



Rome International Model United Nations

2nd SESSION 2008

THE GENERAL ASSEMBLY

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External debt crisis and development, resolution adopted by the General Assembly on its 2nd meeting, held on 8 April 2008

The General Assembly,

Recalling its resolutions 58/203 of 23 December 2003, 59/223 of 22 December 2004, 60/187 of 22 December 2005, 61/188 of 20 December 2006 and 62/186 of 31 January 2008 on external debt crisis and development,

Recalling also the International Conference on Financing for Development and its outcome, which recognizes sustainable debt financing as an important element for mobilizing resources for public and private investment,

Deeply concerned that many developing countries are still facing difficulties in finding a durable solution to meet their external debt-servicing obligations, which negatively affect sustainable development,

Reiterating that debt sustainability depends on a confluence of many factors at international and national levels,

Considering that international cooperation is not sufficiently made use of since external debt is a major obstacle to development,

Observing that many developing nations are in debt and poverty partly due to the policies of international institutions such as the International Monetary Fund (IMF) and the World Bank,

Noting the difficulty in achieving the Heavily Indebted Poor Countries (HIPC) strategy that required that a country, in order to qualify, must complete three years under the International Monetary Fund (IMF) designed Structural Adjustment Programme (SAP), and a further three years bound by another SAP before relief is granted on its multilateral debt,

Drawing attention on the need for countries to be able to invest, inter alia, in health and education while maintaining debt sustainability,

Emphasizing that debt sustainability is essential to consolidate growth, and to achieve national development goals, including the Millennium Development Goals,

1. *Supports* debt relief through debt reduction or cancellation;
2. *Calls upon* countries that have obtained debt reduction or cancellation to use the funds made available in activities that will:



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- (a) Reduce poverty,
 - (b) Promote long term economic growth and sustainable development,
 - (c) Improve the healthcare and the educational system, thus encouraging the countries to keep the good “brains”,
 - (d) Fight against the spread of serious diseases like AIDS etc.,
 - (e) Achieve the agreed Millennium Development Goals;
3. *Considers* that qualification foreseen by the Heavily Indebted Poor Countries HIPC strategy should be made more accessible by:
 - (a) Reducing the time of the SAP designed by the IMF to two years,
 - (b) Granting relief of debt after these two years on condition that the relieved country be bound to a second two year SAP that will encourage the economical growth of the country;
4. *Requests* the creation of an International Finance Facility that will give additional funds to those countries that are in the second two year SAP, the funds should be invested to:
 - (a) Improve educational system with the construction of new adequate structures,
 - (b) Create an improvement in the health conditions of the population, with:
 - i. Improvement of sanitary structure,
 - ii. Sale of medicines at lower prices,
 - iii. Diffusion of science and technology,
 - iv. Any other possible way approved by the United Nations;
5. *Encourages* the UN to settle a commission that:
 - (a) Will consist of representatives of both developing and industrial countries, who have equal rights and are elected for 2 years by the UN General Assembly and can only be re-elected once,
 - (b) Will help in reducing the amount of debt, especially in African countries, by learning from still existent programs and supported by the most financially wealthy countries;
6. *Affirms* that developing nations should not be kept dependent on developed nations by requests made on them to peg their currencies to stronger foreign currencies and that they should increase exports just to keep their currencies stable to help pay off their debts;



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7. *Proposes* that foreign investors, just concerned about their assets and interests, be not allowed to pull out fully their initial capital but only 33% a year, since the sudden capital flight could lead to economic collapses;
8. *Invites* creditors, both private and public, who are not yet fully participating in debt relief initiatives to substantially increase their participation in the delivery of debt relief, and the international financing institutions and the donor community to continue to provide adequate and sufficiently concessional financing, and *requests* to survey financial aid and its effects;
9. *Further requests* to strengthen international collaboration by creating lasting bilateral and multilateral contracts among developed and developing countries in order to assure to the latter a durable economical stability, thus preventing inflation;
10. *Further declares* that exploitation of the indigenous population in affected countries will be reduced so to enable a smoother recoupage of the debt crisis;
11. *Declares* that wealthy countries can not import raw materials, at low prices, from the Less Developed Countries (LDC) in order not to exploit less developed and developing countries;
12. *Suggests* the adoption of micro-credits system in less economic developed, developing and developed countries in order to help the born and the improvement of private firms, so that these countries can reach an economic stability;
13. *Decides* to remain actively seized on the matter.