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Addis Ababa, Ethiopia P. O. Box 3243 Tel. 517 700 Fax: +251-1-517844

**Draft Session Note: Panel 4: G20 Common Framework and the Current Debt
Conundrum in Africa: Is there a need for a New Debt Relief Mechanism**

African Union Conference on Debt

**“Africa’s Public Debt Management Agenda in Restoring and Safeguarding Debt
Sustainability”**

Lome, Togo, 12 to 14 May 2025

Panel 4: G20 Common Framework and the Current Debt Conundrum in Africa: Is there a need for a New Debt Relief Mechanism 13th May 2025, 9:00 – 10:30am

Background

Debt restructuring is the last resort to dealing with unsustainable sovereign debt to free up fiscal space for sustained growth and development. Over the past three decades, the international community has developed several debt relief initiatives through debt restructuring to help highly indebted countries reduce their debts to sustainable levels. One or a combination of these initiatives have been employed, starting with the Toronto Plan, Brady Plan, the Heavily Indebted Poor Countries (HIPC) Initiative, Multi-lateral Debt Relief Initiative (MDRI), the Debt Service Suspension Initiative (DSSI), and the newest debt restructuring scheme, the G20 Common Framework. However, many of these debt relief initiatives, including the G20 Common framework, have come with shortcomings in effectively dealing with the continental high indebtedness challenges to the extent that some debt managers have called for a new debt relief mechanism to deal with the situation. This panel discussion delves into public debt restructuring as a panacea to the current debt crisis on the continent, discussing the G20 Common Framework, whether it is fit for purpose, and proposing needed reforms to improve its efficacy. The discussion will also highlight whether there is a need for a new debt relief mechanism beyond the G20 Common Framework. This session offers invaluable insights for policymakers, scholars, and practitioners seeking to address the effectiveness of debt restructuring in Africa.

Moderator:

Mr. Jason Rosario Braganza, Executive Director, the African Forum and Network on Debt and Development (AFRODAD)

Panellists and Questions

Dr. Edward Brown, Senior Director of Research, Policy, and Programs, African Centre for Economic Transformation

- The G20 Common Framework was designed to address the growing debt crisis in low- and middle-income countries, including African nations. Based on its current implementation, how effective do you think the framework has been in achieving meaningful debt relief? Are there specific successes or failures that we can learn from so far?
- Given the slow progress and limited participation in the G20 Common Framework since its inception, how can the framework be reformed to address the specific needs of African countries, such as faster restructuring timelines and broader creditor participation (including private lenders)?

Hon. Dr. Addis Ababa Othow, 1st Deputy Governor, Bank of South Sudan

- One of the major criticisms of the current debt restructuring process under the G20 framework is the difficulty in involving private sector creditors. How can the international community create stronger incentives or mechanisms to ensure private creditors engage constructively in debt relief efforts, particularly in the context of African economies?
- Given that only a handful of African countries have utilized the G20 Common Framework since its inception, what specific structural limitations have made this mechanism ineffective for addressing Africa's current debt crisis, and how might these be remedied?

Hon. Mr. Michel DZOMBALA, Vice-Governor of BEAC

- Given that the G20 Common Framework has faced challenges in addressing Africa's unique debt situation, do you believe there is a need for a completely new debt relief mechanism? If so, what key elements should this mechanism include to better support African nations in avoiding further debt crises?
- The G20 Framework has struggled to secure consistent private creditor participation. What binding mechanisms or incentives could be implemented to ensure private lenders participate equitably in debt restructuring for African nations?

S.E.M Mr. Ilidio Vieira Té, Minister of Finance of Guinea Bissau (TBC)

- With China and other emerging economies playing a significant role in Africa's debt landscape, how can the G20 engage non-Paris Club creditors more effectively to ensure comprehensive and equitable debt restructuring across all creditor types?
- How does the G20 Common Framework compare to previous debt relief initiatives like HIPC/MDRI regarding eligibility criteria and outcomes? What lessons from these programs should inform a new African-focused debt relief mechanism?

Dr. Rafael Otieno, Director-General, DMO, Kenya

- Many African nations face a dual challenge of debt distress and slow economic growth, exacerbated by external shocks such as the COVID-19 pandemic and climate change. How should debt sustainability analyses evolve to account for these factors more effectively, and how can international institutions help create the conditions for sustainable growth in debt-constrained African countries?
- Given the AU's push for continental financial autonomy, what role should pan-African institutions like the proposed African Monetary Fund play in designing and implementing a more responsive debt relief framework?

Q & A from the audience

- The moderator will facilitate questions from the audience directed towards any of the panelists. Panelists are encouraged to contribute to providing comprehensive responses to these inquiries, while adhering to the allocated time constraints.

Key takeaways/summary of the discussion and way forward

- Moderator summarises the key insights and issues raised, as well as the action points to take forward for consideration, action and advocacy.