



Preparatory Committee (PrepCom) for the Fourth International Conference on Financing for Development

Intervention by Shem Joshua Otieno from AFRODAD delivered on behalf of the CS FfD Mechanism during the Multi-Stakeholder Round Table Discussion on “Debt and Debt Sustainability” Wednesday, 24 July 2024, Addis Abeba

Thank you Chair,

My name is Shem Joshua and I am speaking on behalf of the CSO FFD Mechanism.

First, we wish to express our support to the call made 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.

1. The debt burden in the Global South is consuming a larger share of fiscal space in the developing world, with 3.3 billion people living in countries that spend more on debt than on health or education- Today, the Bretton Woods system is controlled by major economies that are creditor-centric and non-debtors inclusive, without due consideration for both human right effect and long-term generational capital deficiency. These deficiencies are as a result of lack of a global multilateral framework on debt.
2. **The debt crisis we are witnessing today in the Global South is an artificially created system which has failed to work for everyone. As we sit here today, I wish to humbly ask us to consider putting structures that will allow for equal treatment in the global financial architecture- This can be achieved through a UN Framework Convention on Sovereign debt.**
3. The proposal of a UN Framework Convention on Sovereign debt will act as a catalyst in promoting financial architecture that works for development and facilitates affordable and long-term financing, thereby allowing countries to focus on development needs rather than on short term debt constraints.
4. Madam Chair, we wish to ask all stakeholders to consider using the forthcoming FFD4 in Sevilla in 2025 to ensure that the realization of the UN Framework Convention on Sovereign Debt becomes to a reality. This will help in promoting a more inclusive system that empowers developing countries to actively participate in the governance of the international financial system.

I wish to conclude by a quote from President.Thomas Sankara which he gave here Addis Ababa in 1987 about African debt:

“Repayment of debt should be based on human-rights! As the current financial architecture is designed, if we continue to repay, we are surely going to die!”

Thank You!