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The G20: Is debt relief for Africa in sight?

African governments spend as much as 22 per cent of their GDP on debt servicing. Thirty-two African nations spend more servicing external debt than funding healthcare, while 25 allocate more to debt than to education. It's a moral crisis that needs to be addressed, not only at fora like the G20 but by all the rich nations to which Africa is indebted.

The following articles explore the complex nature of debt relief.

The Cost of Inaction: Explaining Africa's Debt Distress in 10 Charts

"The African continent holds immense potential for sustainable development. It is rich in renewable energy resources – home to 60 percent of the world's solar potential, 30 percent of proven transition mineral reserves, and enough wind capacity to meet its electricity needs 250 times over. Unlocking this potential will require a significant scale-up in investment – both domestic and external – by 2030. However, rising debt burdens are making it increasingly difficult for many African countries to meet urgent spending needs while also investing in the future."

https://tinyurl.com/4wr4pvaa

How much do African countries owe?

"Debt is an important source of financing for development, but it needs to be sustainable. African debt has been growing significantly over the past decade. The composition of African debt has changed significantly. Previously, the majority of African external debt was owed to official creditors – high-income countries and multilateral lenders like the World Bank and IMF. Now, China and private creditors make up a large proportion of debt stocks, meaning more debt is non-concessional."

https://tinyurl.com/4mrmffbm

Shifting the Narrative on African Debt: Debt Default versus Development Default

At a time when many African countries face financial distress, the first African Union Conference on Debt has sought to influence the global narrative on African debt and to inspire confidence among creditors, investors and domestic constituencies.

https://tinyurl.com/37jempsf

Africa's borrowing costs are too high: the G20's missed opportunity to reform rating agencies

"One of the commitments the South African presidency of the G20 made in its policy priorities document at the beginning of 2025 was to push for fairer, more transparent sovereign credit ratings. And to address the high cost of capital caused by an elusive perception of high risk in developing economies."

https://tinyurl.com/mdnsaa3f

Africa resolves to reform G20 debt framework

"At the first-ever African Union Conference on Debt in Lomé, Togo, policymakers resolved to reform the G20 Common Framework, the debt relief effort forged during the Covid-19 crisis. The G20 Common Framework has been used for Ghana and Zambia's debt restructuring processes, but critics say it is slow, creditor-driven and no longer fit for purpose. The framework aims to co-ordinate official bilateral creditors, including Paris Club countries and China, to negotiate debt restructurings with a single official creditor committee, followed by negotiations with bondholders and commercial creditors."

https://tinyurl.com/4c2tfak8

Global Economists Demand Urgent African Debt Relief

"Over 20 prominent global economists, including Nobel Prize winner Joseph Stiglitz, have issued an urgent call for debt relief targeting low- and middle-income countries."

https://tinyurl.com/mr87kbmx

Caritas and religious leaders address debt-relief appeal to G20

"In a letter released by Caritas Internationalis, over 100 faith leaders around the world call on the finance ministers of the Group of 20 biggest economies to take concrete steps during the Jubilee year to end the scandal of poor countries spending more on debt repayment than on health and education."

https://tinyurl.com/34zj43tr

Groups blast lack of progress on debt issues during South Africa's G20 presidency

"A total of 165 organisations criticised South Africa for failing to make progress on debt sustainability issues during its presidency of the G20 major economies and urged it to push for reforms before it hands over to the US on December 1."

https://tinyurl.com/3f2pcpt4

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