disjuncture with the ore ambitious human development goals that aim to eliminate social disparities, including those of gender.**

**Furthermore, the current food and fuel crises, and the risks of climate change that now face many countries will leave those very countries receiving debt cancellation vulnerable to new unsustainable and unjust debts. Paradoxically, some of those countries must incur new debts in order to meet the MDGs.**

**Many of these debts are considered odious and illegitimate by civil society stakeholders. In May 2008 civil society groups from all over the world attended a UNDP consultation in NY to discuss how to avoid a new debt crisis and how to place illegitimate/odious debt and creditor co-responsibility into the Doha Outcome document.**

**Concern is expressed in the document about increased vulture fund litigation. Indeed, the problem of vulture funds is critical if debt relief is to yield full benefits. Governments must commit to take concrete steps towards changing their laws, so as to prevent vulture funds and other commercial interests from compromising the benefits arising from debt relief. They should also give judicial and financial assistance to debt-stressed countries in case they are taken to court. The best way to address the problem is to establish a comprehensive, fair and transparent debt workout mechanism.**

**Although the WB/IMF debt sustainability framework has been responsible for underestimation of debt relief needs, this same framework is considered**

**adequate for monitoring and analyzing debt sustainability. There is need for a far broader definition of debt sustainability, one that includes social dimensions in the estimation of debt relief needs.**

**We appreciate recognition of the new vulnerabilities that have occurred with the shift from official to commercial borrowing and external to domestic public debt and the need for improved data collection and analysis to fully understand and address the situation. Such efforts must look at the concrete impact on populations and include gender indicators and gender disaggregated data.**

**In short, major steps must be taken if the very palpable burdens created by debt on millions of people around the world are to be alleviated. We hope that the urgency of the matter is taken into full account and is realistically reflected in the final document.**

**Thank you.**