



ASEAN INTER-PARLIAMENTARY ORGANIZATION
27TH GENERAL ASSEMBLY
10 - 15 SEPTEMBER 2006 ▲ CEBU CITY, PHILIPPINES

27 GA/06/ECO-03

RESOLUTION

ON

**DEBT FOR THE U.N. MILLENNIUM DEVELOPMENT GOALS (MDG) TO FIGHT
POVERTY**

The Twenty-Seventh General Assembly of AIPO:

Aware that much of the foreign debts by developing AIPO member countries were incurred following the 1973 oil crisis when international banks lent large amount of money without taking into consideration the capacity of borrowers to pay or where the money would be spent;

Conscious that default in debt payments on account of massive borrowings would result to crisis, most governments of developing countries have been forced to impose additional taxes which burdened their people especially those below the poverty line;

Recalling the Millennium Development Goals (MDG) which WERE adopted by the United Nations during the Millennium Summit in September, 2000, member countries affirmed their commitment to reduce poverty and the worst forms of human deprivation;

Cognizant that as a result of debt-servicing, the most indebted LDC's and DC's are deprived of their scarce resources and hard-earned savings and must sacrifice their budget allocations for education, health care, housing and development projects;

Alarmed that the debt-burden of the least developed and developing countries has been blocking economic progress for billions of the world's poorest peoples;

Resolves to:

Urge all AIPO member countries to optimize all available resources and adopt proper policy framework that will help our people gain access to the best quality of life possible without depending on foreign borrowings whilst also making efforts to increase economic growth in order to reduce poverty as well as promoting good governance and combating corruption;

Call upon developed countries and multilateral financial institutions to provide a more affordable debt relief service to enable borrowing countries to pay their debts without necessarily burdening their economy and their people;

Encourage all creditor countries, multilateral institutions and large commercial banks to reinvest in the economies of the debtor-countries fifty (50) percent of the agreed-on portion of the debt-service payments due to them in the form of equities or other kinds of financial assets and technical assistance towards MDG programs such as reforestation, rural development program, mass-housing, safe water systems, education, hospitals and health care, infrastructure and micro-financing; and

Support the creation of INTERNATIONAL CONFERENCE FOR THE CONVERSION/ INVESTMENT OF FOREIGN DEBT OF POOR COUNTRIES which will create social, political and legal framework and mechanism that shall serve as a platform in which the debt servicing of the poorest 100 countries shall be converted to tangible values based on MDG and consequently, that AIPO be a permanent member of the international conference.

Adopted this 14th day of September 2006, in Cebu City, Philippines.