

**STATEMENT ON BEHALF OF THE AFRICAN GROUP BY THE
PERMANENT REPRESENTATIVE OF THE DEMOCRATIC
REPUBLIC OF THE CONGO AT THE SECOND SESSION OF THE
PREPARATORY COMMITTEE FOR THE FOURTH
INTERNATIONAL CONFERENCE ON FINANCING FOR
DEVELOPMENT (FfD4)**

3 December 2024

Distinguished Co-Chairs,

Excellencies,

Distinguished Delegates,

1. I have the honor to deliver this statement on behalf of the African Group.
2. We align ourselves with the statement delivered by the distinguished representative of Uganda on behalf of the G77 and China.
3. At the outset, allow me to express the African Group's appreciation for the Co-Chairs' leadership and the Secretariat's work in preparing this session. We appreciate the efforts invested in producing the elements paper, which sets a solid foundation for our deliberations during this session.
4. We also acknowledge the outcome of the Africa Regional Consultation held on 18-19 November 2024 in Addis Ababa. This consultation provided valuable insights and reaffirmed Africa's collective priorities for the Fourth International Conference on Financing for Development (FfD4).
5. The African Group appreciates the focus on systemic challenges in the international financial architecture outlined in the elements paper. However, it remains imperative to fully integrate Africa's unique perspectives to ensure the Outcome Document effectively addresses our development realities and aspirations.
6. Africa continues to face a complex array of challenges impeding sustainable development. Our external debt burden, which reached \$655.6 billion in 2022, accounts for 22.4% of the continent's GDP. Over 60% of African countries spend more on debt servicing than on healthcare, with some allocating four times as much to debt repayment

than to education and health combined. This situation undermines progress in critical sectors and deepens economic vulnerability.

7. The African Group reiterates its call for the establishment of a multilateral sovereign debt workout mechanism that is inclusive, transparent and timely. Additionally, we support the creation of a global debt authority within the UN to oversee this mechanism and ensure fairness in restructuring processes.
8. The issue of illicit financial flows (IFFs), which drain \$90 billion annually from the continent, remains a significant impediment to domestic resource mobilization. We advocate for a United Nations Framework Convention on International Tax Cooperation to promote equitable global tax standards. Strengthening domestic tax systems, addressing tax evasion and improving revenue collection are critical to expanding Africa's fiscal space.
9. Climate change continues to disproportionately affect Africa, despite the continent's minimal contribution to global emissions. The unmet \$100 billion annual climate finance commitment must be fulfilled, with financing mechanisms designed to ensure accessibility and predictability for African nations. It is essential that climate finance remains distinct from development finance to guarantee additionality and prevent resource diversion.
10. Private sector investment is indispensable for Africa's development. High borrowing costs, limited risk mitigation instruments, and inadequate capital markets deter private investment. To address this, the African Group advocates for expanding blended finance mechanisms, strengthening domestic capital markets, and promoting equity-based financing models. Additionally, remittance-backed instruments, such as diaspora bonds, can serve as innovative tools to mobilize resources for sustainable development.
11. Investments in frontier technologies are crucial to closing the digital divide and enhancing Africa's participation in the global innovation landscape. Artificial intelligence (AI), digital infrastructure and advanced analytics offer transformative potential for economic diversification and competitiveness. Africa requires targeted investments to build these capabilities while ensuring the continent's representation in global technological innovation.

12. Trade, a proven engine of development, faces significant barriers in Africa, including non-tariff measures and market access limitations. Full implementation of the African Continental Free Trade Area (AfCFTA) is projected to increase intra-African trade by 34% by 2045. Strengthening regional value chains will integrate African economies into global markets, ensuring long-term resilience and prosperity.
13. Reforming the international financial architecture is pivotal. The African Group welcomes the establishment of the African Credit Rating Agency, expected to begin operations in December 2024, to provide fairer and more representative assessments of African economies. This initiative is a critical step toward addressing biases in existing sovereign credit ratings and reducing borrowing costs.
14. In conclusion, the African Group remains committed to a collaborative and constructive approach in this process. We urge all stakeholders to work toward an Outcome Document that delivers actionable solutions to the challenges we face and paves the way for a fairer, more inclusive global financial system.

I thank you.