



AFRICAN FORUM AND NETWORK
ON DEBT AND DEVELOPMENT

Securing Sustainable Solutions to the African Debt and Development Crises
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OPEN LETTER TO AFRICAN GOVERNMENTS TOWARDS THE ESTABLISHMENT OF A MULTILATERAL LEGAL FRAMEWORK FOR SOVEREIGN DEBT RESTRUCTURING PROCESSES

Honourable Ministers

(Governments of Angola, Benin, Botswana, Burkina Faso, Burundi, Capo Verde, Chad, Comoros, Congo, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Guinea, Guinea-Bissau, Kenya, Madagascar, Malawi, Mauritania, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Solomon Islands, South Africa, South Sudan, Sudan, Swaziland, Togo, Uganda, United Republic of Tanzania, Yemen, Zambia, and Zimbabwe)

We, the African Forum and Network on Debt and Development (AFRODAD) welcome that your government voted in favour of the resolution **“Towards the Establishment of a Multilateral Legal Framework for Sovereign Debt Restructuring Processes”** in the United Nations General Assembly (A/68/L.57/Rev.2). In the last 30 years, many Sub Saharan African countries were forced to accept severe economic and social consequences as a result of protracted debt crises, due to the unfair and inefficient creditor-dominated regime of how debt crises are managed.

Sovereign debt crises are an inherent element of the modern global economy. Thus, no debt crisis will ever be the last one in history and we are not immune. Consequently the global economy urgently needs a framework to overcome such crises whenever and wherever they arise. In Sub Sahara Africa, we observe that external debt stocks are rising. In some countries, debt indicators have already reached critical levels again. In case of new debt crises, there is still no mechanism that can deal with a crisis in a fair, fast and efficient manner. This gaping hole in the international financial architecture comes at the cost of our children’s prospects.

We are convinced that the UN General Assembly process to create a multilateral legal framework is a historic chance for developing countries to change “the rules of the game”. We therefore highly appreciate that you support this process for reform, which is proven by your vote on the 9th of September 2014.

We want to encourage you to constructively engage in the upcoming intergovernmental negotiations on establishing the multilateral legal framework for sovereign debt restructuring processes during the sixty-ninth session of the UN General Assembly. The details of the modalities have been made concrete already in the resolution on the modalities of the process (A/C.2/69/L.4/Rev.1).

The first meeting for the negotiations will be on 3 to 6 February 2015 in New York. Two further meetings will follow between April and July 2015 respectively. The modalities explicitly provide that civil society shall be consulted as well in the process. We therefore kindly ask that on behalf of your country, you actively contribute to the inter-governmental negotiations with own proposals after consultation with civil society, so that our catastrophic debt history will never be repeated. We stand ready for dialogue and support you in your efforts as much as we can.

The development of a framework is a matter of justice and it must not be delayed any further.

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