Topic: The question of the cancellation of debts in an effort to promote growth and development.

The Economic and Social Council:

Welcoming the 2005 European Parliament resolution on debt relief for developing countries,

Acknowledging the efforts of the IMF and the World Bank in providing partial or total debt relief to nations in efforts to encourage economic development and reduce poverty,

Deeply concerned for nations who are ineligible for the HIPC as a result of longstanding debts to both the World Bank and IMF of several hundred million US dollars,

Bearing in mind the thirteen out of thirty countries who have successfully undergone debt relief, and re-accumulated their public debt through extensive borrowings,

Taking into consideration the corruption in impoverished nations in Africa following debt aid relief,

Affirming that the Debt Reduction Facility (DFR) initiative constructed by the World Bank provides incentives for commercial creditors to provide debt relief,

Recognizing the risk of the twelve nations reported by the IMF of being impotent of paying back their debts,

Viewing with appreciation the HPIC Initiative in conjunction with the MDRI launched in 2006 aimed at relieving developing nations suffering from severe debt by implementing or reforming policies that show commitment to sustaining low debt-to-GDP ratios as well as through debt reductions,

Highlighting the success of the Jubilee 2000 campaign in cancelling over $100 billion of debt by the end of the millennium,

Deeply conscious of the significance of debt sustainability and debt management in efforts to develop a global partnership for development, the Eighth Millennium Development Goals,

Recognizing the PIIGS acronym of countries including Portugal, Italy, Ireland, Greece, and Spain whom are affected to this day by the recent housing market crash of 2008,

Noting that the Sovereign Debt Crisis refers to the substantial loss of money from private enterprises and governments in Europe in 2008,

Affirming the opposing views across the spectrum on the debt aid that Greece should receive as a result of the previous 80 or 90% debt bailout packages provided to the nation which went directly to servicing other debts and not public spendings,

Recognizing the efforts of the EU and IMF in aiding Spain to gradually stabilize from the debt crisis and come to lower unemployment levels.

1. Calls upon the International Monetary Fund (IMF) and other relevant financial institutions to introduce more lenient Structural Adjustments Programs (SAP's) when giving loans to nations;

2. Encouraging MEDCs that have a debt to GDP ratio less than 60% to put aside their own economic interest by investing and/or importing supplies in those whose debt to GDP ratio is above 80% (for MEDCs) and above 50% for LEDCs;

3. Mandates the creation of a UN body called the United Nations conditional Debt Forgiveness Committee (UNCDFC), under the Economic and Social Council, fully funded by the UN, that will
    a. Create Guidelines for minimum sentencing for corruption, by consulting with a panel of legal experts,
    b. Allow countries to appeal to the committee to forgive debt on the condition (determined by the UNCDFC) that:
        i. Failure to repay was not caused by corruption, or,
        ii. Corrupt individuals responsible for the failure to repay the debt have been reprimanded sufficiently, according to the minimum sentencing guidelines,

    c. Lobby the international monetary fund to forgive debts to member states that pass the conditions laid out in sub clause b;

4. Recommends that all member states come together to form a new Global Masterplan for Economic Activity and Growth (GMEAG) at the next United Nations Conference on Trade and Development (UNCTAD) which include:
    a. Establishing new economic deals between nation groups and blocs that are deemed fair for all member states to allow for the trade of goods with reduced tariffs especially policies aimed at:
        i. Reducing debt in one nation by spreading out the cost of economic loans between member states,
        ii. Promoting free market trade between Transnational Co-operations;
    b. Discussing a new global set levels of lower interest rates on loans for all nations regardless of national income to be applied retrospectively to all loan deals;
    c. Negotiating with global creditors such as the World Bank and International Monetary Fund (IMF) targeting economic policies set as part of the loan package including:
        i. Adjustments to IMF Structural Adjustment Policies (SAPs) reducing global oversight in money spending,
        ii. Reduction in terms of loans, such as removal of interest rate payments, in nations whose Debt-to-GDP ratio exceeds 80%,
        iii. Cancelling and forgiving debt to all nations which fall into a state of illiquidity or insolvency as deemed by the ECOSOC committee and subsequently provide a personalized plan for that country in order to avoid such situations from repeating;

5. Encourages the IMF, the World Bank and other multilateral institutions to increase flexibility regarding debts regulation in LEDCs by;
    a. Encouraging the merging of debts under the responsibility of the IMF, the World Bank and other multilateral institutions by either;
        i. The purchase of a nation's debts by the IMF, the World Bank and other multilateral institutions if circumstances allow to do so,
        ii. Multilateral agreements between creditors and debtors,
    b. Renegotiating debts every five years between involved actors, in order to promote growth and stability.