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**AN OPEN LETTER FROM THE PEOPLE OF THE CARIBBEAN
TO THE MINISTERS OF FINANCE OF THE G8 COUNTRIES
AND TO
THE DIRECTORS OF THE WORLD BANK, INTERNATIONAL
MONETARY FUND AND THE INTER-AMERICAN DEVELOPMENT
BANK**

**WE DEMAND THE IMMEDIATE AND UNCONDITIONAL
CANCELLATION OF HAITI'S EXTERNAL DEBT!**

As called for by:

- Platform Ayisyem Pledwayepoou yon Developman Alternatif (PAPDA - Haiti)
- Platform of Haitian Human Rights Organisations (Platfòm Oganizasyon Ayisyen k ap Defanm Dwa Moun yo - POHDH)
- Karl Leveque Cultural Institute (Enstiti Kiltirèl Karl Leveque - ICKL)
- Training and Technology Institute (Enstiti Teknoloji ak Animasyon - ITECA)
- Social Communication and Training Association (Sosyete Animasyon ak Kominikasyon Sosyal - SAKS)
- Solidarity between Haitian Women (Solidarite Fanm Ayisyèn - SOFA)
- Democratic Popular Movement (Mouvman Demokratik Popilè - MODEP)
- Heads Together Peasant Farmers (Tèt Kole Ti Peyizan Ayisyen - TK)
- Alternative Justice Programme (Pwogram Altènatif Jistis - PAJ)
- Youth Solidarity (Solidarite Ant Jèn - SAJ/VEYE YO)
- Papay Peasant Movement (Mouvman Peyizan Papaye - MPP)

We the undersigned write in support of the organizations listed above. We represent very many of the civil society organizations and social movements of the Caribbean. Our collective membership is comprised of women, youth, farmers, workers, fisher-folk, NGOs in advocacy, community based organizations, faith based organizations.

Our simple and single demand is that there must be **immediate and unconditional cancellation of Haiti's external debt!**

This demand by us is not new. Many of our organizations have made similar calls and have been an integral part of civil society campaigns that have communicated the demand that Haiti's external debt is onerous, odious and must be cancelled. We have also supported international campaigns for the cancellation of the debt of the world's poorest nation's, including Haiti, which campaigns have involved civil society organizations from countries of the G8. Most recently (June 12, 2008) some thirty-two such organizations wrote an Open Letter to you, the Ministers of the G8 nations, demanding the cancellation of Haiti's debt.

This our Open Letter is being sent to you at this time for the simple reason that quite apart from all the compelling and cogent arguments in support of the complete cancellation of Haiti's external debt, there is an urgent moral and humanitarian imperative for debt cancellation.

As the entire world knows Haiti is extremely vulnerable to natural disasters. That vulnerability was devastatingly exposed when in the space of mere weeks, not one, not two but FOUR deadly storms/hurricanes (Fay, Gustav, Hanna and Ike) hit Haiti. Rarely, if ever, has any country had to cope with the impacts of being hit by four hurricanes.

Close to one thousand people died in those storms, there are many new orphans today; almost a month after the last of the storms many tens of thousands are still facing a crisis of the lack of drinking water and basic food needs; large parts of the country were flooded and some areas are still affected by flood waters and mud slides; much of the country's basic infrastructure was destroyed or damaged; hundreds of thousands have been left homeless or lost their possessions; children are unable to attend school; farmers' lost their crops and livestock further worsening the crisis of food and high food prices; and few, if any, sectors of the economy have been unaffected by the hurricanes. Haiti has therefore lost a very significant part of its GDP and this is but a quantitative measurement of its loss since there can be no value placed on the loss of human life and the suffering that results from the impacts of major natural disasters.

Against this reality, a reality that is well known throughout the world, we are appalled by the very poor response by the international community and in particular by those who can do the most in terms of financial and material support for Haiti. Thus, on September 24th, the Secretary General of CARICOM (of which Haiti is a member) while on a visit to Haiti, was forced to state that only 2% of the US \$107 million requested by the U.N. for urgent projects had been contributed. To date, less than 25% of this urgent assistance has been contributed.

The Haitian government, given its extremely limited resources to cope with the devastation caused by four consecutive natural disasters, has to pay between US \$5 and US \$6 million every month in debt service while initially being able to only allocate less than US \$ 1 million for disaster relief! That the Haitian Government is now able to commit some additional \$198 million is possible because of arrangements under PetroCaribe.

The moral and humanitarian imperative is clear. Haiti's external debt must be unconditionally cancelled! This alone should compel you to agree to immediately cancel the debt. Notwithstanding this, we wish to remind you of the cogent arguments that have been presented in support of earlier calls for the cancellation of Haiti's debt.

Haiti's total external debt totals just over US \$1.5 billion. The vast majority of this is owed to just two international financial institutions – with US \$682 million or 44.3% of total debt owed to the IDB and US \$528 million or 34.8% owed to the World Bank. The IMF is owed just over US \$55 million; the International Fund for Agricultural Development is owed some US \$37 million.

It must be stated that in 1996 Haiti was excluded from the IMF and World Bank's Heavily Indebted Poor Countries (HIPC) initiative which laid out a programme of economic restructuring, albeit onerous, to enable some of the world's poorest countries to qualify for debt cancellation. It was not until an entire decade later that Haiti was allowed to participate in this programme when certain "technicalities" re its debt service burden were clarified. For four years of that decade, Haiti also had to endure the cessation of financial disbursements from governments and IFI's due to political reasons. This undoubtedly worsened Haiti's already difficult economic situation and the poverty situation deteriorated.

Since 2006, Haiti has been able to achieve the so-called "decision-point" in the HIPC programme that enabled it to obtain an interim debt service relief in the amount of some US \$20 million. This was a definite manifestation of Haiti's demonstration of good faith to the international community in spite of all the travails it experienced. The programme set September 2008 for the achievement of the "completion point" which, if attained, would start a process of further debt relief from the IFI's resulting, over time, for full cancellation of World Bank debt and, most likely, the IDB. We wish to reiterate, however, that this debt cancellation is neither unconditional nor immediate.

Haiti must firstly achieve the targets set out for the "completion point". Secondly, achieving these targets will only result in a reduction, over a period of time, of its debt. Given the four hurricanes it is now virtually impossible for Haiti to meet the targets to achieve the so-called "completion point". Moreover, precisely because of the impact of these hurricanes it is morally indefensible to demand of Haiti that it must meet these requirements in order to "qualify" for debt cancellation. The resources that Haiti presently allocates for debt service must now be available for the very many projects needed to remedy the impacts of the hurricanes.

By including Haiti in their HIPC initiative, the IFI's recognize the fact that Haiti is one of the world's poorest nations. Immediate and unconditional debt cancellation is the inescapable logic of that recognition. The moral and humanitarian imperative resulting from the hurricanes requires your urgent decision.

With respect to bilateral debt, it is to be noted that this amounts to somewhat over US \$230 million (September, 2007 data). Of this amount, the majority (US \$ 214.5 million or 93%) is owed to just five countries: France – US \$65.2 million, Italy – US \$ 59.6 million, Taiwan – US \$ 50 million, Spain – US \$ 39.7 million. Some US \$6.3 million is owed to the United States.

Ministers of Finance of the “creditor” nations will certainly appreciate that these are very small amounts relative to your GDP and fiscal revenues. Indeed, some of your countries have, in the very recent past, spent many hundreds times these amounts in order to “bail out” failing financial and other firms. Surely, the lives of the Haitian people are as important as the shareholders whom you have protected by your huge cash injections in a few firms. The moral and humanitarian imperative requires the immediate and unconditional cancellation of all bilateral debt!

The Caribbean people expect that you will do the honourable, fair and just thing. We await your action.

Yours sincerely,

CARIBBEAN (NGO) POLICY DEVELOPMENT CENTRE



Cecilia Babb

EXECUTIVE COORDINATOR (AG.)

- Assembly of Caribbean People
- Federation of Independent Trade Unions and NGOs (FITUN), Trinidad and Tobago
- Haiti-Jamaica Society
- Bahamas Human Rights Network
- Bahamas Support Group

CPDC Membership:

- Afrika Hall
- Caribbean Conference of Churches (CCC)
- Association of Caribbean Economies (ACE – Trinidad)
- Windward Islands Farmers’ Association (WINFA)
- Caribbean Association of Feminist Research & Action (CAFRA)
- Caribbean Network for Integrated Rural Development (CNIRD - Trinidad)
- Caribbean Conservation Association (CCA - Barbados)
- Barbados Association of NGOs (BANGO - Barbados)
- Inter Agency Group of Development Organisations (IAGDO - Grenada)
- Association of Development Agencies (ADA - Jamaica)
- Centro de Estudios de America (CEA - Cuba)
- Centro Felix Varela – Cuba
- Centro Memorial Dr. Martin Luther King, Jr. – Cuba
- Union de Escritores y Artistas de Cuba
- Platform Ayisyem Pledwayepouou yon Developman Alternatif (PAPDA - Haiti)
- Forum NGOs (Suriname)
- Trinidad & Tobago (NGO) Network for the Advancement of Women (T&T Network)