

Greetje Lubbi:

I think we need a revival of international debt campaigns and as Chair of the Jubilee Campaign in the Netherlands, let us see how we can do that. Debt campaigns had been stronger in 2000 than the years after. We have achieved some things in the early 1990s. It clearly was not enough. Many NGO and civil society organizations put more attention on issues related to trade but we now pay a price for that. The price is that in Europe and in the US most politicians believe that the debt problem has been solved. We only need to see, they think, how we can prevent new debts from occurring in the future. This is not my view but even bold politicians have given up – because they somehow do not get support. For instance, the Irish government first took a bold stand on the debt issues demanding a 100% debt cancellation. Then they realized how far reaching that position was. Thus, when they took over the EU presidency, it appeared to me that the debt issue was not given any priority by them.

There is a great lack of awareness among the European politicians and the population about this ticking time-bomb. We need to think of ways to revive those campaigns and make explicit connections between debt cancellation and the problem of debt burden on the one side - and on the other the problem of poverty and the lack of social services and its impact on the socio-economic development in poor countries. This is not the same thing as external conditions in my view. But it is of strategic importance that we keep governments accountable to the commitments they have made at the different international conferences including the one in Monterey, and in the UN Millennium Conference where they developed the Millennium Development Goals. I know that among civil society organization there are those who have problems with the process of the Millennium Development Goals or other declarations that are phrased, but we need to use them as a central point, as tools in the debt campaign.

Poverty reduction must be at the centre of this work. That the HIPC-initiative is a failure we all know. The current criteria for assessing debt sustainability (150% of the debts to exports criterium is what I refer to here) is a very unreliable predictor of debt sustainability, for the group of countries that is characterized by an extreme vulnerability to shocks, and steep fluctuations in export earnings. We believe that before countries even start paying back their debts we must insist on local development and on the Millennium Development Goals to serve as a guideline to link debt sustainability to poverty reduction. The amount of debt cancellation needed can be calculated backwards from the facts I mentioned. That will mean that the poorest countries will require a total cancellation as well as further aid flows if their revenues are expected to meet the objectives of financing the MGDs. And a 100% cancellation for the poorest countries would mean a fresh start.

A second element we should stress in our debt campaigns is that debt relief and cancellation must be central to the current aid flows from donor countries as has been agreed in the UN Development Summit in Monterey in 2002. And it is an important aspect because in a country like the Netherlands, the cancellation of the debt that accrued

through the export credit guarantees in the past is currently eating up the bilateral debt budgets.

Politically speaking I think we have to focus our debt campaigns towards various targets. Of course first of all towards the Northern governments who must be more informed, and public awareness needs to be raised about it. I believe we also have to put more pressure on Southern governments. I was puzzled when the government representative from Kenya went to the Paris Club meeting and did not ask for debt cancellation although there is a very vibrant debt campaign in Kenya. That brings me to the last point Charity made. Imagine the strength the developing countries can gather, if they could do what they did in the trade-arena at Cancun, where new groupings of countries came together. This can only be done by holding Southern governments responsible via national debt campaigns.

We in Europe have entered into a joint effort to approach the EU parliament to try and put more pressure on the European Commission. It is true that Europe is the biggest grouping of countries when it comes can also play a role on the debt question to developing countries. But the European Commissioner sees debt as a bilateral issue, and not as a problem of the EU itself. Therefore it is of crucial importance for the new European Parliament to take a very active role. We need to keep the pressure on those elected in June this year to see that they are made to stick to the commitments made in Monterey. In conclusion I really think we should urgently revitalize the debt campaign and convince and support politicians who take bold positions on debt. We should insist that HIPC is not the solution and that financing the Millennium development Goals should be central in the debate on debt cancellation. Thank you.