

G20 Interfaith Summit
Regional Consultation: Africa
Working Group on Debt
September 2nd, 2020
Recommendations

Background

Debt issues and overall finance will be central to the G20 deliberations and there will be further meetings of the G20 finance ministers. A number of religious groups are engaging with advocacy on the stand still issue including which countries are covered, dealing with China and the private sector. The issue of middle-income countries for Africa is important. One of the objectives is to get ideas on how to sharpen the analysis country by country and to strengthen the advocacy. Within the discussion it will be crucial to consider the interconnectedness of issues around debt, illicit financial flows, corruption, and reparations.

General Recommendations

1. Since South Africa is the only African country represented in the G20, the G20i should engage the South African Sherpa's office to ensure recommendations that are beneficial to all of Africa, are being put forward.

Challenge

African Countries and Africa as whole are largely dependent on developed economies. COVID-19 has made the existing inequality among African countries more visible, particularly the gap between rich and poor. (Cf. Pope Francis speaking on interdependence during Wednesday General Audience, Sept. 2nd, 2020).

Recommendations

2. Develop a strategy for Africa to become sustainable economies through fostering expertise and development in the countries.
3. Work towards equitable societies where everyone has access to the basic necessities regardless of their background and status.
4. Work with faith-based communities to build a global economy based on principles of solidarity and thereby reduce financial inequality within and among countries.

Challenge

Governments have made decisions that have been harmful to the weakest and poorest off the population, but beneficial to big business.

Recommendation

5. Ensure a structural separation between state and business where state consults business as any other stakeholder and is not unduly or exclusively influenced by business.

Challenge

Africa loses more money through illicit financial flows than it receives in aid, investment and loans combined and thereby creating and increasing inequality in Africa.

Recommendations

6. G20 needs to make sure that it includes strategies to curtail illicit financial flows from Africa and the developing world for example through combatting harmful tax competition and tax havens globally.
7. Strengthen international standards regarding beneficial ownership and automatic exchange of information.
8. Frozen assets should not be kept in banks that are complicit in receiving these assets. Rather they should be kept in an ESCROW account in regional development banks, which in the case of Africa is the African Development Bank. In addition, countries where illicit financial outflows have been held secretly should not have the prerogative of stipulating the conditions for their return.
9. Illicit funds, when recovered, should be returned to their countries of origin.
10. Strengthen the judicial system globally to ensure accountability and transparency in tackling illicit financial flows.
11. G20 should engage in a global discussion on reparations for historically incurred financial losses, stolen assets, and damaged resources and review the legitimacy of the debt of the African countries.
12. The G20i joins in the call for a comprehensive debt moratorium for African countries.