



**AFRICAN FORUM AND NETWORK
ON DEBT AND DEVELOPMENT**

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A. CONTEXT AND PROBLEM

The International Monetary Fund (IMF) and World Bank sit at the core of global debt governance. They play a central role in shaping the economic trajectory African countries have assumed, and which sit at the heart of the recurrent indebtedness on the continent. Through decades of structural adjustment programs, austerity-driven loan conditionalities, and policy influence over national budgets, these institutions have promoted debt-dependent development models that prioritise creditor repayment and macroeconomic "stability" over inclusive growth.

Policy solutions promoted by the IMF and the World Bank have routinely focused on fiscal tightening, deregulation, and privatisation. The consequences have included weakening local industrial base and productivity and increasing reliance on borrowing to mobilise resources to finance development in African countries. Worse still, the IMF and the World Bank have failed to address the underlying structural causes of debt in Africa. This includes unfair trade rules, inefficient and costly debt restructuring workouts, illicit financial flows (IFFs), and vulnerability to cascading shocks at the heart of a narrow tax base and commodity. This has left many African countries constrained by slow budget growth and increasing development needs that cannot be met without countries borrowing their way to unsustainable levels. The conditions of budget growth in African countries have, for several decades, followed the policy prescriptions of the IMF and the World Bank. Its weak performance compared to skyrocketing debt figures owed by African governments bears testimony to the outcomes of these policy prescriptions.

For instance, for over a decade, Africa's budget has only grown from USD 255 billion in 2014 to about USD 523 billion in 2024. This is by far outpaced by rising [General Gross Government Debt](#), which reached over USD 1.8 trillion in 2024, up from just USD 375 billion in 2014, barely USD 6 billion in the 1970s and USD 126 billion at the end of 1987. This trend under the heavy policy direction of the IMF and World Bank makes Africa the only region in the world where [debt is growing faster than gross domestic product](#) (GDP) share of countries with a debt-to-GDP ratio of over 60 percent, from 25 to 46 percent between 2013 and 2023. At the moment, 9 African countries are classified as being in debt distress (unable to meet their debt obligations), and about 17 African countries are at high risk of debt distress.

From [UNCTAD Reports](#), the continent's share of high-debt countries has increased from 25% in 2013 to over 46% in 2024, signalling rising financial distress. The [median public debt-to-GDP ratio in Africa](#) increased to over 61.9% in 2024, making the region home to a growing number of highly indebted countries.

The IMF and World Bank in lieu of offering transformative, long-term solutions, have entrenched a system that keeps African economies vulnerable, underfunded, and constrained in their policy choices. They are at the forefront of the global financial architecture, rooted in colonial legacies, which exacerbates Africa's debt burdens by prioritising creditor interests over African development and structural transformation that can ease domestic resource mobilisation and reduce the dependence of African countries on borrowing. A key vulnerability is IFFs, which have risen from over USD 50 billion annually according to the [High Level Panel Report of 2015](#), to nearly USD 90 billion according to an [UNCTAD report in 2022](#), exceeding the USD [53.5 billion in official development assistance](#) received by Africa in 2022, making the African continent a net creditor to the world. This architecture imposes [constraints on access to finance](#), high debt restructuring costs, and foreign currency-denominated debts, leading to [high bond yields averaging](#) 11.6% compared to 3.1% and 1.5% for the USA and Germany, respectively. The changing creditor landscape, with China and private lenders becoming more prominent while concessional finance from institutions like the World Bank and the IMF dwindles, further increases borrowing costs.

While the World Bank and IMF have initiated debt relief programs like the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI), these have been ["too little, too late"](#) and often come with conditionalities reminiscent of failed Structural Adjustment Programs (SAPs) imposed by the IMF and the World Bank on African countries and which are being continuously brought back through current IMF and World Bank fiscal stabilisation and lending programs in African countries. With this system, African countries have been condemned to face [high borrowing costs](#), with the average cost of borrowing being 9.8% compared to 6.8% in Latin America and the Caribbean, 5.3% in Asia, and Oceania. This is even higher than borrowing costs for developed countries like the United States and Germany, where bond yields average 2.5 and 0.8, respectively.

Because of this, debt servicing costs in Africa have doubled over the past decade, with governments allocating a larger share of revenue to interest payments, limiting spending on essential services like health and education. The changing creditor landscape and dwindling concessional lending for Africa exacerbate this issue. [Over 44% of African debt is currently owed to private creditors](#), indicating that borrowing from private sources on commercial terms is more expensive. This is quite a significant gap compared to 34% and 23% for multilateral and bilateral lending respectively. These trends aggravate global and regional inequalities, with Africa being one of the most unequal continents. [The world's 10 poorest countries](#) are former colonies, most located in Sub-Saharan Africa, and many have faced or continue to face conflict or instability. These include Burundi, Central African Republic, South Sudan, Somalia, Mozambique, Democratic Republic of Congo, Liberia, Sierra Leone and Malawi. [These countries pay significant net foreign income to the rest of the world](#), which limits their capacity to invest in areas such as infrastructure, healthcare, and education, key to lifting them out of poverty. Countries like Ghana,

Zambia, and Ethiopia are facing significant hurdles in restructuring their debt under the G20 Common Framework.

B. ROLE OF THE IMF AND WORLD BANK

The World Bank and the IMF, for decades, often present as partners in development but the macro development policy frameworks have, in many instances, exacerbated Africa's debt vulnerabilities, prioritising creditor interests over the long-term development needs of the continent. This has led to a situation where African countries are trapped in a cycle of debt, hindering their ability to invest in essential services and achieve sustainable growth. Some of the policy paths leading to debt distress have included:

i. Structural Adjustment Programmes (SAPs)

In the 1980s and 1990s, the World Bank and the IMF imposed SAPs on many African countries as a condition for receiving loans. These programmes often required governments to cut social spending, privatise state-owned enterprises, cut public sector wages, and liberalise trade. These policies, while intended to promote economic efficiency, often led to devastating consequences, including increased poverty, inequality, and environmental degradation. The reduction in social spending undermined essential services like healthcare and education, while trade liberalisation exposed local industries to unfair competition from developed countries.

ii. Fiscal Stabilisation and Lending Programmes

The IMF and World Bank continue to exert influence through fiscal stabilisation and lending programmes. These programmes often require African countries to implement austerity measures, further squeezing already strained budgets and hindering their ability to invest in critical infrastructure and social programmes.

iii. Promoting Borrowing

The World Bank and IMF have, at times, encouraged African countries to borrow heavily to finance development projects. While investment in infrastructure is crucial, the terms of these loans, often denominated in foreign currencies, have left African countries vulnerable to currency fluctuations and rising interest rates. This has contributed to the continent's growing debt burden, which reached over USD 1.8 trillion in 2024.

iv. Prioritising Creditor Interests

The IMF and the World Bank do not put the development interests of African countries at the heart of their policy interventions. They rather prioritise creditor interests through various means:

- **Conditionality:** Debt relief initiatives, such as the HIPC initiative and the MDRI, have been criticised for being "too little, too late" and for imposing stringent conditionalities that undermine national sovereignty and hinder development. These conditionalities often mirror the failed policies of SAPs, perpetuating the cycle of debt and dependence.

- Limited Debt Relief: The debt relief offered by the World Bank and IMF has often been insufficient to address the underlying structural causes of Africa's debt crisis. This has left African countries vulnerable to recurrent debt distress, hindering their ability to invest in long-term development.
- Unequal Borrowing Costs: The global financial architecture, in which the World Bank and IMF play a central role, imposes constraints on access to finance, high debt restructuring costs, and foreign currency-denominated debts, leading to high bond yields averaging 11.6% compared to 3.1% and 1.5% for the USA and Germany, respectively. This system condemns African countries to face high borrowing costs, with the average cost of borrowing being 9.8% compared to 6.8% in Latin America and the Caribbean, 5.3% in Asia and Oceania.

Consequences for African Development

- Reduced Spending on Essential Services: Debt servicing costs have doubled over the past decade, forcing African governments to allocate a larger share of revenue to interest payments, limiting spending on essential services like health and education.
- Hindered Economic Growth: The debt burden and associated austerity measures have stifled economic growth, hindering Africa's ability to achieve its development goals.
- Increased Inequality: The policies promoted by the World Bank and IMF have often exacerbated inequality, leaving many African countries among the most unequal in the world.

On the other hand, African countries still have very little say in decision-making in the World Bank and the IMF, with less than [10% vote share in the IMF board](#), and the 46 countries in sub-Saharan Africa are represented by [only two executive directors](#). This imbalance keeps on pushing Africa to remain a Rule Taker, instead of occupying her rightful place as a Rule Maker

C. ACCUSATIONS AGAINST THE IMF & WORLD BANK

ACCUSATION 1: Constrain African governments down the path of debt-driven and debt-dependent development models that prioritise creditor interest over the development interests of African citizens

The culpability of perpetuating the neoliberal model of economic growth that favours free markets and minimal government intervention is, in fact, debt-driven. Established in the aftermath of World War II, the primary objective of the IMF was to assist countries in managing balance of payments problems, promote economic development, and stabilize financial systems. However, their involvement in African countries has become increasingly contentious, especially in light of their role in perpetuating cycles of debt dependency. Since the 1980s, the IMF has lent to African countries on condition that they pursue rigid neoliberal policies that include privatisation of services, cutting regulation, deregulation (opening markets to foreign trade), and reduced government spending on social sectors such as health and education. It has had devastating effects, including poor economic performance and increased poverty in Africa. Today, they covertly continue imposing the same in the guise of providing 'technical advice or assistance.' By enforcing these reforms, the IMF effectively traps African countries in a cycle of dependency, where they are forced to rely on external loans to meet their development needs, resulting

in repeated borrowing and mounting debt. Furthermore, IMF loan programs often fail to address the root causes of balance of payment difficulties such as weak infrastructures and heavy reliance on raw commodity exports that are highly susceptible to price fluctuations. In all this, African citizens have very little voice or say in how their governments involve them when they are engaging the IMF and World Bank, whether it is on loans, macroeconomic stability programmes or whether it is development projects that have been funded and financed or spearheaded by the World Bank. Public consultations are merely a tick-box exercise as they do not incorporate civil society propositions particularly in Africa.

Case Studies:

1. Cameroon – The Illusion of Infrastructure-Led Growth

Cameroon’s development narrative in recent decades has centered on ambitious infrastructure projects, driven by external borrowing and donor technical support. The Kribi Deep Sea Port, hailed as a gateway to regional trade, was conceived as part of the government’s “Vision 2035” plan to transform Cameroon into an emerging economy. However, the project has yet to catalyze broad-based economic transformation. Its benefits have largely accrued to multinational shipping and extractive companies, with limited linkages to local industrial growth ([World Bank, 2023](#)). Cameroon’s Extended Credit Facility (ECF) engagement with the IMF came amid declining oil revenues and rising fiscal pressures. The Fund’s conditions included civil service hiring freezes, public wage caps, and fuel subsidy phase-outs ([IMF, 2021](#)). While these reforms aimed to restore fiscal balance, they also reinforced a top-down development model that prioritizes macroeconomic targets over social equity.

These fiscal measures were implemented in a country with deep governance challenges, regional inequalities, and ongoing armed conflict in its Anglophone regions. Without complementary social investments and governance reforms, austerity measures have widened inequality, weakened service delivery, and pushed the state further into external borrowing to sustain development goals. This is not unique to Cameroon—Chad and Republic of Congo have experienced similar cycles of infrastructure-led borrowing under IMF surveillance, with weak transparency and poor development outcomes ([Oxfam, 2021](#)).

2. Nigeria – Repeating Cycles of Reform, Debt, and Dependency

Nigeria’s long history with IMF engagement reflects a cyclical pattern: crisis triggers intervention, followed by structural reforms that deepen vulnerabilities. Between 2015 and 2024, Nigeria’s public debt ballooned from ₦12.1 trillion to over ₦97 trillion, with over 90% of revenue spent on debt servicing ([DMO Nigeria, 2024](#)). As part of the IMF’s Rapid Financing Instrument (RFI) and broader macroeconomic advice, Nigeria was urged to undertake fuel subsidy removals, VAT increases, and revenue mobilization reforms ([IMF, 2020](#)). While these moves helped balance fiscal accounts, they sparked intense domestic backlash, especially the subsidy removal, which led to protests across major cities. In a country where social protection systems are limited, the poorest households bear the brunt of rising costs. Nigeria’s experience also reflects the fragility of its revenue architecture, where heavy reliance on oil, low tax compliance, and elite capture undermine reform sustainability. IMF-driven fiscal reforms often fail to consider these

deeper structural weaknesses, making them technically correct but socially and politically volatile. Other countries like Ghana and Zambia also faced social unrest after implementing IMF-advised austerity and tax reforms, underscoring how context-blind policy prescriptions can destabilize fragile economies ([Oxfam, 2021](#)).

3. South Africa – Mega Loans, Mega Disappointments

The case of South Africa reveals how even middle-income countries can fall into debt-heavy development traps when donor financing overlooks systemic governance risks. The World Bank's \$3.75 billion loan for the Medupi Power Station was meant to improve energy supply and support industrial growth. But the project was riddled with cost overruns, mismanagement, corruption, and technical failures, pushing national utility Eskom into a deeper financial crisis ([BankTrack, 2020](#)). Rather than alleviating energy poverty, Medupi led to electricity price hikes and contributed to rolling blackouts that continue to paralyze businesses and households. The World Bank's focus on infrastructure delivery overlooked the need for institutional reform and anti-corruption safeguards, turning what could have been a transformational investment into a long-term liability. Post-COVID, the IMF's emergency support to South Africa emphasized 5.5% of GDP in fiscal consolidation over five years, including public wage caps and reduced health and education spending ([IMF, 2021](#)). These cuts disproportionately affect low-income families and deepen historical inequalities inherited from apartheid.

This is not an isolated case—Kenya's Standard Gauge Railway and Uganda's Karuma hydropower project reflect similar failures of large-scale development financing in weak accountability environments ([Brookings, 2022](#)).

Legal Basis

The [IMF](#) and [World Bank](#) Articles of Agreement establish that the IMF and World Bank are obligated to conduct their operations with transparency and accountability to their member states. In contrast, the opaque handling of debt contracts and repayment terms, which excludes the active participation of African citizens, directly undermines the democratic principles mandated by these foundational agreements. Furthermore, the [African Charter on Human and Peoples' Rights \(Banjul Charter, 1981\)](#) explicitly requires States to ensure participatory rights and accountability in governance, a duty that is contravened when public consultation on development policies is reduced to a mere formality, thereby depriving affected populations of their right to be heard. In [SERAC and others v. Nigeria](#), the African Commission on Human and Peoples' Rights recognised that when policy-making processes are conducted without genuine public consultation, states risk breaching their duty to ensure that citizens have a real opportunity to contribute to decisions that affect their socio-economic conditions.

Additionally, the [International Covenant on Civil and Political Rights \(ICCPR\)](#) enshrines the right to meaningful participation in public affairs, reinforcing that economic and fiscal decisions, including those involving sovereign debt, must involve the input of the citizenry. Complementarily, the [International Covenant on Economic, Social and Cultural Rights \(ICESCR\)](#) obligates States to work towards the progressive realisation of economic and social rights; by forcing African governments into debt-driven

models that prioritise creditor interests over public welfare, these conditionalities systematically inhibit the effective allocation of resources towards the fulfilment of these rights.

The right of access to information is guaranteed under the Universal Declaration of Human Rights (UDHR, 1948), ICCPR, ACHPR, and several countries' national laws. This cycle of secrecy also curtails the full enjoyment of the right to access information.

ACCUSATION 2: Imposition of austerity measures on African governments that undermine social protection and public services for African citizens, impacting the realisation of human rights

Culpability for prioritising debt servicing over the provision of critical social services. International Financial Institutions (IFIs) like the IMF and the World Bank have continually prioritised debt repayments as a condition of the loans they provide. It is estimated that [43 African countries](#) will cut expenditures by USD 183 billion cumulatively between 2022 to 2026, and continue to spend 22 times more on debt servicing than social protection. According to [UNCTAD](#), a total of 3.3 billion people live in countries that spend more on interest payments than on either education or health. In 2019, 25 countries, 16 of which are African, spent more on debt repayment than on education, health, and social protection combined. Therefore, to address the prevailing debt burden and reduce the fiscal deficit, African governments are implementing austerity measures at the expense of investment in vital public services. Austerity measures aim to reduce government spending, increase taxes, and limit public debt. The IMF often requires countries to implement these measures as a condition for receiving financial assistance. Since a great amount of government revenue is spent on servicing debt payments, the fiscal space for social policy is minimised. Additionally, when we look at African countries' actual expenditure, what we find is that most countries spend less than one percent of their GDP on social assistance. A reason for this, in addition to political economy factors, is that most African countries carry budget deficits that make it difficult to create fiscal space for the financing of social assistance. Debt service burden is consuming an important share of countries' revenues, leaving them in a difficult situation to choose between servicing debt and investing in critical sectors.

Culpability for deepening injustice against women and girls. Cuts to health and education budgets in Africa to service debt disproportionately affect women who account for nearly 90% of the informal workforce and often assume the roles of primary caregivers and educators in their households. This reduction in funding results in worse health outcomes, higher school dropout rates for girls, and an overall decline in community welfare. AFRODAD's [Harare Declaration](#) states that the existing financial and debt systems do not support the goals of feminist justice through the socio-economic and political empowerment of women, as their patriarchal tendencies perpetuate inequality and discrimination. It is time to take reparative actions against the socio-economic and political disparities faced by women, girls, and Africans in general.

Case Studies:

Sierra Leone – Education and Health Sector Affected by Budget Cuts

Sierra Leone's IMF-backed austerity policies led to frozen education budgets post-Ebola, reducing access for girls and halting teacher recruitment ([ActionAid](#)). IMF-imposed austerity measures in the Global

South—particularly in Sierra Leone and Malawi—have had a profound and gendered impact on public health, education, and social protection systems. These policies, often justified as necessary for debt sustainability, constrain governments' fiscal space and limit their capacity to invest in essential public services. In Sierra Leone, the government was advised by the IMF to reduce its public sector wage bill to just 6% of GDP, well below the global average of 9%, despite a national health crisis marked by a shortage of over 170,000 nurses ([ActionAid, 2023](#)). As of 2021, the country had just 7.51 nurses per 10,000 people, compared to the WHO-recommended 83 per 10,000. Qualified professionals in Sierra Leone, like Martha, a 24-year-old nurse in Mbundorbu, continued to work under severe strain, sometimes seeing up to 150 patients a day—a direct outcome of recruitment freezes and underfunding of public health ([ActionAid, 2023](#)).

Malawi: Wage and Health Sector Caps

Malawi's IMF program limited wage increases and capped health spending, restricting the hiring of essential health workers during disease outbreaks. This deepened the caregiving burden on women in rural communities. ([AFRODAD, 2023](#)) Thus, Malawi experienced similar austerity-driven reforms, having been advised to freeze or cut its public sector wage bill for four consecutive years between 2016 and 2021. These constraints kept public sector spending below 8% of GDP and restricted the hiring of essential personnel in health and education despite dire needs in both sectors ([ActionAid, 2023](#)). This has contributed to high unemployment among trained professionals, service delivery backlogs, and burnout among remaining staff. It is therefore clear that these austerity measures disproportionately affect women, who make up the majority of the frontline health and education workforce and who are often employed under precarious or informal contracts. When services are underfunded or cut, it is women who must compensate through increased unpaid care work, further deepening gender inequalities ([ActionAid, 2023](#)). Additionally, women and girls rely heavily on public services for reproductive health, maternal care, and education sectors that are typically the first to suffer under spending cuts.

Tunisia: Austerity Protests Amid IMF Reform Programs

IMF loan agreements required Tunisia to cut public subsidies and reduce spending, sparking large-scale protests in 2018 and 2023. The poorest and most marginalised groups faced reduced access to essential services. ([Oxfam MENA](#)). IMF-imposed austerity measures in Tunisia have led to significant social unrest and economic challenges, particularly affecting the country's most vulnerable populations. In 2018, the implementation of the Finance Act, which included tax hikes on essential goods and services, sparked widespread protests across the nation. These measures, part of a \$2.8 billion IMF loan agreement, aimed to reduce the budget deficit but resulted in increased living costs and heightened public dissatisfaction. The situation escalated in 2023 when the IMF's conditions for a nearly \$2 billion bailout included cutting public subsidies and restructuring state-owned enterprises. These reforms were met with strong opposition from the Tunisian General Labour Union (UGTT), which argued that such measures would further impoverish the population. Mass protests ensued, with citizens expressing their discontent over rising inflation, food shortages, and perceived threats to their livelihoods. President Kais Saied also voiced concerns about the IMF's conditions, warning that they could lead to civil unrest and undermine social

peace. Despite an agreement in principle, negotiations between Tunisia and the IMF have stalled, reflecting the deep-seated tensions surrounding austerity policies and their impact on the nation's socio-economic fabric.

Legal Basis

The imposition of austerity measures by the IMF and World Bank, which require states to cut spending on health, education, and welfare, directly undermines the legally protected rights enshrined in the [International Covenant on Economic, Social and Cultural Rights \(ICESCR\)](#). Under Articles 9, 12, and 13 of the ICESCR, to which most African states are party, there exists an unequivocal obligation to guarantee the right to social security, ensure access to the highest attainable standard of physical and mental health, and realise the right to education for all. The United Nations Committee on Economic, Social and Cultural Rights, in its [General Comment No. 3](#), emphasises that even under severe resource constraints, states must protect vulnerable members of society by adopting low-cost, targeted programs. Austerity measures that reduce public expenditure on essential sectors fall far short of employing “maximum available resources,” thereby breaching the non-derogable duty stipulated under Article 2(1) of the Covenant.

Moreover, the regressive nature of austerity measures results in a disproportionate impact on marginalised and vulnerable groups. The UN [Report on Austerity Measures and Economic and Social Rights](#), submitted under General Assembly Resolution 48/141, has made it clear that austerity policies can only be justified if they are temporary, necessary, proportionate, and implemented only after all alternative approaches have been exhausted with genuine public participation. However, statistics from UNCTAD and the World Bank demonstrate that in many African states, debt servicing now consumes more resources than that allocated for social protection, which effectively diverts critical public finance away from those most in need, particularly women, youth, and informal workers. Further, the [Convention on the Elimination of All Forms of Discrimination Against Women](#) (CEDAW) mandates that States protect and promote women's rights; when austerity policies result in cuts to healthcare and social assistance that disproportionately affect women, such policies violate CEDAW's legally binding commitments. This practice violates the principles of equality and non-discrimination enshrined in Articles 2(2) and 3 of the ICESCR, as it systematically deprives vulnerable groups of their essential social rights.

In addition to these breaches under the ICESCR, the systematic dismantling of health and education systems, accompanied by fiscal policies that prioritise creditor interests over human development, amounts to a denial of the right to development. This right, as articulated in the [African Charter on Human and Peoples' Rights](#) (Article 22) and reinforced by the UN Declaration on the Right to Development, guarantees all peoples the right to economic, social, and cultural progress while safeguarding their freedom and identity. Austerity measures that erode social protection and public services not only stifle individual development but also compromise the collective progress of nations, thereby contravening these fundamental regional and international principles.

ACCUSATION 3: Promoting non-democratic policy designs that exclude the voices of African countries and citizens on major policy decisions that affect their daily wellbeing and prioritise market-based approaches that erode people's rights

Culpability for promoting private interests over public welfare. [The World Bank and the International Monetary Fund](#) have positioned themselves as the 'first responders' to the multiple crises of the past three years. This larger role has made more evident their often-problematic approach to public services and the gap that both institutions maintain between their occasionally progressive global rhetoric on public services and their practices at the country level. In the past decade, the IMF has been arguing that it has learned from past mistakes and that it has rectified practices to safeguard essential public spending. It points to instruments such as social spending floors and its strategies on social spending, gender and inequality. However, [civil society has for years been denouncing a substantial gap](#) between the IMF's rhetoric and its actual practice, including maintaining an arm's length approach to human rights obligations. Abundant evidence suggests that IMF policy advice and lending continue to prioritise fiscal adjustment over achieving adequate levels of public spending that guarantee universal access to quality public services. Economic and social rights, such as the right to social security, health and education, as well as the broader right to an adequate standard of living, including adequate food, clothing and housing, are all undermined by the Bretton Woods Institutions promotion of excessively constrained fiscal policies and aggressive privatisation that preclude states from delivering core public services and meeting their [international human rights obligations](#). Measures such as constraints to public sector wages, narrow targeting of social protection, cutting subsidies and increasing VAT continue to be routinely prescribed. Despite some short-term increase in health expenditure and targeted social protection at the peak of the COVID-19 pandemic, [since late 2020 several studies have documented an aggressive and premature return to austerity, in large part instigated by the IMF. The most recent estimates by Ortiz and Cummins indicate that 143 countries \(of which 94 are developing countries\) will contract their spending in 2023, meaning that 85 per cent of the world population will live under austerity measures](#). Additionally, the World Bank has continued to adhere to its blueprint for development which reserves a central role for the private sector and private finance in development and puts macro-economic stability and fiscal balance ahead of human rights. It favours market-oriented solutions for the delivery of public services and reflects a narrow interpretation of the role of the state, focused on minimising risk for the private sector. While the weaknesses of the state are continually highlighted, the private sector is rarely challenged. It is asked to step in to provide public services, instead of focusing on the biggest single contribution that it could make to public services; to pay their fair share of tax. Research that has analysed the World Bank's lending during Covid-19 in practice, found that it continued to advise countries to divert public resources to attracting private investment.

Culpability for promoting market-based approaches that erode people's rights to essential goods and services. IMF market-oriented solutions often include fiscal consolidation that forces borrowing countries to reduce government spending and increase tax collection to achieve fiscal balance, currency devaluation, trade liberalisation which requires borrowing countries to remove trade barriers and open up markets to international competition, privatisation of state-owned enterprises and deregulation have not resulted in high rates of growth and reduction in poverty since their implementation in Africa in the 1980s. On the contrary, privatisation leads to job losses where the public sector is often a major employer and has fuelled social discontent as citizens demand better conditions. The IMF's zealous approach to financial austerity and neglect of systematic intervention and the specificity attached to individual countries have set aside the developmental role of the state, despite evidence that it has

contributed to development in other countries. While it is no secret that austerity measures affect public finance which is required for financing social and economic rights, it is becoming increasingly apparent that civil and political rights are also being impacted by countries' economic status. An example is the case of Kenya discussed in detail hereinbelow where austerity measures proposed in the Finance Bill 2024 sparked widespread protests across the country. Alleged abductions and deaths have followed these protests, leading to citizens questioning the realisation of, inter alia, their freedoms of expression, right to assembly and right to life.

Case Study: SAPs

Broadly speaking, responses to SAPs by Africa are indicative of the above accusation. These responses included policies such as the Lagos Plan of Action and the Final Act of Lagos, both of 1980; the African Priority Programme for Economic Recovery of 1985; the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation (AAF-SAP) of 1989; and the African Charter for Popular Participation for Development of 1990. Adebayo Adedeji, at the time, Executive Secretary of the United Nations Economic Commission for Africa (UNECA), was at the forefront in designing these constructive frameworks to assist African governments in reversing the damage caused by the SAPs (Daniel & Nagar, 2016:29).

Case Study: Kenya

As of April 2024, Kenya faced loan maturities totalling KES 50 billion (USD 368.32 million) per week. In January 2024, Kenya spent KES 123.53 billion (USD 910 million) on debt servicing, and another KES 66.7 billion (USD 491.34 million) in February 2024 ([LVC Ground Report, 2024:1](#)). The Finance Bill 2024, which proposed 16% VAT on bread and bread supplies simultaneously suggested tax exemptions for motor vehicles used by the National Intelligence Service (NIS), packaging materials for tea processed by multinational corporations, and agricultural inputs for pest control, benefiting companies importing banned pesticides and harming the environment ([LVC Ground Report, 2024:1](#)). This fiscal trajectory reflected a broader pattern of regressive and austerity-driven policymaking that disproportionately impacts low-income populations while protecting elite interests. The duality of increased VAT on bread, an essential commodity for millions of Kenyans, vis-à-vis exemptions for state service providers, MNCs, and private agri-businesses exemplifies policy designs that are market-driven while exacerbating social and economic vulnerabilities for the majority of the citizens. While the 2024 Finance bill is now defunct, it is a window into the draconian austerity measures and market-based policies that the IMF and World Bank impose on developing countries (The Guardian, 2024).

In September 2022, soon after coming into office, Ruto scrapped the subsidies on maize flour and fuel as recommended by the IMF, and fuel prices in Kenya reached a record high in the first half of 2023, with prices reaching KES 182.70 (USD 1.13). Then, in the first quarter of the financial year to September, the government cut subsidy spending to zero as requested by the IMF ([Ford, 2024](#)). In July 2023, a new tax regime enshrined in President Ruto's Finance Act included doubling VAT on fuels from 8% to 16%, as recommended by the IMF, and fuel costs crossed KES 200 (Ford, 2024). The tax regime also meant an increase in taxes on *inter alia*, food and mobile money transfers. It also led to rationalising public sector

employment and taking a levy from all employees and employers to fund a problematic public-private partnership for “affordable” housing ([Bretton Woods Project, 2023](#)).

This had far-reaching consequences for majority of the population including rising prices of basic commodities which have impacted the poor and even more so, women “as prices for transport, cooking and many associated products go up” (Bretton Woods Project, 2023). “We used to get unga [maize flour] for [KES] 80 [or about USD 0.50], but now it’s 200 and something,” says Ngooma. “The people here are jobless. To get the money, just for a packet of flour is difficult. So, people eat only once a day” (Ford, 2024). “When you double VAT on fuel, the motorbike operator will need to part with a higher percentage of his income to pay this tax, as opposed to a CEO who might not even be aware of this price change because it is an insignificant part of his income” (Ford, 2024).

Case Study: Zambia

One of the requirements for Zambia during the 1992-1994 SAP was an overhaul of the public sector bureaucracies through disaggregation by segmenting large entities into fragmented ones and then privatising these smaller units to promote efficiency, relieve government of the operational cost burden, enhance business acumen and expand profitability (Silungwe & Silungwe, 2019:827). The country has been marked by a severe economic crisis, compounded by high inflation and a rising debt burden. To address this, in 2020, it sought support through the G20 Common Framework and the IMF’s Extended Credit Facility (ECF) program, securing a USD 1.7 billion loan over five years. However, this loan came with the condition that the government would apply austerity measures. In response, the government raised consumption tax (VAT) and increased the fuel and electricity tariffs (WEMOS, 2024).

SAPs, now ECF, have had the following effects:

- Unprecedented unemployment as people began to be retrenched with inadequate safety nets (Silungwe & Silungwe, 2019:827). In 1992, employment within the Zambia Consolidated Copper Mines stood at 56,500 but by the end of 1997, the number had fallen to 32,600, a drop in employment of nearly 24,000 (42.3%) (Silungwe & Silungwe, 2019:827).
- Increased public service costs because privatisation meant the removal of subsidies from public services such as water, healthcare, and education, which were heavily subsidised previously. This meant the introduction or increase of user fees in healthcare and education sectors, placing a heavy financial burden on low-income households.
- Social protection limitations through Zambia’s commitment to cost-reflective tariffs, a key conditionality by the IMF in its current loan to the nation ([ActionAid, 2023:17](#)). The Energy Regulation Board (ERB) anticipates average tariff increases of 17% between 2020 and 2025. Low-income households already spend a larger portion of their income on essential services like electricity. As opposed to wealthier households, poor consumers, often the larger percentage of a developing nation’s population, have limited capacity to absorb price increases which can directly translate to limited access to services and further social and economic marginalisation ([ActionAid, 2023:17](#)).

- Deterioration in child health and nutrition. Between 2020 and 2023, children’s immunisation decreased from 88.2% to 63.2%. In the same period, children with severe malnutrition rose from 0.7% to 3.1% (WEMOS, 2024).
- Rising inflation. Zambia’s inflation rate rose from 10.3% in July 2023 to 15.4% in August 2024. Food inflation reached 17.4% in July 2024, while the combined costs of housing, water, electricity, gas, and other fuels increased by 11.7% in the same month (WEMOS, 2024). Rising inflation has made everyday life more expensive for everyone, hitting low-income households the hardest. The impact is stark: between 2015 and 2023, the number of adults and children living in poverty and extreme poverty grew significantly (WEMOS, 2024).

	2015	2023	% Change
Poverty levels	54.5%	60%	+5.5
Extreme poverty	40%	48%	+8
Child poverty	66.5%	70.6%	+4

Source: UNICEF Zambia, 2023.

- Deteriorating healthcare system and access to health care. Rising inflation and austerity measures have weakened Zambia’s healthcare system. While the government increased the health sector budget from 8% in 2022 to 11.8% in 2024, inflation has eroded the real value of these investments. Critical shortages of health workers persist, creating understaffed and underequipped health facilities, especially in rural areas (WEMOS, 2024).
- Austerity measures have worsened Zambia’s health funding gap, with about 40% of the health budget coming from external donors. With austerity measures limiting public spending and drought emergencies requiring more funding, the health system becomes more fragile and heavily dependent on donor support (WEMOS, 2024).

The above case studies emphasise the general pattern of IMF and World Bank reforms involving prioritisation of market-based approaches that erode people’s rights and promote non-democratic policy designs ill-fitted to deal with the contexts in which they are to be applied. By promoting austerity measures, privatisation, and fiscal consolidation, these institutions effectively deepen inequality, erode public services, and undermine the socio-economic rights of the majority of the population. In this way, Zambia and Kenya are examples of how the IMF and World Bank continue to promote policy frameworks in favour of economic models that serve creditors and markets over people-centered development.

Legal Basis

The IMF and World Bank contravene Article 25 of the ICCPR, which mandates that every citizen has the right to participate in public affairs, a provision that obliges states and, by extension, international institutions influencing state policy, to ensure inclusive decision-making. Similarly, Article 1 of the African Charter on Democracy, Elections, and Governance underscores the necessity of participatory governance and the transparent, accountable involvement of citizens in government. The imposition of stringent fiscal

austerity measures, cuts in social expenditure, and aggressive privatisation not only undermine these obligations by excluding affected populations from meaningful policy dialogue but also create an environment where the rights to political participation and social security are systematically curtailed.

In addition, national constitutions across African jurisdictions frequently enshrine the right to democratic participation and the provision of essential public services. For instance, African constitutional frameworks include explicit guarantees for public oversight and accountability in policymaking, protections that are inherently compromised when externally imposed conditions dictate fiscal adjustments without adequate public consultation. The IMF and World Bank, by conditioning financial assistance on policy measures that prioritise market-based solutions over the fulfillment of social rights, effectively breach these constitutional mandates and established judicial precedents.

ACCUSATION 4: Promote a global financial system that reinforces the legacies of colonialism, perpetrate extractive economic models, systemic exploitation, and inequalities which harm African economies and place a disproportionate burden on them to manage the adverse effects of global economic policies

Culpability for promoting climate finance injustice: The IMF and World Banks approach to electrification, energy security, climate finance and just energy transition follows the same market-based solution rhetoric which has consistently undermined equitable development. Africa remains the most vulnerable continent to climate change impacts, the continent contributing less than 5% of global greenhouse gas emissions. Energy inequalities exist both within and between continents. On the [continent](#) , three countries contribute to 60% of the continent's carbon emissions - South Africa, Egypt and Algeria, whereas countries with the lowest average CO₂ footprint like Somalia and Democratic Republic of Congo bear the brunt of climate change impacts. The IMF and World Bank, by prioritising debt-based financing and private-sector led interventions not only perpetuate these conditions but deepen energy poverty on the continent. There exists continued gross failure of the Bretton Woods Institutions and the global north to provide and follow through on real solutions for climate-vulnerable countries as seen by the dismal outcomes of the [United Nations Conference of Parties 29](#) in 2024.

Culpability for allowing continued existence of undemocratic processes and colonial legacies, The Bretton Woods Institutions were established in 1944, at a time where most African countries were still under colonial rule. Therefore, the structures, processes and regulations governing these Institutions lack adequate representation of African nations. Besides this, the voting structures and quotas are indicative of lack of democracy in the operations of the IMF. The Special Drawing Rights (SDRs) under the IMF are a good example to demonstrate the unequal representation of African countries – representation is dependent on economic muscle as opposed to the needs of various countries. As mentioned hereinabove, the rates of lending are also skewed disproportionately in favour of global north countries.

Case Study: South Africa

The USD 3.75 billion World Bank loan to South Africa for the construction of the Medupi Power Station project, which was at the time strongly opposed by civil society, sought to address the energy security in the region, as it was described as pivotal to economic development. The results, however, have been

[dismal](#); the project closed before the power plant went fully online. Not only did the project cost overrun, but it was marred by labour disputes, technical failures, corruption, and deepened South Africa's reliance on coal. More importantly, the lives of women and children worsened since [the cost of electricity paradoxically increased](#), which made electricity access even more distant. The World Bank, despite utilising its grievance mechanisms, has washed its hands, arguing it is the role of the local partner to ensure no harm is done.

Civil society has long been outspoken against the climate finance tools and mechanisms promoted by the World Bank and the IMF, such as carbon markets, development policy loans, sovereign risk pools, as well as public-private partnerships and climate investment funds. These promote loan-based solutions where the cost of capital is extremely high, ultimately forcing already cash-strapped governments to pay back loans rather than servicing their national budgets. These debt traps, therefore, leave countries with more debt, exposing them further to climate change risks.

Case Study: SDRs in Africa

The IMF allocates SDRs through a quota system, through a formula that significantly considers the country's GDP – in essence, this favours developed nations at the expense of developing countries. Ironically, it is developing countries that are in greater need of the quotas but end up getting the smaller share due to the pre-set formula for calculation. Consequently, developed nations receive approximately 67% of the total allocation, with low-income countries' allocation being 1% of the total allocation. This demonstrates the diminished voice of African countries at the global level with regard to global economic decision-making. [These findings are based on the experience of several African countries including Kenya, Uganda, Nigeria, Senegal, Zambia, Chad, Ethiopia and Ghana.](#)

Legal Basis

Under Article 3(1) of the [United Nations Framework Convention on Climate Change](#) (UNFCCC), Parties are legally mandated to adopt precautionary measures that anticipate, prevent, or minimize the causes and adverse effects of climate change. This obligation is not only a treaty commitment but has also been affirmed by judicial decisions such as *Urgenda Foundation v. State of the Netherlands*, where national courts held that the state must take decisive action to reduce greenhouse gas emissions under its international duties. Similarly, decisions like *Leghari v. Federation of Pakistan* reinforce that governments are expected to proactively safeguard public welfare against climate risks, effectively integrating international standards into national legal frameworks.

The Paris Agreement, while providing flexibility through nationally determined contributions, further compels Parties to enhance their climate action support in a way that respects the principle of common but differentiated responsibilities and respective capabilities. This approach has found support in cases such as *Massachusetts v. EPA*, where the judiciary recognised not only the necessity of governmental intervention in environmental matters but also highlighted the broader responsibility to secure a safe and sustainable future for all. Additional emerging litigations, including *Juliana v. United States* and *Milieu*

defensie v. Royal Dutch Shell, contribute to a growing body of case law that underscores the imperative of aligning domestic and international policies with robust climate mitigation and adaptation efforts.

Against this legal backdrop, the promotion of lending structures and conditionalities by institutions like the IMF and the World Bank, which tend to prioritise private-sector-led energy investments over public and sustainable energy solutions, raises serious concerns. By favouring financial models that often bypass comprehensive environmental and social safeguards, such policies risk exacerbating energy inequalities and entrenching energy poverty.

D. OBJECTIVES OF THE TRIBUNAL

1. Engage and educate communities, raise public awareness about the legal and human impact of the IMF and World Bank's decisions and actions.
2. Provide an empowering space for people, especially grassroots communities, to share experiences and bear witness to the policies and practices of international financial institutions.
3. Expose cases of illegitimate debts that must be immediately and unconditionally cancelled.
4. To advocate for systemic reforms to the global financial architecture, including democratising decision-making processes within the IMF and World Bank to give African nations a stronger voice.
5. To advocate for the removal of harmful conditionalities and advocate for debt restructuring mechanisms that prioritise citizen welfare and development goals over creditor profits.
6. To advocate for mandatory public disclosure of all debt agreements, including terms, repayment schedules, and involved parties, to ensure accountability and informed public participation.
7. To strengthen the role of African citizens in using legal instruments in advocating for increased public participation.

E. EXPECTED OUTCOMES

1. Increased visibility of issues and demands, leading to concrete policy recommendations for debt cancellation and reform of global financial architecture.
2. Voice and power for affected, disadvantaged, and discriminated groups and communities.
3. Stronger solidarity between and across communities and peoples.
4. Galvanising/inspiring communities, organisations, movements, etc, to act on the Tribunal's findings.

F. APPROACH

Work with partners in some of the countries that are in debt distress, those that have applied for debt restructuring under the G20 Common Framework, and that have a history of struggling with IMF & World Bank austerity measures. Convene with the Southern and [Eastern Africa Trade Information and Negotiations Institute](#) (SEATINI) and the [International Network for Economic](#) (ESCR-Net).
