LIPA MUN 2025

Committee: ECOSOC
Topic: the alarmingly rising debt in sub-Saharan Countries

Overview of ECOSOC Committee

The Economic and Social Council of the United Nations was founded in 1945 as one of the six main organs of the United Nations (including the General Assembly, the Security Council, the Economic and Social Council, the Trusteeship Council, the International Court of Justice, and the UN Secretariat) by the UN Charter, the founding text of this organization. Its purpose is to advance the three dimensions of sustainable development – economic, social (including human rights), and environmental. By weaving in economic, social and environmental topics in one structure, the UN charter aimed to encourage well-rounded and coherent policies on the topics discussed.

Regarding voting and debates, it is important to note that each year, ECOSOC structures its work around an annual theme of global importance to sustainable development. Moreover, this committee is composed of 54 member states, elected for three year terms. Unlike the General Assembly, ECOSOC aims to adopt resolutions and decisions by consensus whenever possible, meaning without a formal vote. When a vote is taken, each member state is given one vote, and simple majority voting is used for most resolutions. On certain occasions of high importance, such as the modification of ECOSOC rules, a two-thirds majority is required to pass a decision. While non-member of ECOSOC (for the three year period) states, NGOs, and UN specialized agencies may participate in discussions, they cannot participate in the votes.

ECOSOC has considerable power: it oversees the work of specialized UN agencies, commissions and programs (e.g. WHO, UNESCO); is responsible for addressing global issues relating to social development, environment and human rights; coordinates with the UNHCR; and elects members to other UN bodies. However, its power is limited by several policies: unlike the UN Security Council, it cannot impose sanctions, and it has no binding authority; its major decisions must be approved by the UN General Assembly; and it does not control funding (which is managed by the General Assembly).

His Excellency Bob Rae, ambassador and Permanent Representative of Canada to the United Nations, was elected the eightieth President of the 2025 session of the Economic and Social Council.

The alarmingly rising debt in sub-Saharan countries

With its growing, young population and wide array of natural resources, Africa is often seen as having an incredible potential for unparalleled economic growth, and its importance in the global economy is growing. However, following several crises in the 20th and 21th century, African countries, and particularly sub-Saharan countries, have fallen into unsustainable levels of national debt, hindering them from unlocking this economic potential.

These shocks in the past decades, that have arisen largely beyond the borders of sub-Saharan Africa, include the global financial crisis of 2008, which put the entire world economy to a halt. More recently, the COVID-19 pandemic and the Ukrainian war has also pushed sub-saharan countries into debt. This growing debt has led to sub-saharan countries falling into a vicious cycle: while debt serves a critical function for development, the rate at which debt is rising has constrained growth (and investment for development) to the point that it has limited sub-saharan countries' ability to cope with future crises in any other way than further increasing debt.

With each new shock, the debt has risen to a level that is very alarming for the development of sub-saharan countries (the vicious cycle explained above). Specifically, African's debt has increased by 183% since 2010, a rate roughly four times higher than its growth rate of GDP, dollar wise. The consequent lack of growth from sub-saharan countries implies the continuation of unequal trade and political ties with developed countries, limitation of global development, and dangerous social, political and (other) economic consequences, at a regional, national, and global level.

The committee will need to thoroughly address the causes of the rising debt in Sub-saharan Africa to effectively design solutions. Among those causes, the reliance on high interest rates loan from China, the World Bank (whose Structural Adjustment Programs, meaning strict condition on loans, often limit government spending on social services) , and private creditors will need to be addressed, as well as the COVID-19 economic contraction aftermath. Moreover, it is important to note that these countries often heavily rely on exports of oil, minerals and agriculture, which are unstable sources of income subject to high price fluctuations, as with any commodity. Sub-saharan African countries also have a weak domestic revenue collection, due to tax evasion, corruption and inefficient tax systems, which increases their reliance on imports and loans. Moreover, climate change has led to a need for increasing spending, specifically for recovery efforts following the increasingly intense and frequent natural disasters.

The consequences of this debt crisis will also need to be debated, which include the fact that governments have found themselves in a situation where they spend more on repaying debt than on education, healthcare and infrastructure, and countries are rippled by higher poverty and unemployment. There will also need to be discussions relating to the effects of the dependence on external aid, the potential for currency depreciation and inflation, and the equally plausible political and social unrest steaming from this economic hardship.

Multiple Perspectives and Stakes

First and foremost, it is essential to consider that this issue is not at all regional to Sub-Saharan countries, but includes the direct high involvement of international creditors (IMF, World Bank, China, private Banks), civil societies and NGOs, and Regional Bodies (AU, AfcFTA), as well as the indirect intervention or effects on a wide variety of other international agents.

Among these agents, some are openly pin favor of debt relief and restructuring, meaning they advise for debt forgiveness and support to aid Sub-Saharan nations to recover economically. We can notably identify as the key supporters of this side Sub-Saharan African Countries (e.g., Nigeria, Kenya, Zambia, Ghana, Ethiopia), developing nations, some Western Countries (e.g., France, Canada, some EU members), and United Nations Agencies or NGOs (e.g., UNDP, World Bank reform advocates, Oxfam). They put forward the arguments that the debt forgiveness would lead to economic recovery, and allow governments to spend more on healthcare, education and infrastructure (instead of repaying debt), as well as investment in sustainable development. Moreover, they argue that the nations in questions were pushed into debt by historical injustices and unfair trade policies, where some foreign stakeholders use loans (especially China) as “debt traps” to gain control over key infrastructure (ports, railway, power plants, etc.). Regarding climate change, pro-debt forgiveness agents also promote the idea that forgiving debts would allow African nations oto better deal with the numerous consequences of this phenomenon they are to endure, mostly due to developed countries’ activities. These stakeholders want from the debate, apart from debt cancellation and moratoriums, lower interest rates and longer repayment terms, more transparency and longer repayment terms, and stronger African economic independence with less foreign controls.

On the diametric opposite, we can find stakeholders opposed to debt relief, specifically blanket forgiveness, meaning they argue that debt relief should be limited or conditional. These include China, US, UK, Japan, Germany, international banks, IMF, World Bank, private creditors and investment firms, and some African nations concerned about credit rating (e.g.: Rwanda, Botswana, Ivory Coast). Among their arguments, they fear that debt forgiveness might encourage sub-saharan governments to keep borrowing irresponsibly without financial discipline, hindering their movement away from over-reliance on foreign organizations. Anti-blanket forgiveness also stipulate that a large-scale debt cancellation could destabilize global financial systems and cause losses for banks, and that alternative solutions exist (e.g.: encouraging economic reforms, better tax collection, and investment in trade). For China particularly, if the debt was to be forgiven, it could lose strategic influence on African countries and financial returns on its project in the context of the Belt and Road Initiative. This side wants to obtain from the debate more strict loan agreements, focus on economic growth instead of aid spending, and protection of lender interest.

Keep in mind that most organizations’ and countries’ position is between the two sides (e.g. EU, IMF and World Bank to an extent, regional organizations), and focus on partial debt relief, transparency and fairer loan agreements, and stronger regional financial institutions.

Potential Pathways of Action

Due to the large-scale and historic aspect of this issue, there is a high level of controversy and disagreements regarding potential solutions. Major stakeholders have put forward the following different pathways.

As discussed in the previous section, the most prominent solution is debt relief, specifically cancellation, to be carried out in a similar manner as the HIPC. Some stakeholders also believe that the loans should be restructured to allow for longer repayment periods at lower interest rates, while others argue that a temporary debt moratorium should be imposed (like the G20 Debt Service Suspension Initivaties).

Many agents also put forward the solution of promoting responsible borrowing and transparency. This could be done by establishing policies to limit risky loans taken by sub-saharan governments (e.g.: only allowing loans for productive investment), mandating public disclosure of loan agreements to increase transparency, and attempting to reduce corruption in public finance management in these countries. This pathway brings up an issue regarding soverignity of sub-saharan countries.

An alternative solution could be focusing on economic reforms within sub-saharan countries, specifically strengthening tax systems to increase domestic revenue collection, creating initiatives to aid the economies in question diversify in other fields and reduce dependence on commodities (through investment in manufacturing, technological, and service sectors), and enhance regional trade to boost intra-African trade (e.g. supporting initiatives like AfCTA).

Lastly, many stakeholders also focus on addressing the (unfairly?) high-interest Chinese loans and encourage IMF and World Bank Policy to undergo policy reforms to provide more flexible loan conditions and support social spending.

mun reference

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