



## Concept Note

**Title: Breaking the Chains of Unsustainable Debt Burdens in Africa through Debt Architecture Reforms, Reparative Justice and Financing for Development Process**

### Event Details

**Date & Time:** 10<sup>th</sup> April 2025

**Location & Venue:** Speke Resort and Convention Center Munyonyo.

Room Name: Regal

Time: 12:30PM EAT

**Co-organizers:** Akina Mama wa Afrika, Tax Justice Network Africa (TJNA), Trust Africa, African Women's Development and Communication Network (FEMNET) Uganda Debt Network (UDN), Southern and Eastern African Trade Information and Negotiations Institute (SEATINI)

**Participants:** Office of the Prime in Uganda, Representatives from the Ministry of Finance, UNECA, African Union (AU), Revenue Authorities, Civil Society Organisations, Academia, Private Sector, Members of Parliament, Policy makers, Central banks and Media.

### Background and Context

According to World Bank's [International Debt Report 2024](#), Sub-Sahara Africa's total debt stock as of 2024 was US\$864 billion with 40% owed to its official creditors (both multilateral and bilateral creditors) and 41% owed to its private creditors (Bondholders and Commercial Banks). Africa's debt service costs in particular have risen sharply with the continent spending up to \$164 billion in debt servicing in 2024, a monumental increase from a decade ago when [debt servicing costs stood at \\$61 billion in 2010](#), driven by high interest rates in the international capital market, particularly for countries with high levels of private debt that is also causing slow economic growth and depreciation of their currencies. This increased public debt burden not only threatens macroeconomic stability but also further constraining Sub-Sahara Africa's prospects for achieving the Sustainable Development Goals (SDGs). The opportunity costs of such high debt payments are enormous. Funds used for debt servicing could instead support healthcare, provision of clean water education, reduce the high unemployment and poverty rates and address climate crisis.

The launch of [Agenda 2063's Second Ten-Year Implementation Plan \(STYIP\)](#) represents a defining moment in Africa's journey toward sustainable economic growth, global influence, and self-determined development. The decade-long plan outlines a vision to reduce aid dependency, enhance Africa's role in global governance, and address the pressing need for strategies to finance the continent's

development. Also highlighted in the STYIP is the need for improved debt transparency, enhanced oversight of debt management, and better coordination between fiscal, debt, and monetary authorities to avoid debt distress. These measures alone, however, cannot fulfill the continent's growth ambitions without broader reforms to the global financial system that often leaves Africa at a disadvantage. The current global debt architecture reflects a system inherited from imperialism and colonialization, which continues to disproportionately favor the interests of wealthier nations and financial institutions. The status quo more than often leaves African countries to bear the burden of high-interest rates, punitive repayment terms, and a lack of flexibility in managing their debt. This systemic inequity forces African governments to allocate large portions of their budgets to service debt, rather than invest in critical sectors such as education, healthcare, infrastructure, and social development<sup>1</sup>. In 2023, African governments spent more than twice as much on external debt payments as healthcare, on average, and slightly more on external debt payments than education.<sup>21</sup> In total, 32 countries spent more on external debt payments than healthcare in 2023, while 25 spent more on external debt payments than education<sup>2</sup>. Therefore, it is not just necessary, but urgent, for Africa to continue actively strategizing, campaigning and advocating for a reformed global financial system that considers the continent's unique developmental challenges, and empowers African countries to manage their debts in ways that prioritize growth, sustainability and eventually exit the debt trap.

One avenue for driving the necessary change is through international forums like the Fourth Financing for Development Conference (FFD4), which presents a crucial opportunity for Africa to engage in shaping global financial policies. Africa must take advantage of this platform to call for a global debt restructuring framework that allow African nations to gain access to credit at reasonable terms, promote sustainable investment, and facilitate debt relief for countries in distress. Furthermore, the AU's theme of "Reparatory Justice and Racial Healing; Justice for African and People of African Descent through Reparations," provides an additional compelling reason for urgent debt reform. The legacy of colonialism, combined with centuries of exploitation, has left African nations with weakened economies, dependent on external creditors and vulnerable to the whims of global markets. By embracing the concept of reparative justice, African countries can demand that the global financial architecture acknowledges the disproportionate burdens of debt placed on the continent and works to redress this imbalance.

The STYIP acknowledges the catalytic interventions to achieve this is for the continent to have a global position on global matters. The time is ripe therefore for the continent to gather pace in this second phase and grab its rightful place in global economic governance.

## Objectives

The 11<sup>th</sup> Session of the African Regional Forum on Sustainable Development provides a unique opportunity to produce a collective position on demanding real structural changes of the international debt architecture that will provide the continent fiscal space to achieve the priorities in the second phase of implementation of Agenda 2063 and 2030 Sustainable Development Goals (SDGs). AFRODAD and partners working on debt, tax, trade and economic justice issues align with AFRSD's forum objectives and intends to bring other CSOs, government and other stakeholders together to concretely outline Africa's position on dealing with Africa's debt conundrum.

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<sup>1</sup> Mangani, R (2022). *The Political Economy of Debt in Africa: Critical Propositions to Stop the Bleeding*. Society for International Development. <https://afrodad.org/afcod3/wp-content/uploads/2023/04/The-Political-Economy-of-Debt-in-Africa-Critical-Propositions-to-Stop-the-Bleeding.pdf>

<sup>2</sup> Christian Aid. (2024). *Between life and debt*. Christian Aid.

[https://www.christianaid.org.uk/sites/default/files/2024-05/j474500-media-report\\_aw\\_spreads.pdf](https://www.christianaid.org.uk/sites/default/files/2024-05/j474500-media-report_aw_spreads.pdf)

The purpose of the side event will therefore be to:

1. Discuss the opportunity of the UN Financing for Development process for the establishment of a fair and transparent multilateral sovereign debt resolution mechanism in order to deliver on sufficient debt restructuring and cancellation for all countries in need to be able to fulfil its international human rights obligations, achieve the SDGs, ensure gender equality, and implement the necessary climate actions;
2. Concretise Africa's position amidst calls of reform of the Global Financial architecture: Presentation of AFRODAD's research paper on Global Architecture Reform
3. Discuss the link between reparations to ongoing global initiatives such as Financing for Development, and explore how these processes can be better aligned to support Africa's structural transformation needs and its aspirations for reparative justice

#### **Panelists/Moderator**

- Right Honorable Robina Nabbanjah – Prime Minister of Uganda
- Dr. Hanan Morsy, Deputy Executive Secretary and Chief Economist-United Nations Economic Commission for Africa (UNECA)
- Dr. Patrick Olomo, Head Economic Policy and Sustainable Development | Department for Economic Development, Trade, Tourism, Industry and Minerals, African Union Commission
- Faith Lumonya, Economic Justice and Climate Action – Lead, Akina Mama wa Afrika
- Jane Nalunga-Executive Director, Southern and Eastern African Trade Information and Negotiations Institute (SEATINI)

**Moderator: Jason Braganza, Executive Director, AFRODAD**

#### **Format**

The side event will be hybrid scheduled on 10<sup>th</sup> April 2025. The event will span 90 minutes, with the first 45 minutes dedicated to a panel discussion, followed by a Q&A session with the audience.

#### **Contact Persons**

In case of any questions or clarifications please reach out to the persons listed below.

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