

18 December 2020

## **CALL FOR DEBT MORATORIUM AND DEBT RESTRUCTURING FOR THE RESCUE AND RECONSTRUCTION IN CENTRAL AMERICA**

Dear G20 Finance Ministers and G20 leaders,

The multiple crises, exacerbated by Covid-19, demand more measures to face the long and slow recovery as projected for many developing countries. The adoption of a Common Framework for Debt Treatments beyond the DSSI needs to consider other vulnerabilities, towards initiatives that include and protect other countries that face additional impacts, such as natural disasters.

As a central global decision maker in the international community, the G20's role and timely action are key towards global initiatives that contribute to a fair and inclusive recovery. We hereby, as **Civil Society Organisations and Networks from around the globe, collectively call on the G20 to take measures for a Debt Moratorium and debt restructuring for the rescue and reconstruction in Central America:**

On November 2020, Hurricanes ETA and IOTA were devastating as they hit Central America. Never in history had two hurricanes of the highest category - IOTA being the strongest in 2020 - hit the same area of the Caribbean Coast, in the same month and barely 15 days apart.

The first consequences reflect an increase in food insecurity, loss of infrastructure, entire villages totally buried, and the increase in Covid-19 infections. We see that the lack of access to adequate spaces, hygiene services and prevention measures for the victims exacerbates the contagion; and that cases of violence, gender violence and the separation of families in shelters add up to the worrying surge of poverty and inequality indicators. The countries most affected by the hurricanes have been Honduras, Nicaragua and Guatemala, where more than 200 lives and thousands of hectares of productive land have been lost. On a lesser scale, Costa Rica, El Salvador and Panama have also been affected.

Within this context, all middle-income countries of Latin America, several of which are in fact lower-middle-income, and especially those with deep economic, social, and natural vulnerabilities – like most Central American countries –, will find it impossible to overcome this multiple crisis. Some countries in this region spend less than 5% of their GDP on health; they have less than 1 bed for every 1,000 inhabitants and the lowest rates for intensive care beds; more than half of their population live in poverty; have outstanding external debt levels between 45% and 75% of GDP, and two of its main external sources of income, tourism and remittances, have decreased significantly.

As part of the civil society, we find the initiatives of the international community to promote recovery in the region insufficient and we express our concern about the critical situation that Central America is experiencing. The criteria of the international community, currently focusing mainly on public external debt, should look beyond GDP per capita and take into account other vulnerabilities faced by countries when trying to access funding.

For the above reasons, we consider that the G20's Debt Service Suspension Initiative (DSSI) does not respond to the needs of Central America. In effect, their approach only implies deferring

the current fiscal problem whilst increasing the debt service burden in the coming years. If the only alternative they have is subject to GDP-based indicators and the deferral of the debt problem, there will be no way out for these countries.

Faced with this regional context, we address the international community to request the following for the struggling Central American countries:

- An external debt moratorium that includes all creditors (multilateral, bilateral and private) and that allows progress towards a debt restructuring process;
- Create and integrate a Consultative Group similar to the one created after Hurricane Mitch hit in 1998, but with the presence of representatives of indigenous peoples' organizations, women, social and community organizations, in order to take their prevailing needs into account and begin the reconstruction of the affected areas;
- That the freed-up resources and other fresh funds received are used to fulfill a social agenda based upon the needs of the population in the face of the crisis, supported by social control mechanisms that monitor the use of said resources.

As part of the organized Civil Society, we consider that these demands are the minimum necessary toward a prompt, efficient and inclusive recovery from the devastating effects of natural disasters that exacerbated the pre-existing vulnerabilities in the Central American region, as part of a process of systemic changes necessary to overcome the crisis.

**Signed by:**

1. *ALL INDIA CATHOLIC UNION - India*
2. *Arab Watch Regional Coalition*
3. *Asian Peoples' Movement and Debt and Development (APMDD) - Philippines*
4. *Association For Promotion Sustainable Development - India*
5. *Bangladesh indigenous women's network - Bangladesh*
6. *Bihar Voluntary Health Association - India*
7. *CAFOD - United Kingdom*
8. *CARITAS CONGO ASBL - Congo*
9. *CCFD - Terre Solidaire - France*
10. *CEDECAM, Centro de Derechos del Campesinado - Nicaragua*
11. *Cedetrabajo - Colombia*
12. *CEICOM, Centro de Investigación sobre Inversión y Comercio - El Salvador*
13. *Centro de Derechos Económicos y Sociales - CDES - Ecuador*
14. *CIDSE - Belgium*
15. *CNCD-11.11.11 - Belgium*
16. *Comisión Nacional de Enlace - Costa Rica*
17. *Coordinadora de ONGD - Spain*
18. *Corporación de Investigación y Acción Social y Económica CIASE - Colombia*
19. *Dalit Eavm Adiwasi Vikash Prishad - India*
20. *DAWN - Development Alternatives with Women for a New Era - Global South*
21. *Debt Justice - Norway*
22. *Derecho Ambiente y Recursos Naturales - Peru*
23. *Desarrollo y Paz - Caritas - Canada*
24. *Don Bosco Navajeevan Rehabilitation Center - India*
25. *Dreikönigsaktion der Kath. Jungschar Österreich (DKA) - Austria*

26. *Ecologistas en Acción - Spain*
27. *Economistas sin Fronteras - Spain*
28. *Ekumenická akademie (Ecumenical Academy) - Czech Republic*
29. *Entreculturas - Fe y Alegría - Spain*
30. *Equidad de Género: Ciudadanía, Trabajo y Familia - Mexico*
31. *Equipo de Reflexión, Investigación y Comunicación, ERIC - Honduras*
32. *Erlassjahr.de, Jubilee - Germany-*
33. *EURODAD, European Network on Debt and Development*
34. *Fe y Alegría - El Salvador*
35. *Fe y Alegría - Honduras*
36. *Feminist Task Force - United States of America*
37. *FOKUS - Forum for Women and Development - Norway*
38. *FOSDEH, Foro Social de la Deuda Externa y Desarrollo de Honduras - Honduras*
39. *Fundación educativa Fe y Alegría - Guatemala*
40. *Fundación para Estudio e Investigación de la Mujer - Argentina*
41. *Fundación SES - Argentina*
42. *GCap SÉNÉGAL/Posco Agenda 2030 - Sengal*
43. *Gestos - Brazil*
44. *Global Call to Action Against Poverty (GCAP)*
45. *Global Policy Forum*
46. *GREENPEACE - Mexico*
47. *Icefi - Guatemala*
48. *Indian Social Institute - India*
49. *Iniciativas para el Desarrollo de la Mujer Oaxaqueña (IDEMO) - Mexico*
50. *INPADE/FOCO - Argentina*
51. *Instituto de Estudos Socioeconômicos - INESC - Brazil*
52. *Instituto Justiça Fiscal - Brazil*
53. *Instytut Globalnej Odpowiedzialności (IGO) - Poland*
54. *Jubilee Debt Campaign - United Kingdom*
55. *Jubilee USA Network - United States of America*
56. *Jubileo 2000 Red Ecuador - Ecuador*
57. *KAIROS: Canadian Ecumenical Justice Initiatives - Canda*
58. *Komal Foundation - India*
59. *Latindadd, Red Latinoamericana por la Justicia Económica y Social*
60. *Lok kalyan seva Kendra - India*
61. *MANOS UNIDAS - Spain*
62. *Medicusmundi - SPain*
63. *Movimiento por la Paz -MPDL - Spain*
64. *NARI VIKASH MANCH - India*
65. *National Social Watch - India*
66. *Nav Bhartiya Nari Vikas Samiti - India*
67. *Observatori del Deute en la Globalització - Spain*
68. *Oikos - Cooperação e Desenvolvimento - Portugal*
69. *ONE - Singapore*
70. *Oscar Ugarteche, Doctor en Economía, Docente y miembro honorífico de Latindadd*
71. *OXFAM*
72. *Plateforme Congolaise Dette et Développement /PC2D - Congo*

73. *Plateforme d'information et d'action sur la dette et développement (PIADD-GUINÉE) - Guinea*
74. *Plateforme Française Dette & Développement (PFDD) - France*
75. *Purvanchal rural development and training Institute - India*
76. *Red Mexicana de Acción frente al Libre Comercio (RMALC) - Mexico*
77. *RENICC, Red Nicaragüense de Comercio Comunitario - Nicaragua*
78. *Rutgers - Netherlands*
79. *Salvagina Colectivo Ecofeminista - Bolivia*
80. *Senegalese Feminist Forum - Senegal*
81. *Sisters of Charity Federation - United States of America*
82. *The Bretton Woods Project*
83. *The Society for Social Uplift Through Rural Action - India*
84. *Trocaire - Ireland*
85. *Tzuk-Kim-Pop - Guatemala*
86. *Universidad Autónoma Metropolitana - Mexico*
87. *WNTA - India*
88. *Women In Development Europe (WIDE+)*

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