

Mr. President, excellencies, ladies and gentlemen

Thank you for the opportunity to address the CoSP. I represent Eurodad – The European Network on Debt and Development – we're a network of over 60 NGOs in 28 European countries.

In a welcome step at the Fourth Financing for Development Conference, Member States reaffirmed their commitment to strengthen integrity in public financial management systems, and fully implement the United Nations Convention against Corruption (UNCAC), particularly to curb corrupt borrowing and lending. In this regard I would direct your attention to paragraph 48h of the Compromiso de Sevilla.

Despite the urgency of the debt burden, actions to address corruption in lending practices remain far from sufficient. Information on lending decisions, agreements, allocations, and conditions often remains undisclosed and unchecked by the public and oversight institutions.

As an example the World Bank found that less than 25% of countries provide loan-by-loan information on newly signed debt including name of lender, principal amount and financial terms.

Certain lenders and borrowing governments conceal debt information by inserting confidentiality clauses in lending agreements, that even hide the existence of the loan itself, or by failing to establish adequate disclosure mechanisms.

When debt is negotiated and managed in secrecy, loan resources are often lost to corruption, undermining investment in the Sustainable Development Goals, climate action and triggering fiscal crises. Debt transparency and accountability is a crucial preventive measure to ensure resources are well spent and to foster responsible lending and borrowing.

A powerful preventive measure for lending and borrowing on secret, corrupt, usurious or exploitative terms would be to make such contracts unenforceable. It would protect transparent borrowers and lenders and prevent this type of lending.

The 11th UNCAC CoSP is an opportunity for countries to build on the recent progress achieved at the Financing for Development.

Eurodad joins in calling on State Parties to **make new, ambitious commitments to combat corruption** in the mobilisation and expenditure of public funds, particularly by combating the corrupt acquisition and management of sovereign debt.

This includes implementing Article 9.2 to funds acquired via lending agreements, strengthening domestic frameworks to disclose and oversee debt management and reinforcing anticorruption measures in lending and borrowing practices.

We also point to implementing Article 12.3.D, calling for anticorruption by private lenders, ensuring the correct entry of liabilities in order to avoid off-balance sheet loans and contingent hidden liabilities.

In combination, we recommend strengthening and aligning the enforcement of Article 34 on the *Consequences of Acts of Corruption*. This should include measures and procedures for annulling and rescinding contracts that have been offered or entered into by means of corruption.

We have a list of recommendations in our joint written submission to the conference with Transparency International and others.

We recommend that Debt, Transparency and Corruption is addressed in a resolution to be presented and adopted at the next Conference of the States Parties.

Public debt should be Public.

I thank you!