



American Model United Nations
Second Committee

GA 2nd/II/1

SUBJECT OF RESOLUTION: External Debt Crisis and Development

SUBMITTED TO: The Second Committee

SUBMITTED BY: Bangladesh, Chile, Ecuador, Mexico, Venezuela,
Zimbabwe

The Second Committee

1 *Bearing* in mind the deeply deleterious effects external debt has on sustainable
2 development and poverty reduction plans,
3
4 *Recognizing* the potential severity of the current economic crisis for all developing
5 countries, especially those already struggling with external debt,
6
7 *Aware* that debt servicing detracts from financing for development,
8
9 *Aware* that many countries facing insurmountable debt burdens are servicing debt
10 accumulated under illegitimate former governments,
11
12 *Noting with concern* the absence of an explicit framework separating debt relief
13 and official development assistance,
14
15 *Recognizing* the urgent need to achieve the Millennium Development Goals,
16
17 *Noting with regret* the widespread unlikelihood among developing countries of
18 achieving the Millennium Development Goals by 2015,
19
20 *Noting with satisfaction* the Heavily Indebted Poor Countries (HIPC) Initiative's
21 success in alleviating the debt of some of the poorest countries,
22
23 *Recognizing* that many low- and middle- income countries not qualified for HIPC
24 assistance also suffer from unsustainable external indebtedness,
25
26 *Recalling* the commitment to comprehensively address unsustainable external
27 debt of low- and middle- income countries put forth in RES 58/203, 55/184, 59/223, 60/1,
28 and 60/187,
29
30 *Reaffirming* draft RES A/C.2/61/L.54, which encourages a case-by-case approach
31 to debt relief and restructuring for low- and middle- income developing countries with

32 unsustainable external debt that do not qualify under the HIPC initiative,

33

34 *Noting with deep concern* that despite recognition of the need, flexible,
35 comprehensive, and innovative approaches to addressing all developing countries'
36 unsustainable external debt still have not been created or implemented,

37

38 1. Encourages liberalization of HIPC eligibility rules in order to increase the
39 number of potential HIPC beneficiaries;

40

41 2. Urges creditors to cancel illegitimate debt issued to now deposed governments;

42

43 3. Further resolves to develop flexible, comprehensive, and innovative approaches
44 to addressing unsustainable external indebtedness of all developing countries;

45

46 4. Stresses the importance of considering restructuring debt payment requirements
47 including the renegotiation of interest rates, allowing for grace periods, and debt
48 cancellation only in the most extreme of circumstances;

49

50 5. Urges the creation of initiatives that establish separate frameworks for debt
51 relief and development assistance, where one does not come at the expense of the other;

52

53 6. Recognizes the important role innovative and comprehensive approaches can
54 play in mitigating sudden and unforeseen crises;

55

56 7. Stresses the critical importance of encouraging achievement of the Millennium
57 Development Goals;

58

59 8. Reminds member states of their commitment to achieving, as well as
60 supporting efforts to achieve the Millennium Development Goals;

61

62 9. Calls for the use of debt-for-Millennium Development Goal-Project-swaps,
63 which would allow the diversion of multilateral debt servicing payments to Millennium
64 Development Goal projects.

Passed, Yes: 59 / No: 27 / Abstain: 15