

1.59 Initiative to Assist Heavily Indebted Poor Countries

RECOGNIZING that prospects for sustainable development are severely limited in many developing countries owing to the burden of their external debt;

RECOGNIZING also that a healthy economy tends to favour sustainable development, so reducing poverty and decreasing pressure on over-exploited natural resources;

CONCERNED that the current level of indebtedness of many developing countries is unsustainable and absorbs financial resources which are urgently needed for investments in poverty alleviation, environmental conservation and economic recovery;

FURTHER concerned that the measures taken so far by both bilateral and multilateral creditors, while significant and welcome, have not addressed the full extent of the problem and that the situation continues to worsen for many countries;

CONCURRING with most creditor countries that solutions to the debt problem must be sought in ways that do not put at risk the current multilateral system of concessional loans to developing countries;

WELCOMING the debate taking place among major creditors (including the international financial institutions and bilateral creditors) and the NGO community on an Initiative to Assist Heavily Indebted Poor Countries;

The World Conservation Congress at its 1st Session in Montreal, Canada, 14–23 October 1996:

1. URGES bilateral creditor countries, both Paris Club members and others, to consider the debt situation as both a solvency and a liquidity problem and therefore actively promote both debt-stock and debt-service reduction schemes, including debt-for-conservation swaps;
2. CALLS UPON international financial institutions to move forward expeditiously with their Initiative to Assist Heavily Indebted Poor Countries, which should be financed from each institution's own resources, noting that:
 - a) in the case of the multilateral development banks, particularly the World Bank, this should involve use of surplus and net income;
 - b) in the case of the IMF, this should include the sales of a small part of the gold reserve;
 - c) in both cases, support should take the form of grants rather than loans and that part of the proceeds of multilateral debt relief schemes should be used to finance sustainable development activities;
3. REQUESTS the Director General, within available resources, to:
 - a) facilitate IUCN's active participation in international and national discussion on debt issues;
 - b) seek in particular to broker debt-for-conservation swaps where appropriate so as to generate additional resources for conservation priorities in ways that benefit both the IUCN Programme and the members;
 - c) support and as appropriate seek to participate in international initiatives aimed at finding solutions to alleviate multilateral debt in heavily indebted poor countries;
 - d) strengthen the related activities of the Secretariat, including communication, training and debt-for-nature swaps;
4. CALLS UPON the Chair of the IUCN Commission on Environmental, Economic and Social Policy (CEESP) to establish an expert group on the debt problem;
5. INVITES all IUCN members to give priority consideration to this issue.

Note. This Recommendation was adopted by consensus. The delegation of the State member Germany indicated that had there been a vote the delegation would have voted against. The delegation of the State member United States indicated that had there been a vote the delegation would have abstained.