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ERIC LECOMPTE ADDRESSES UNITED NATIONS ON COVID 19 CRISIS RECOVERY

The coronavirus wreaks havoc around the globe and induces a global economic crisis on par with the Great Depression. Our calls for debt cancellation, relief and increased aid are needed to meet the \$2.5 trillion initial IMF estimate to address the crisis in developing countries. The UN Conference on Trade and Development estimates that \$5 to \$7 trillion dollars was needed already to meet the Sustainable Development Goals.

Due to the crisis, according to UN agencies, 265 million people face famine and 40 to 60 million people will be pushed into extreme poverty. The International Labor Organization says 300 million jobs will be lost.

Job loss, unemployment and poverty are recipes for social unrest, conflict, terrorism, inequality and financial crisis. Dealing with this current crisis requires additional spending to protect health, workers and save lives.

African Finance Ministers representing many Middle-Income Countries, call for \$44 billion in debt relief just for African countries as a short-term measure to this crisis. Current measures enacted by the IMF and G20 for all of the 73 poorest countries that qualify, may amount to \$22 billion. Most of these poorest countries had less than 50 critical care units for millions of people. Some have zero. These debt relief measures do not include "Middle-Income" developing countries, home to 62 % of the world's poor. It does not bind private lenders and more than half of countries that qualify are refusing the terms or afraid of the market consequences for accepting relief.

Debt relief measures which include debt cancellation, debt payment moratoriums or standstills and debt restructuring are critical, but alone will not be enough to deal with this profound crisis.

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The effects of the crisis will be more long lasting in developing countries than in advanced economies. Measures must be put in place to evaluate debt sustainability and cancel debt payments into 2021 and possibly 2022 and beyond - if not even fuller elimination of debt stocks. Debt relief must be broadened to more countries that need it. Longer-term, we must implement the debt policies from the Addis Ababa Action Agenda and the 2014 and 2015 UN General Assembly efforts on improving debt restructuring and embracing a global bankruptcy process. In order to emerge from this crisis with resilience, ensure economic and debt sustainability and be able to access future revenue streams, we must move forward agreements now that curb tax evasion and avoidance and corruption.

To meet this current crisis we must count our response not in the billions, but the trillions.

It's why we must access global financial reserves, or the Special Drawing Rights and allocate the use of these reserves to developing countries. We did this after the 2008 financial crisis and now we need to do it again. Estimates of need, range from \$1 to \$4 trillion.

Caribbean Islands to African nations, need to access these revenue streams, aid and relief - so they can pass their own "stimulus" or bridge financing plans to survive the crisis and ensure funds are available to meet the Sustainable Development Goals.

One of the strongest calls from the Financing for Development Addis Ababa Action Agenda was to implement rules on responsible lending and borrowing. While we've seen progress with the G20's Operational Guidelines for Sustainable Financing, we still lack binding rules. These common sense laws of debtor and creditor responsibility and public budget transparency should be enshrined as part of our international financial architecture.

However the most important and most critical points that I will make today - is responding to the resistance of private creditors, commercial lenders and banks to participate in the G20, IMF and World Bank debt relief calls.

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Long-term, we need changes in the major financial jurisdictions like the United Kingdom and New York State. For countries around the world and for US Territories like Puerto Rico, legal changes are needed in these financial jurisdictions to make debt restructuring more transparent and predictable - and too implement another strong commitment from the Addis Ababa Action Agenda, outlawing predatory "vulture" funds.

Because of the enormity of this crisis and the long-term challenges the markets could face, the fact that some private and commercial creditor blocks are not participating at the urging of the United States, the G20, the IMF and World Bank baffles the mind.

Given that this crisis could devastate all of us, poor countries and the markets, the United Nations Security Council has little choice but to act. The UN Security Council should follow its precedent in 2003 when it protected the assets of Iraq from creditor payments and now immediately make the same decision for the 73 countries that need this protection most to compel private and commercial creditors to join the G20 debt relief call. This decision would protect the assets of these countries and mandate that debt relief from official bilateral creditors is not used to pay private creditor debt.

Additionally, officials must strengthen public announcements that do more than "call" or "invite" private creditors, they must make public announcements that say they "expect" their participation in order to help compel it. We welcome stronger announcements from the World Bank's David Malpass last week. The IMF and G20 should revise their statements from April and instead of "calling" private creditors, "expect" their participation and condition public participation on the participation of private and commercial creditors. United Nations agencies should also make public announcements that "expect" private creditor participation.

These public announcement and the words we use do have legal implications.

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Finally, this is not the time for creditors to use accounting gimmicks to leave countries with higher debt burdens and higher debt payment service after they received some relief.

The decisions we make now can ensure that we not only survive the health and economic impacts of the coronavirus, they can also ensure that we emerge from this crisis with more resilience. The decisions we make now, can ensure that we emerge from this crisis with the tools to stop the next crisis.

Thank-you.

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