



STATEMENT BY

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PRIME MINISTER OF THE REPUBLIC OF NAMIBIA

AT THE HIGH-LEVEL MEETING ON INTERNATIONAL DEBT

ARCHITECTURE AND LIQUIDITY

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1. I wish to thank the Prime Minister of Canada, the Prime Minister of Jamaica and the UN Secretary-General for convening this High-Level Meeting on the International Debt Architecture and Liquidity. These issues are among those which many countries, especially developing countries, are pre-occupied with as they battle with the multitude of challenges caused by the Covid-19 pandemic.
2. The Covid-19 pandemic has triggered a potential for an unprecedented default risk level. This is particularly because of high debt levels coupled with elevated fiscal risks and weak sovereign balance sheets, even at the onset of the pandemic. As a result, there is a need for collective political commitment to decisively formulate global solutions, to ensure that the economic gains of the past decades are not undone as more and more countries may find themselves on regressive paths. In seeking global solutions, we must ensure that these solutions are adapted to domestic situations of each country.

3. Namibia reiterates its appreciation for the Debt Service Suspension Initiative (DSSI). The DSSI is helping countries concentrate their resources on fighting the pandemic and safeguarding the lives and livelihoods of millions of the most vulnerable populations. However, since all countries have been affected in many ways by this pandemic, a reconsideration of the call by the Middle-Income Countries, supported by other development partners, to include them in the Initiative, is necessary. In the same vein, Namibia calls for the extension of the DSSI until 2022.

4. Namibia also calls on international financial institutions and other creditors to restructure and adjust their debt architecture to ensure that debt standstill and debt relief are provided to developing countries. Given the extent of global interdependence today, obstacles in the form of setting conditions for debt standstill and debt relief may set in motion a major debt crisis which will be detrimental to the international community. In exercising due diligence therefore, we urge the global financial community to be pragmatic and amenable to the circumstances of the most vulnerable countries. It is

imperative to ensure that the strides made over the past decades in reducing poverty levels are safeguarded.

5. In recent months, the conversation has rightly shifted to the Covid-19 vaccines and the expected global economic recovery. As the vaccination programs gain traction across countries, it is imperative to ensure that liquidity constrained developing countries are given timely support to address their emerging shortages, the absence of which could scale up their financing challenges and potentially trigger a vicious wave of debt and financial crises. This will run counter to all efforts to recover stronger from the Covid-19 pandemic.

6. Namibia therefore calls for the allocation of unused Special Drawing Rights (SDRs) to those that are in need. We further support the call for new issuance of Special Drawing Rights to help deserving countries. The SDRs can be utilized to facilitate additional financing for urgent country priorities in light of this crisis, including the acquisition of much-needed vaccines by

low-income countries and increase market re-entry access for eligible countries. In this regard, Namibia is urging the entire IMF membership to exercise their voting power decisively. On our part, we are committed to implementing the necessary reforms needed to promote transparency and accountability both in the mobilization and use of domestic and external resources and in the management of debt.

Thank you.