



**Preparatory Committee (PrepCom) for the Fourth International Conference on  
Financing for Patricia Miranda *from Latindadd delivered on behalf of the CS  
FfD Mechanism during the Multi-Stakeholder Round Table Discussion on  
“Cross-cutting Issues” Wednesday, 24 July 2024***

Thank you Mme Chair and thank you Moderator,

My name is Patricia Miranda from Latindadd and I speak on behalf of the CSO FFD Mechanism.

In the past days we have been listening attentively to the need of an International Financial Architecture reform and improving debt resolution. We couldn't agree with you more. We also heard that there are core needs such as: inclusivity, long-term approach and tackle inequalities. Our proposal for a UN Framework Convention on Sovereign Debt addresses all these needs.

Debt has been in the top of the statements and side events, and you are right, the world has the highest debt levels ever and southern countries are in the middle of a new debt crisis. Debt service payments are consuming fiscal revenues at the expenses of education, health, social protection, climate and other needs. This reality partially explains the regrettable off track status of the SDGs.

We just heard the data on how urgent is the need to address the debt crisis with bold decisions. It is time to act. The ultimate objective of a reform is the well-being of the people that is suffering the impacts of these disturbing trends, in particular women, children, indigenous people and people exposed to systemic vulnerabilities and discrimination.

We definitely don't need more short-term approaches; we shouldn't need more proofs to recognize that the debt policies in place are not fit for purpose. Debt service suspensions only postpone the problem, the common framework is not really common, is not inclusive and has proven to be a failure.

The current non system of debt, exacerbates power asymmetries between lenders and borrowers, leading to implement false solutions that we can't afford, they are leading us to perpetuate the vicious circle of debt where southern countries are trapped, feeding into an endless debt spiral.

Solving the debt crisis cannot be addressed with a case by case approach, it is a systemic problem affecting LICs and MICs.

We are presenting to the FFD4 a strong and urgent call to establish a UN Framework Convention on Sovereign Debt. The UN is a norms setting space and therefore it is the right space to set norms on debt.

We welcome the call by the Africa Group for the establishment of a global legal debt framework at the UN and other countries that called for a reform of the debt architecture.

What are the benefits for such framework? All countries will be sitting at the same table to define the global debt rules. Southern countries will have a voice in the decision making of the debt architecture. It is a key component of the reform of the global economic governance.

It will contribute to prevention, resolution and financing.

This Framework Convention mainly entails:

- ★ Domestic legislations, for lenders and borrowers
- ★ Regulation of CRAs
- ★ New approach to debt sustainability analysis, including both external and domestic debt
- ★ Reduce of debt burden through fair and transparent debt cancellation and restructuring mechanism
- ★ SafeguardSeeds through automatic debt service cancellation and debt contract clauses to protect southern countries from extreme events and shocks.
- ★ Binding responsible lending and borrowing principles.

The world needs a UN Framework Convention on Sovereign Debt now. Some might think is too ambitious. But we are confident that you all know that is the right and needed decision.

Coincidentally, next year the Vatican declared a Jubilee year, which in all abrahamic religious traditions is a time to forgive debts, free slaves and let the land rest. Pope Francis called for the Jubilee year to deliver an international process to deal with the debt problem.

The FFD4 is the opportunity and it is in your hands to establish this Framework Convention on Debt in Sevilla in 2025. Debt has an intergenerational impact, don't postpone it.