



SYMPOSIUM OF EPISCOPAL CONFERENCES OF AFRICA AND MADAGASCAR

Financing Crisis Recovery with Hope for the Most Vulnerable in Africa

**A Statement to the Participants in the 2022 Spring Meetings of the
World Bank Group and International Monetary Fund**

SECAM Justice, Peace and Development Commission

This statement is an invitation to the delegates to the 2022 Spring Meetings of the International Monetary Fund (IMF) and the World Bank Group to use the resources and the opportunities at their disposal to help shape an economy that better protects the dignity and basic rights of our sisters and brothers all around the world. We believe that this year's Spring Meetings will develop initiatives that will support governments to work for the benefit of all and avoid implementing measures that further isolate the poor and the vulnerable.¹ We are hopeful that delegates at the meetings are not meeting to merely discuss the global economy in terms of what it produces, but also by how it touches and promotes life, protects the dignity of the human person and protects the integrity of creation.²

We wish to amplify the voice of Pope Francis in defending the dignity of the human person and we reiterate his words to call for an economy that gives life rather than one that kills.³ As we work for recovery, we are not doing so in order to return to an unequal and unsustainable model of economic and social life, where a tiny minority of the world's population owns half of its wealth as millions live below the poverty line. We need to develop social and economic systems that support distribution of wealth and guide humans to be inclusive of all people and eliminate economic inequality from society.

Even though the Covid-19 pandemic has affected all peoples and has shown us how interdependent and interconnected we are, it has also revealed how divided and unequal our world is. Whereas, since the pandemic struck, advanced economies forcefully deployed fiscal and financial tools to respond to the crisis, African countries did not have means to mobilise sufficient resources for responding to the pandemic and had to make impossible choices between saving lives and jobs, or paying creditors. In a region that is home to two-thirds of the world's extreme poor, on account of the harsh economic impacts of Covid-19, 40 million more Africans fell into extreme poverty lacking access to basic goods and services like health, education, food, water, etc.⁴

We are concerned that our region remains the least vaccinated in the world, exposing our people to new coronavirus surges and economic disruptions, and prolonging the crisis. Progress towards the Sustainable Development Goals and achieving the African 2063 Agenda are under threat. Africa is also the continent most vulnerable to climate change, with effects visible in loss of arable land and water caused by drought, higher incidence of natural disasters and forced displacement. These are effects of an unsustainable economy that despoils creation. As Pope Francis' has stated, "we are faced not with two separate crises,

¹ Pope Francis, June 17, 2021 video message to participants at the International Labor Organization's "World of Work" summit.

² Address Of His Holiness Pope Francis to Participants at The International Conference Marking the 3rd Anniversary Of The Encyclical " Laudato Si' " available at https://www.vatican.va/content/francesco/en/speeches/2018/july/documents/papa-francesco_20180706_terzoanniversario-laudatosi.html

³ Francis, Pope. *Evangelii Gaudium-the Joy of the Gospel*. Word Among Us Press, 2014.

⁴ Schoch, M., & Lakner, C. (2020). The number of poor people continues to rise in Sub-Saharan Africa, despite a slow decline in the poverty rate. *World Bank Blogs*. Retrieved Sep 2nd.



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one environmental and the other social, but rather with one complex crises which is both social and environmental”.⁵

The health and economic impacts of the coronavirus crisis compounded pre-existing debt burdens in Africa. Debt as a proportion of the size of the African economy rose from 60% to 70% as demands on spending surged, and revenues plummeted. We reiterate the call of the President of our Regional Body of Catholic Bishops in Africa (SECAM), His Eminence Phillippe Cardinal Quedraogou, who in his 2022 New Year message wished “for our continent good economic recovery, free of debts that have been strangling it”. If we add to this the economic consequences of the war in Ukraine, such as the galloping inflation that is gaining ground everywhere, we can imagine that the situation will get worse for those who are struggling to survive, with the risk of food riots in famine-prone areas.

We call on G20 Finance Ministers and other world leaders gathering at the IMF/World Bank Spring Meetings, to put in place viable plans for Africa to emerge from the crisis with resilience and resume progress towards the Sustainable Development Goals, African Agenda 2063 and the Paris Agreement. We further call on world leaders to provide leadership and coordinate efforts to bring together public and private creditors to create mechanisms to reduce the unbearable debt burdens many countries in our region continue to face. These mechanisms should be used for effective and immediate debt payment suspension mechanisms for countries seeking support.

The agency and responsibility of African leaders is essential to achieving those goals, but will require a large dose of external support from the international community. The IMF last year created \$650 billion in Special Drawing Rights for coronavirus response and recovery aid. We welcome these resources which are fast, without conditions and add little or no debt, but we are concerned that out of this amount, only \$33 billion went to African countries.

We ask that wealthy countries, which received more than \$400 billion in that allocation, rechannel a significant portion of their SDRs to African countries to support local efforts for vaccine purchase and climate change adaptation. While the G20 commitment to rechanneling \$100 billion is a good start, we believe they can do more. We would also like to state that care must be taken so that the vehicles for SDR rechanneling protect debt sustainability and avoid conditioning transfers on policies that worsen poverty, human development or access to essential services.

We call for the start of a process towards a new SDR allocation, at a level sufficient to at least triple the resources Africa received last time. World leaders should also review the method for distributing SDRs so that their allocation is more aligned with recipients’ needs.

Finally, we call for a new international financial architecture that prevents future debt crises with three essential elements. First, the adoption of responsible lending and borrowing rules and policies, including debt contract disclosure and authorisation frameworks. Second, fair risk-sharing between creditors and debtors for natural disaster and other external shocks. Third, sufficient sources of concessional, long-term financing for development, with embedded policies to protect debt transparency and sustainability.

Accra, 19 April 2022

Bishop Sithembele Siphuka
First Vice President of SECAM and Commission Chair

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⁵ LS #139