



**Statement by H.E. Mr. Omar HILALE
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On behalf of the African Group**

**Preparatory Process of the Third International Conference on Financing for
Development
First drafting session
Sovereign Debt
New York, 29 January 2015**

Co-facilitators

I have the honor to deliver this statement related to sovereign debt on behalf of the African Group.

The global financial and economic crises of 2008 carried the risk of undermining gains made in relation to the debt of many developing countries. In order to accelerate growth for development and reduce poverty, many developing countries found themselves without alternative option than to resort to debt to finance their needs, resulting in increasing debt crises.

We should therefore provide technical assistance to countries to elaborate national strategies in order to monitor and manage external liabilities, including sound macroeconomic policies to reduce national vulnerabilities.

We also see the merit to provide adequate capacities of indebted countries during debt negotiations, debt renegotiations and for debt management.

We need to tackle the recurrence of unsustainable levels of debt and take necessary actions, in this regard. The situation demands the implementation of existing initiatives, including the flexibility with regards to the eligibility criteria of debt relief under the Heavily Indebted Poor Countries Initiative (HIPC) and the Multilateral Debt Relief Initiative (MDRI).

We should also put in place mechanisms to resolve the current debt problems of developing countries, particularly for Africa countries and the least developed countries, including through debt cancellation.

We emphasize also on the importance of sustained efforts towards achieving sustainable debt of middle-income countries, including by improving their sustainable debt management and through debt relief.

Bilateral donors and multilateral financial institutions should provide, particularly to least developed countries and low-income countries, grants and concessional loans as the preferred modalities of their financial support instruments to ensure debt sustainability.

We also have to make sure that resources provided by developed countries for debt relief should not detract from ODA resources intended to be available for developing countries.

Lastly, we need to establish an international debt resolution mechanism to guarantee, a just and equivalent treatment for creditors and debtors. In this regard, we welcome the adoption by the United Nations General Assembly of resolution 68/304 "towards the establishment of a multilateral legal framework for sovereign debt restructuring processes", and the Modalities for implementing this resolution, with the purpose to elaborate and adopt, through a process of intergovernmental negotiations, a multilateral legal framework for sovereign debt restructuring processes with a view, inter alia, to increasing the efficiency, stability and predictability of the international financial system and achieving sustained, inclusive and equitable growth and sustainable development, in accordance with national circumstances and priorities.

I thank you