

## **2021 FfD Forum**

### **Panel II: Developing durable solutions to recurrent debt crises**

**Statement by Lidy Nacpil, Asian Peoples' Movement on Debt and Development on behalf of the Civil Society Financing for Development Group (including Women's Working Group on FfD).**

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I would like to take this opportunity to emphasize and reiterate some of the points that civil society organizations have been raising in various fora and processes

1. We decry the persistent exclusion of middle income countries from past and present mechanisms for addressing debt and providing debt relief. It betrays a tragic lack of understanding of the realities of many middle income countries, the narrow assumptions and framing of debt solutions, or just plain irrational refusal to do more.
2. The current efforts to provide loans as the main form of COVID fiscal responses by many public financial institutions may provide temporary easing of liquidity problems but these run contrary to developing durable solutions to the debt crisis. These efforts are in fact deeply exacerbating debt burdens. The aggregate of these new loans are many, many times bigger than the debt relief offered. One hand offers crumbs and the other hand is strangling the necks of developing countries.
3. There is a loud clamor for lenders to do much much more for many many more countries, and the United Nations can certainly step up more in its leadership in paving the way for durable real solutions to the debt problem. So we reiterate our call for a multilateral, democratic, transparent debt work out mechanism to address unsustainable and illegitimate debt.