



## Press Release

### **Secretary-General launches report to break “the cycle of debt distress”, ahead of Major UN Financing Conference**

*3.4 billion people now live in countries where debt interest payments are greater than expenditure on health or education*

New York, June 27, 2025 - The United Nations Secretary-General today presented new recommendations—[Confronting the Debt Crisis: 11 Actions to Unlock Sustainable Financing](#)—that aim to break the cycle of debt distress and lay the foundation for unlocking long-term, affordable financing that supports sustainable development.

With two-thirds of low-income countries now at high risk of—or already in—debt distress, the report highlights a growing crisis: soaring debt service costs are crowding out vital investments in education, health, and climate resilience.

“The current global debt system is unsustainable, unfair and unaffordable, with many governments spending more on debt payments than on essentials like health and education combined,” said the Secretary-General. “These 11 immediately actionable proposals can help resolve the debt crisis, empower borrower countries, and create a fairer system.”

Prepared by the **UN Secretary-General’s Expert Group on Debt**, the report reinforces the commitments put forward in the FfD4 Outcome Document and makes the case that an end to the debt crisis is entirely feasible—if opportunities are seized.

#### **Implementing Policy Priorities**

Acknowledging the dedication of the Expert Group, the Secretary-General emphasized that the actions, rooted in the Outcome Document, have the potential to drive both short-term impact in relieving pressures on indebted countries, and long-term impact

expanding access to long-term, affordable financing that drives sustainable development.

The actions are structured around three areas: reforming the multilateral financial system; strengthening cooperation among and providing technical assistance and capacity-building support to borrowing countries; and encouraging borrowing countries themselves to adopt policies and reforms that result in enhanced debt management and improved financing strategies.

They include efforts to normalize debt service pauses during crises, including climate-related disasters or other external shocks. This gives space for urgently needed resources to go toward crisis responses. Another area the UN is ready to support is the implementation of a Sevilla forum on debt.

### **About the Secretary-General's Expert Group on Debt**

Established in December 2024, the [Secretary-General's Expert Group on Debt](#) brings together global leaders and technical experts to identify actionable, politically viable solutions to the current debt and development crisis.

Led by the UN Conference on Trade and Development (UNCTAD) as Secretariat, with support from the UN Department of Economic and Social Affairs, UN Development Programme and UN Regional Economic Commissions, the Secretary-General called for urgency in implementation.

The Group is chaired by Mr. Mahmoud Mohieldin, UN Special Envoy on Financing for the 2030 Agenda, with co-chairs Mr. Paolo Gentiloni, former EU Commissioner for Economy; Mr. Trevor Manuel, former South African Finance Minister; and Ms. Yan Wang, Senior Researcher at Boston University's Global Development Policy Center.

### **About FFD4**

The [Fourth International Conference on Financing for Development](#), to take place in Sevilla, Spain, from 30 June to 3 July 2025, presents an opportunity to address these adverse debt dynamics and assist in getting development back on track.

The Conference is expected to adopt the *Compromiso de Sevilla*, an intergovernmentally negotiated outcome, which was approved for adoption by consensus at the Fourth Preparatory Committee Meeting for FFD4 (17 June 2025).

The Conference will mark the beginning of implementation of the Outcome Document, signaling a new phase of collective action on financing for development. Coalitions of countries and diverse stakeholders will announce ambitious commitments and solutions under the *Sevilla Platform for Action* that will operationalize the renewed financing framework and move from dialogue to delivery.

## **NOTE TO EDITORS:**

Please see below, the snapshot policy recommendations and visit [here](#) for the full report:

### **A. Multilateral reforms**

1. Repurpose and replenish existing funds to enhance liquidity support by extending maturities, financing loan buy-backs and reducing debt servicing amid crises
2. Normalize debt service pauses during crises, including climate-related disasters or other external shocks
3. Reform the G20 Common Framework
4. Reform the debt sustainability analysis to better reflect the position of developing countries
5. Re-channel Special Drawing Rights (SDRs) through the IMF's RST and MDBs where legally possible for scaled-up liquidity and development support

### **B. Co-operation between countries**

6. Establish a shared information hub to provide technical assistance and guidance on innovative financial instruments, including debt-for-development swaps
7. Establish a forum for borrowers to share knowledge and experiences, provide advice and enhance the effectiveness of their representation and voice in international forums
8. Expand technical assistance and capacity development to debt management offices and treasuries

### **C. National measures**

9. Strengthen institutional capacities to address liquidity risks, currency mismatches and interest rate exposure and improve debt management
10. Improve the quality of investment project pipeline and establishment of national country platforms
11. Reduce the transaction costs and raise the impact of debt swaps and other innovative financial instruments through scale, standardization and frequency and alignment with national development strategies

**Media Contacts:**

Francyne Harrigan, UN Office for Partnerships | [harriganf@un.org](mailto:harriganf@un.org)

Martina Donlon, UN Department of Global Communications | [donlon@un.org](mailto:donlon@un.org)

[END]