



AFRICAN FORUM AND NETWORK
ON DEBT AND DEVELOPMENT

PRESS RELEASE

Africa Group Calls for Overhaul of Global Financial Architecture at the FfD Preparatory Committee in Addis Ababa

[ADDIS ABABA, ETHIOPIA]-26th July 2024- As the [First Session of the Preparatory Committee for Financing for Development \(FfD\)](#) draws to a close this week in Addis Ababa, the Africa Group in the United Nations African have laid down a gauntlet for the road to Seville 2025 where the 4th Financing for Development Conference will take place. The Group called for a radical overhaul of the global financial architecture that includes the establishment of “[Global legal Debt Framework under the auspices of the United Nations](#)”. The call coming against the realisation of the deep debt crisis afflicting African countries would lead to more defaults; a default on Agenda 2063; Africa’s development; and the [Sustainable Development Goals \(SDGs\)](#).

In his submission on addressing systemic issues at the preparatory meeting, AFRODAD’s Executive Director, Jason Rosario Braganza, stated “[The International Financial Architecture and its accompanying institution are not working. We need a system that is fair, equitable, and sustainable.](#)” Indeed, multilateral organisations such as the World Bank and the International Monetary Fund continue to impose unfair policies on African countries and trap them at the bottom, entrapped in a vicious debt cycle and poverty.

The Financing for Development Agenda is anchored in the 1st and 2nd Monterrey Conferences of [2002](#) and [2008](#) called for resolving the challenge of sufficient and sustainable financing around the world, particularly in developing countries, towards achieving internationally agreed development goals. The Third International Conference on Financing for Development also known as Addis Ababa Action Agenda, expressed the need for a global framework for financing development post 2015 to support implementation of 2030 Agenda for Sustainable Development.

The [Addis Ababa Action Agenda of 2015](#) concludes with a major achievement but still a long way in delivering a global democratic governance architecture that benefits all countries, particularly developing countries. The UN Resolution on the establishment of a UN Framework Convention on Tax Cooperation Championed by The African Group of Countries Demonstrates Africa is ready to be a **Rule Maker not Rule** Taker. Conversely, as we journey to Spain, there exists a USD 4 trillion financing deficit for the SDGs, a systemic and structural debt crisis, and the existential threat of climate change. The opportunity to extend the level of ambition in addressing the debt crisis has never been more appropriate.

Almost 40 percent of all developing countries are in a debt crisis. Africa’s debt alone stands at USD 1.8 trillion as of 2022 with close to half of African countries spending more on debt interest payments than on education, health, and public investment. Structural weakness in the current global economic governance and architecture that is characterised by irresponsible borrowing practices that undermine countries debt sustainability persists as among the root causes of continent's debt crisis, contrary to aspirations of the Addis Ababa Action Agenda Action plans on Debt and Debt sustainability.



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The [Civil Society Financing for Development Mechanism](#) emphasised submissions supporting a great number of Member States in calling for a reform of the global financial Architecture, across all 7 priority areas. AFRODAD as part of the mechanism especially, supports the call by The Africa Group for a global legal framework that will potentially level playing field for both creditors and debtors in debt restructuring, promoting creditor transparency, and tackle the challenge of rising debt levels.

With preparations now off to a catalytic start, African and Africans Citizens must make the most out of FFD4 to ensure the installation of a framework and international financial architecture that will guarantee the continent long-term and sustainable financing and be free from perpetual indebtedness.

AFRODAD is a Pan-African organisation committed to assisting the long-term development of the continent; by promoting prudent debt and resource management, while also supporting the development of solutions to multiple intersecting crises

The Civil Society Financing for Development Mechanism is an open group bringing together civil society organizations, networks and federations that are interested and active in the Financing for Development Process and its interrelated domains.