

Committee: Global Economics
Subject: Debt Sustainability
Proposed By: Croatia

1 THE GENERAL ASSEMBLY,

2 *Concerned* about the effects of debt and debt sustainability including
3 external debt sustainability and development,

4 *Aware* that threats to debt sustainability not only deteriorating terms of
5 trade, natural and man-made disasters, adverse trends and volatility on
6 international financial markets, but also irresponsible lending and borrowing,
7 the mismanagement of public finances, the misuse of funds, and corruption,

8 *Recognizing* the efforts and burdens of the IMF and World Bank to guide
9 their lenders, stress the need to address their pitfalls, and monitor external
10 private debt and the lack of integration of human rights,

- 11 1. Urges developing countries to recognize that their debt has evolved
12 with the growing importance of private creditor, trading conditions,
13 and increased exposure to financial volatility, which has an impact on
14 debt sustainability;
- 15 2. Condemns irresponsible lending and borrowing and calls for each
16 nation to propose explicit and implicit financial guarantees under the
17 supervision of the United Nations;
- 18 3. Requests that members to prioritize the transparency of loans made to
19 governments of developing countries, which is essential for ensuring
20 accountability of lending; whereas a lack of transparency is a key
21 factor in aiding the irresponsible loans;
- 22 4. Condemns odious debt, which defines as a debt incurred by a regime
23 to finance actions that go against the interests of the citizens of the
24 state, of which he creditors were aware:
 - 25 a) this is as such a personal debt of the regime which incurred it from
26 creditors who were well aware of the borrower's intentions,
 - 27 b) there is a lack of consensus with regard to the concept of odious
28 debt, owing to strong opposition on the part of certain creditors;

- 29 5. Urges to tackle illicit financial flows in order to eliminate them
30 definitively by 2030, by combating tax evasion and by stepping up
31 international cooperation through measures to facilitate the disclosure
32 of tax data to competent authorities and tax transparency in countries
33 both of origin and of destination;
- 34 6. Stresses that transparency should be promoted in order to enhance the
35 accountability of the actors concerned; emphasizes the importance of
36 sharing both data and processes related to sovereign debt workouts;
- 37 7. Commends the nations for their efforts towards debt sustainability and
38 responsible lending and urges other countries to work for more
39 transparency, better regulation of lenders and tax justice.