



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

**Kjetil Abildsnes, Eurodad and the CS FfD Mechanism Intervention delivered  
at the Interactive Discussion 6: Debt and Debt Sustainability**

5 December 2024

Thank you Chair

My name is Kjetil Abildsnes, I speak on behalf of the European Network on Debt and Development and the CSO for FfD Mechanism

*Sovereign lending and borrowing conducted in a prudent and disciplined manner can promote growth and development: but irresponsible financing can have harmful consequences for the debtor country, its citizens and its trading partners.*

This is a quote from the UNCTAD Principles for Responsible Lending and Borrowing from 2015. We agree.

Despite commitments in the Addis Ababa Action Agenda and repeated commitments since then there are still no widely adopted principles for sovereign lending and borrowing. It is clear that current voluntary approaches have not improved the quality of financing.

We are encouraged by the focus on this topic in the elements paper and attention in member states input as well as in this room just now.

However the ambition falls short of what is needed. We urge governments not to start a lengthy process to update the guidelines. Instead, the guidelines we have should be made legally binding and into enforceable instruments.

Without a reliable, statutory framework for restructuring unsustainable debt, there is no incentive to stop irresponsible lending and borrowing. Yes, borrowers should borrow responsibly, but creditors need to know that they stand to take losses for bad lending decisions.

This - I'm sorry to say - is not the system we have today.

We also welcome the proposal in the elements paper to establish a "single global central debt data registry". This would be crucial to address the current lack of transparency about government debts and restore much needed trust in governments.

If the public is expected to pay then the public must be able to see which debts are taken out and on what terms they were entered into.

We propose to establish a public global debt registry independent from creditors and borrowers that apply to all lenders. Registering loans should be binding and debts not included in the registry should not be enforceable by national courts.

Both these proposals could be part of a UN Framework Convention on Debt.

I thank you!