



SUPPORT MEMORANDUM

2nd March 2023

S. 4747 Hoylman-Sigal/A. 2970 Fahy

My name is Jason Rosario Braganza, and I am the Executive Director at a Pan-African Civil Society Organisation called the African Forum and Network on Debt and Development (AFRODAD) based in Harare, Zimbabwe and working across the African Continent. We were established in 1996 to advocate for debt cancellation and addressing debt related issues in Africa. Over the past 25 years, AFRODAD has built expertise on public debt management issues and its intersectionality with domestic resource mobilisation, and international public and private finance in Sub-Saharan Africa and continue to be concerned that African economies do not become highly indebted and in debt distress as in the 1980s. Since our establishment twenty-five years ago, we have always seen ourselves as bridging apparatus linking the global with continental and national, and vice versa with a Pan-African perspective.

Our work focuses on influencing African governments and institutions to adopt accountable and transparent public debt management policies and practices for sustainable development and eradication of poverty.

AFRODAD writes to support an urge adoption of Senator Hoylman-Sigal and Assemblymember Pat Fahy's New York Taxpayer and International Debt Crises Protection Act. The Bill provides a critical tool we need for private creditors to contribute their fair share to debt relief efforts.

Today, 23 African countries are either "In Debt Distress" or "In High Risk of Debt Distress". Their status primarily driven by the unequal sharing of the debt risk burden between lenders and borrowers. Commercial credit in the form of sovereign bonds has and continues to be a major contributor to Africa's debt woes with economies such Ghana, Zambia, and



Kenya all struggling to come good to the bondholders. And in the absence of a legislative framework that offers reprieve and breathing space on sovereign debt difficulties, more and more African countries will become vulnerable to defaulting on sovereign bonds.

The African Debt crisis has been accelerated by the global health pandemic; deepened by the climate emergency; and worsened by the Ukraine-Russia Conflict. Since the HIPC initiative, financing from Paris Club creditors to low-income countries (LICs) has increasingly taken the form of debt relief or grants, rather than debt-creating loans. We have articulated Africa's Debt problem in the [Harare Declaration](#) which further posits a reform agenda of the Global Debt Architecture including the proposals as the legislation you are sponsoring in the State of New York.

As we continue to advocate with world decisionmakers for a better international debt architecture and hope for more victories, we appreciate that the design of S 4747/A 2970 is not limited to the processes we have in place today, but provides teeth we may need in future configurations, too.

Please keep up the good work! We are grateful for your courage and support of this legislation.

Yours sincerely,

Jason Rosario Braganza

Executive Director

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