AFRICAN FORUM AND NETWORK
ON DEBT AND DEVELOPMENT

Joint African Union (AU) 9th Session of the Specialised Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning and Integration & 5th Session of the Specialised Technical Committee (STC) on Trade, Tourism, Industry and Minerals

20 - 24 July 2026 Abidjan, Côte d'Ivoire

Concept Note

Side Session Details

Title: Debt Restructuring under the G20 Common Framework – Lessons, Limits, and Alternatives for Africa

Duration: 90 minutes

Date: 23rd July 2026

Time: 3pm-5pm WAT

Venue : Sofitel Hotel Abidjan, San Pedro Room

Background and Context

Rising debt vulnerabilities across low-and-middle income countries, particularly in Africa have renewed focus on the effectiveness of global debt resolution mechanisms. The G20 Common Framework, launched after the expiration of the Debt Suspension Service Initiative (DSSI) in December 2021, brought together Paris Club and non-Paris Club official creditors and encouraged comparable treatment from private creditors under IMF-supported programs at the height of the COVID-19 pandemic.

The common framework builds on earlier coordinated approaches such as the Heavily Indebted Poor Countries Initiative and Multilateral Debt Relief Initiative, which delivered deep debt relief including cancellation. While it was intended to improve creditor coordination and deliver timely, orderly debt resolution, implementations have revealed significant shortcomings. Countries that have joined, such as Chad, Ghana, Zambia and Ethiopia, have experienced varied timelines, negotiation dynamics, and outcomes. While the Framework has facilitated creditor coordination in some cases, it has also exposed structural challenges, including delays in reaching agreements, difficulties in securing private creditors' participation and complexities from diverse creditor profiles.

Indeed, a central challenge across all countries has been the treatment of private creditors. While the framework relies on the principle of comparability of treatment, there is no binding mechanism to ensure timely and adequate participation by private bondholders and commercial lenders. This has led to coordination delays in finalizing restructuring agreements, and concerns about uneven burden sharing between official and private creditors. In some instances, private creditors have held out for more favorable terms prolonging uncertainty for debtor countries and in the case of Ethiopia threatening legal action. Domestic debt consideration has also become more prominent, as seen in the case of Ghana, where internal debt restructuring has had significant economic and social implications.

The Role of the African Union: Leveraging G20 Membership

The African Union's admission as a permanent G20 member in September 2023 can provide a structural opportunity to rewrite the rules of sovereign debt treatment. In its inaugural conference on debt in Lome, Togo, which produced the Common African Position on debt, calls for a time-bound, restructuring process, a clear and universally accepted methodology for comparability of treatment, automatic suspension of debt service for the duration of restructuring negotiations, expanded Common Framework eligibility for middle-income countries and a legal mechanism to enforce compliance with restructuring agreements once reached. The AU has also backed the call for a UN Framework Convention on Sovereign Debt as a more inclusive, rules-based alternative to the CF. AU membership gives Africa a seat, but converting that seat into a binding change in creditor behavior will likely require the AU to use its G20 seat to push a concrete, numerical definition of comparability of treatment rather than continuing to accept a principle each creditor group interprets differently and act as a bridge between the G20 process and the UN Framework Convention track, so the two are not played off against each other by creditors reluctant to accept binding rules.

Purpose of the Session

The side session is designed to facilitate a focused exchange of experiences among government officials and civil society actors with direct technical involvement in debt restructuring processes. Drawing on the cases of Zambia, Chad, Ghana and Ethiopia, and looking ahead to countries such as Senegal that may face a restructuring decision in the near term, the session will examine how the Common Framework has operated in practice, identify persistent structural challenges, and generate practical ideas — including the AU's own emerging role — for improving debt restructuring outcomes for African countries.

Key Issues for Discussion

- Is the G20 Common Framework fundamentally fit for purpose or is it structurally limited by design? What do the country experiences reveal about constraints in addition to the implementation gaps
- What has the CF actually delivered in terms of speed, depth, and fairness of restructuring compared to past debt relief mechanisms?
- What are the real macroeconomic and social costs of delayed restructuring given the country experiences?
- Is "comparability of treatment" a workable principle in today's creditor landscape? Or is it a source of delay, contestation and strategic behaviour by creditor groups?
- What role should the IMF realistically play in sovereign debt workouts? Does its centrality improve coordination and credibility, or is it a source of delay and strategic creditor behavior?
- What is the appropriate role of the IMF in sovereign debt restructuring-coordinator, gatekeeper, or constraint
- Is the private creditor problem solvable within the current architecture? Or do persistent risks, litigation threats and profit incentives require fundamentally different enforcement mechanisms?
- What are the viable alternatives for African countries in the short term? E.g. coordinated standstills, regional bargaining blocs, contractual innovations or clauses?
- What are the long-term structural options beyond the Common Framework? E.g. rules-based global debt workout mechanism(UN Framework Convention on Sovereign Debt; a regional African debt resolution facility, or other institutional redesigns e.
- What should be the role of African Union to support African countries in debt restructurings especially since it is a permanent member of the G20?

Objectives

The session aims to:

- Critically assess the performance and limitations of the Common Framework using country evidence from Zambia, Chad, Ghana and Ethiopia
- Identify structural weaknesses in creditor coordination, comparability of treatment and private creditor participation
- Highlight macroeconomic and social consequences of delayed and long restructuring
- Move beyond reform rhetoric to evaluate whether alternative debt resolution mechanisms are needed for Africa e.g. a UN Framework Convention on Sovereign Debt
- Generate concrete, politically feasible short-term and long-term options for improving sovereign debt outcomes
- Strengthening evidence-based dialogue between policy makers and civil society on global debt architecture reform-including a multilateral debt resolution mechanism

Contact Details

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

Catherine Mithia (Ms.)
Policy and Advocacy Officer-Sovereign Debt Management
African Forum and Network on Debt and Development-AFRODAD
catherine@afrodad.org