

September 12, 2005

The Right Honourable Paul Martin
Prime Minister of Canada
80 Wellington Street
Ottawa, Ontario
K1A 0A2

**RE: Canadian NGOs Call on Canada to Demonstrate Leadership at
Upcoming Meetings to Push International Community to take
Action to Eradicate Poverty**

Dear Prime Minister,

As you know this September is a critical month for the World's poor. Two major events, the UN World Summit and the Annual Meetings of the World Bank and IMF, offer the opportunity for the world community and Canada to demonstrate its commitment to eradicate poverty.

Efforts by some countries to erode the July G8 debt proposal and to water down language in the UN declaration risk shifting the momentum away from international efforts to eradicate poverty and could all but guarantee that the Millennium Development Goals will be missed.

Canada has in its history played a leadership role on the vast majority of the issues up for discussion at these meetings. On debt cancellation, Canada was among the first countries to recognize the need for cancellation of the debts of the poorest countries and played a critical brokering role to reach the G8 consensus. Canada has placed the Millennium Development Goals at the centre of its development program. We have repeatedly called for Canada to recognize its need to demonstrate moral and international leadership and set a timetable for the international target of 0.7% GNI first proposed by Lester B. Pearson.

As we approach these key international moments, we are concerned that these opportunities may be squandered and the international community will fail to commit itself to seriously tackle the crippling poverty facing the global community.

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We urge you to demonstrate the international leadership role you have spoken of regularly and work to ensure that the UN declaration contains strong commitments to achieving the Millennium Development Goals, on increasing foreign aid to the agreed UN target of 0.7% of GNI, on unconditional debt cancellation for all impoverished countries, and action on key areas such as education, health and HIV/AIDs. The International Policy Statement acknowledges that the challenges of poverty and insecurity must be addressed in a holistic way that includes strong goals and commitments on aid, debt and economic activity.

We urge you to do everything in your power to ensure the UN document is not further eroded and instead improved.

Canada's leadership role in debt cancellation discussions must also be reflected at the Annual Meetings of the World Bank and the IMF which come just days after the UN summit where the G8 debt proposal will come for approval. When this deal was announced we highlighted both its strengths (including recognition of the need for 100% debt stock cancellation and the inclusion of IMF debt in the final deal) and also some serious limitations (including the limited number of countries covered, the maintenance of arduous conditionalities to qualify through HIPC, and the failure to include debts owed to other regional development banks).

We have called on Canada to push for a strengthening of the G8 deal. The principle of "equity of treatment" for all low-income countries is one of the pillars of Canadian debt remission policy that is not reflected in the G8 debt relief plan. According to that principle debt write-offs should be extended to countries that do not qualify for the HIPC initiative but still need debt cancellation to meet the MDGs. We call on you to work towards ensuring that the debt cancellation proposal is strengthened rather than eroded at these upcoming meetings.

As we approach the World Bank and IMF meetings, it appears that even the areas where the G8 debt proposal has demonstrated strengths are now under attack. The Gleneagles Communiqué asserts that developing countries "need to decide, plan and sequence their economic policies to fit their own development strategies." Sadly this principle continues to be contradicted by the requirement that countries adhere to World Bank and IMF policies to qualify for debt relief.

Another key issue that looks to be falling off the international agenda is the critical need to take action at the World Bank and IMF on conditionality. The World Bank and IMF were directed to assess and report on the impacts of their conditionality policies. Civil society organizations and some governments (most recently the UK government) have presented evidence that conditionality policies at the Bretton Woods Institutions have largely failed.

We had hoped that the Bank/IMF review would be taken as an opportunity to set a new path that recognizes the inherent need for developing countries to be able to set and follow their own national development strategies. In the meantime, the Canadian government should undertake its own review of aid conditionality and pilot new approaches in aid relationships with like-minded donors that move beyond donor-imposed conditions.

We urge you and the relevant representatives of the Government of Canada to make every effort in the coming weeks to ensure that the expectations of the tens of thousands of Canadian supporters of the Make Poverty History campaign and the needs of the world's poorest people are not ignored.

Sincerely,

Gerry Barr
President-CEO, Canadian Council for International Co-operation

A handwritten signature in black ink that reads "John Mihevc". The signature is written in a cursive style and is positioned above a light grey rectangular background.

John Mihevc
Chair of the Halifax Initiative Coalition

cc. Hon. Ralph Goodale, Minister of Finance
Hon. Aileen Carroll, Minister of International Cooperation
Hon. Pierre Pettigrew, Minister of Foreign Affairs
Mr. Marcel Massé, Executive Director for Canada, World Bank
Mr. Kevin Lynch, Executive Director for Canada, International Monetary Fund