



**CIVIL SOCIETY
FINANCING FOR
DEVELOPMENT**
Mechanism

The FfD Chronicle

The CS FfD Mechanism is an open civil society platform including several hundreds of organizations and networks from diverse regions and constituencies around the world. CS FfD Mechanism's core principle is ensuring that civil society can speak with one collective voice.

FFD4 NEEDS TO DELIVER ONCE AND FOR ALL A UN FRAMEWORK CONVENTION ON SOVEREIGN DEBT

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.

As of October 31, 2024, and based on the most recently published data, 11 countries are in debt distress, 24 countries are at high risk, 25 countries are at moderate risk, and 7 countries are at low risk of debt distress. (www.imf.org)

Against such dire statistics and context, we can no longer play the 'wait and see' game that is being proposed by developed/creditor countries. There is no longer time to wait for the Common Framework to 'come good' nor the IMF to conduct its review when the same IMF categorically stated during the October 2024 Annual meetings that we are witnessing 'low-growth high debt' scenario for developing countries.

FFD4 needs to deliver once and for all a UN Framework Convention on Sovereign Debt that will offer a menu of options that provide immediate, structural, and preventative measures for future debt crisis. A UN Framework Convention on Sovereign Debt will address the debt crisis that is crowding out critical finance for investment in the SDGs.

It will further enhance responsible lending and borrowing; promote enhanced debt standstills during restructuring; regulation of Credit Rating Agencies; support the development of domestic legislation; promote debt transparency of both lenders and borrowers; and ultimately even out the debt restructuring negotiating table away from being creditor led.

The 'wait and see' game is mortgaging the lives of the most vulnerable at a time when uncertainty reigns supreme. A UN Framework Convention on Debt brings a certain level of predictability in handling debt restructuring. It further offers a hope that multilateralism, in the face of poly-crisis, is still alive and kicking!



SIDE EVENT**Raising the FfD4 Ambition: Democratizing trade, financial and monetary governance under the aegis of the UN**

Date: Dec 6

Time: 1:15 - 2:30pm

venue: CR-C

The event aims to create space to discuss concrete proposals on how FfD4 could provide the opportunity to democratize trade, financial and monetary governance and reaffirm the critical role of the United Nations in these domains, particularly from a developmental angle. Over the past period, there has been a progressive erosion of key agreements within the Monterrey Consensus under the belief by some powerful Member States, that trade governance, including on trade and development matters, needed to be entirely devolved to the WTO, while global financial and monetary coordination and regulation be taken up by the Group of 20. However, both have failed to deliver trade, financial and monetary frameworks that are consistent with strong developmental outcomes, the reduction of inequalities between and within countries, and socio-economic transformation in the Global South.

