Preparatory Committee (PrepCom) for the Fourth International Conference on Financing for Development (FfD4) Second Session, NY, 3-6 December, 2024

Jason Rosario Braganza, AFRODAD, on behalf of the CS FfD Mechanism Intervention delivered at the Ministerial scene-setter: "What are the key financing policy reforms and solutions that the fourth International Conference on Financing for Development should deliver?"

3 December 2024

Your Excellencies, Representatives from Multilateral Institutions, the Media, and Comrades from Civil Society, I speak on behalf of the African Forum and Network on Debt and Development, and the CSO FFD Mechanism.

Thank you for the opportunity.

The origins of the Financing for Development initiative, and its first conference in Monterrey in 2002, are rooted in the systemic asymmetries defining the international financial and monetary architecture, which cannot be resolved on the national terrain and reveal their steep social and economic costs through recurrent crises.

In this regard, I wish to join the commendation to the Co-Facilitators for meticulously wading through the over 300 submissions towards the elements paper and providing us with an outline of proposals what will support progress towards the SDGs and restore trust in the multilateral system.

Distinguished members, during the first preparatory committee in Addis Ababa earlier this year centred around the impact of deepening debt crisis in Africa and developing countries more broadly on the SDG Agenda. This message has been buttressed during the recent World Bank Annual Meetings and the Multistakeholder meeting in October 2024.

The Debt Crisis is a development crisis that if not checked will soon become a human crisis. With an increasing number of countries, particularly in Africa, paying more in debt service interest payments than on social investments like education and health, is symptomatic of an international system that is working for profits and shareholder returns, and not people.

In essence, we have designed a system that is presently mortgaging future lives and livelihoods for creditor loyalty and accessing global international markets. As the President of the General Assembly noted earlier this year: "**Nations should not gamble their people's future".**

The opportunity before us is about being bold in times of crises.

First, Governments need to bring back decision making power to the United Nations General Assembly – building on the window offered by the Financing for Development process and inspired by the Monterrey Consensus - and develop member state centred institutional solutions and new normative frameworks resulting in a new governance ecosystem. There is a need to move away from relying on formations of illegitimate clubs that proclaim to provide solutions for all while taking decisions among the few. UN member states should avoid de-legitimizing their role by setting up meetings between them and UN organs. This is consistent with the statement from the Republic of Zimbabwe of being pragmatic in how we look at reforming the global financial and economic architecture.

Second, The Africa Group and the Group of 77 must continue to lead the way in restoring the trust in the multilateral system. Like you have done with the UN Framework Convention on Tax, we implore you follow through with the clarion call made in Addis Ababa calling for the Multilateral Legal Framework on Sovereign Debt now referred to as the UN Framework Convention on Sovereign Debt. This call is consistent with opening session today that seeks to address the debt crisis that is crowding out critical finance for investment in the SDGs. The Republic of Indonesia mentioned some of the elements of what a UN Framework Convention on Sovereign Debt, for example, Responsible borrowing and lending; Fiscal space for investment in SDGs; Debt architecture reform. On the latter point, member states should consider a role for The United Nations in supervision and regulation of credit rating agencies (CRAs) by convening a universal, intergovernmental commission under ECOSOC with a mandate to examine needed international institutional innovations.

Third and finally, the key focus of the UN Financing for Development process should be on international cooperation. Governments should focus on promoting international tax cooperation to address the systemic issues at the global level, including through the negotiation of a UN Framework Convention on International Tax Cooperation. In terms of ensuring that national tax systems are progressive, effective and gender just, this is an issue which all governments should commit to. FfD4 should protect and enhance the integrity and comprehensiveness of the UN Framework Convention on International Tax Cooperation.

In conclusion, as has been iterated this morning, Addis Ababa is not the end nor is Seville the beginning, but rather this is a continuation of a journey that embodies a more democratic economic governance dispensation under FFD4 and more importantly, an opportunity to restore trust in the Multilateral System and emphasise human dignity over profit-driven interventions.

Thank you.

Jason Rosario Braganza

Executive Director

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