



## **COMMUNIQUE of the Parliamentary-Civil Society Organisations'**

### **DIALOGUE ON LOAN CONTRACTION AND DEBT MANAGEMENT AND DEVELOPMENT IN SADC REGION, 15-16 FEBRUARY 2006, SAFARI COURT, WINDHOEK, NAMIBIA**

#### **Preamble**

- i. We, the members of Civil Society Organisations and the Southern Africa Development Co-operation Parliamentary Forum gathered at Windhoek, Namibia on 15 to 16 February 2006, and having deliberated on loan contraction and debt management and development in the SADC region:
- ii. **Recalling** the AFRODAD-facilitated first meeting between members of the SADC Parliamentary Forum and Civil Society Organisations (CSOs) in Harare, Zimbabwe from 24 to 25 August 2004 and reaffirming our commitment to the recommendations made thereof
- iii. **Agreeing** that debt, especially for consumption and its related conditionalities is undesirable and should be avoided at all cost
- iv. **Noting** with serious concern the continued capital flight in the form of annual debt service payments and untaxed corporate profits
- v. **Reiterating** that there is a need to involve parliamentarians as elected representatives of the people and civil society in loan contraction and debt management and in development in general.
- vi. **Acknowledging** that effective debt management and nationally-owned development strategies form the indispensable foundations for sustainable development in the SADC region and that they are the pillars for tackling poverty reduction, gender inequality and HIV and AIDS as well as other challenges.
- vii. **Emphasizing** the urgent need for an effective, comprehensive, durable and development-oriented solution to the debt problems of African countries;
- viii. **Cautiously welcoming** the decision of the G8 countries to cancel 100% of outstanding debts of eligible HIPC countries to the IMF, IDA and AfDB, however expressing concern about the attached conditionalities and limited countries that will benefit;
- ix. **Stressing** the need to consider additional measures and initiatives including the fair and transparent arbitration process aimed at ensuring long-term debt sustainability through increased grant-based financing;

We therefore **commit** ourselves to:

1. Continue with the dialogue, share information and work together on debt management and development.
2. Invest in a stronger Parliamentary-CSO working relationship on debt and other development challenges particularly in the area of information sharing, research and bill sponsoring

We **urge** our governments to:

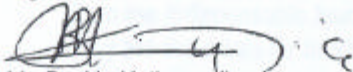
1. Set up debt management committees, institutionalise debt policies and improve data management on debt in our countries
2. Involve Parliaments in loan contraction processes as well as in the management of the debt thereof
3. Carefully consider project sustainability before loans are approved
4. Ensure Parliaments and CSOs are included in debt policy formulation and management
5. Allocate adequate expenditure to poverty reduction programmes and projects, HIV and AIDS and gender equality

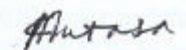
We **urge** both our governments and donors to honour their commitments and to put the emphasis on sustainable development rather than sustainable debts.

And we **demand**:

1. A fair and transparent arbitration process as a mechanism for debt management under the umbrella of the United Nations.
2. Inclusive monitoring and evaluation of the use of all public resources
3. Mutual accountability between donors and aid recipient countries on development outcomes
4. Mutual agreement on loan policy conditions as equal partners with development partners
5. Poverty and social impact assessment on all loans where there is concern regarding impact on the poor
6. More and better and quality aid anchored on clear exit strategies

Signed at Windhoek on 16<sup>th</sup> February 2006 by:

  
Ms Bookie Kethusegile- Juru  
SADC Parliamentary Forum

  
Charles Mutasa  
AFRODAD