



Canadian Ecumenical
Justice Initiatives /
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Religious Society of Friends (Quakers)
The United Church of Canada

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L'Église anglicane du Canada
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L'Église Unie du Canada
Le fonds du Primat pour le secours
et le développement mondial

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November 9, 2020

Hon. Chrystia Freeland
Minister of Finance, Deputy Prime Minister
House of Commons, Ottawa
Chrystia.Freeland@parl.gc.ca

Dear Minister Freeland:

KAIROS: Canadian Ecumenical Justice Initiatives is a joint venture of 10 Canadian churches and religious organizations, that works together with Indigenous peoples, settlers, and newcomers in Canada, in common struggle with partners around the world for ecological justice and human rights in Canada and globally.

We want to congratulate the government of Canada for many aspects of its response to the Covid-19 pandemic in Canada and around the world. We also wish to ask you to do more, in particular to press for concrete action toward debt cancellation.

In consort with partner organizations, we are writing to call on Canada to use its privileged position in the G20 and the international financial institutions to urge for cancellation of debt.

In many countries, the pandemic has provoked an economic recession, increased inequality and further delayed action on the climate emergency. More than US\$300 billion is being spent each year by countries in the global South for public external debt payments to bilateral and multilateral lenders, including the World Bank and the International Monetary Fund (IMF), private banks and investors in government bonds and securities.

To date, the IMF and World Bank have taken some measures to respond to the crisis, including the IMF's decision to cover debt payments owed over a six-month period for 28 countries, as well as the availability of new emergency finance from the IMF and World Bank. These initiatives, though welcome, are not sufficient to respond to the urgency and magnitude of the crisis. Without debt cancellation, there is a risk that developing countries will not have the money needed to halt the spread of the virus, to treat people who become ill, to invest in their public health systems and to mitigate, let alone recover from, the economic and social destruction caused by the virus. Pope Francis has urged "the cancellation of the debt of the most vulnerable countries, in recognition of the severe impacts of the medical, social and economic crises they face as a result of Covid-19." In the attached letter, dozens of other faith leaders this year similarly urged governments and international financial institutions to cancel debts.

In April, G20 governments introduced the Debt Service Suspension Initiative (DSSI), which was not an outright cancellation but rather an eight-month delay



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of some payments by some countries. Private lenders have so far refused to cancel or suspend debt.

We understand that the G20 finance ministers will meet on November 13th to discuss further action on debt cancellation or postponement of payments—the Common Framework for Debt Treatment—and that they will meet again on November 20th, presumably to finalize the document and make an announcement. Those meetings will be followed by the G20 summit on November 21-22.

The Canadian churches and Canadians are not new to campaigns for debt cancellation. At the turn of the millennium, over 640,000 Canadians signed the Canadian Ecumenical Jubilee Initiative petition advocating for unconditional debt cancellation. Their action, together with sustained support from Christians and other supporters around the world, led to the cancellation of more than \$100 billion of debt owed by 35 of the poorest countries. For a time, that made a difference, but debt levels again crept higher over the past decade. In sub-Saharan Africa, the outstanding public external debt doubled between 2010 and 2018, from US\$160 billion to US\$365.5 billion as of December 31, 2018; it now stands at US\$500 billion. For some countries, debt servicing accounts for more than 25 per cent of their income, and most countries spend more money on debt repayment than they spend on health care.

Today, we write again to urge Canada to raise its voice in the G20 and the international financial institutions to advocate and act for cancellation of debt. During the Global Week of Action for Debt Cancellation (October 10-17), KAIROS and more than 560 other organizations in more than 90 countries urged governments and lending institutions to cancel debt as a means to enhance health care spending during the pandemic. A signed letter states that the debt problem “stands in the way of people’s survival, the fight against inequality, the realization of their human rights, sovereignty and the self-determination of peoples, economic, gender and ecological justice, and the pursuit of a dignified life.” A copy of the letter is attached.

We are counting on the Canadian government to use its voice and influence to act for debt cancellation. Canada has been a leader on this issue before, for the good of the global community. We ask that you once again give bold leadership on our behalf. We look forward to hearing back from you on this urgent matter.

Sincerely,



Jennifer Henry
Executive Director

Attachments as stated: Churches leaders' letter and Global Week of Action on Debt Cancellation letter

Cc:

Rt. Hon. Justin Trudeau, Prime Minister: justin.trudeau@parl.gc.ca

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