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Concept Note

The African Union Conference on Debt

Theme:

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

**Department for Economic Development, Trade, Tourism, Industry and
Minerals**

African Union Commission

Date: 12–14 May 2025

Location: Lomé, Togo

I. Background

1. Africa's economic landscape has witnessed significant transformation in recent decades, accompanied by opportunities and challenges. Central to these challenges is the region's escalating debt crisis, which has spread across Africa, resulting in profound economic, social, human, and ecological consequences.
2. In the 1980s, Africa experienced severe debt crises that led to economic stagnation and reversals in living standards. Africa's external debt grew by 187%, from \$39 billion to \$112 billion between 1976 and 1980. This crisis continued to escalate, with external debt ballooning from \$140 billion in 1982 to over \$270 billion in 1990. Between 2010 and 2020, Africa's external debt increased more than fivefold and accounted for almost 65% of GDP in 2023. Even though Africa's average debt-to-GDP ratio is expected to decrease to 60% in 2025, the continent faces an escalating debt crisis. The recent IMF/World Bank's Debt Sustainability Framework ("DSF") indicates that the number of African countries in distress, or at high risk of debt distress, has risen from 9 in 2012 to 25 in 2024, posing a huge challenge as the rising debt costs are draining vital public resources needed for development.
3. Despite various domestic and international efforts to address debt challenges in the post-COVID-19 period, the debt crisis on the continent continues to deepen. Public finances are becoming overstretched due to rising debt interest costs, costly imports of food and energy, and currency depreciation, among other issues, caused by multiple and intersecting shocks. Rising public debt and interest payments have created an impediment to development and achievement of the Sustainable Development Goals ("SDGs") and the African Union Agenda 2063 as they limit governments' ability to invest in essential services, such as health care and education. As an example, more than 30 African countries are currently spending more on debt service costs than on health care (UNDP, 2023). Credible estimates of African financing needs suggest that the continent needs an additional \$1.3 to \$1.6 trillion in financing to achieve the SDG and Agenda 2063 aspirations. Resolving the current debt challenges as well as bridging the financing gap may, however, prove challenging in the absence of a comprehensive African Common Position on Debt.
4. The situation therefore calls for the development of an African Common Position on Debt to provide guiding principles to be utilized by the AU Member States in their day-to-day debt management. The African Common Position on Debt is expected, among other interventions, to spell out both an effective debt resolution mechanism to address the current debt challenges and a set of common debt management principles that will enable the continent to effectively mobilize domestic resources to finance the AU Agenda 2063 while safeguarding debt sustainability. The African Common Position on Debt is further expected to provide a strong voice for the continent to specify the

engagement rules with its creditors with a clear objective of restoring and safeguarding debt sustainability on the continent.

5. In this context, the Department for Economic Development, Tourism, Trade, Industry, and Minerals (“ETTIM”) and the Government of the Republic of Togo, under the High Patronage of H.E. Faure Gnassingbé, President of the Republic of Togo, are convening the “African Union Conference on Debt” under the theme; **“Africa’s Public Debt Management Agenda: Restoring and Safeguarding Debt Sustainability”**. The conference will provide a platform for the AU Member States to engage in meaningful discussions on the current debt situation on the continent, share country experiences, and develop recommendations to draft an African Common Position on Debt.

II. Overall objective

6. The overall objective of the African Union Conference on Debt is to create a platform for high-level discussions among policymakers of the AU Member States, development partners, and key stakeholders, on enhancing the efficiency, transparency, and accountability of public debt management across the continent. By sharing best practices, addressing challenges, and exploring innovative approaches. The conference aims to propose strategies which will in turn strengthen public debt management, improve revenue mobilization, ensure the effective and efficient allocation of resources, and ultimately improve accountability and transparency for inclusive growth and sustainable development.

Specific objectives

7. In achieving the overall objective, the African Union Conference on Debt will focus on the following key specific objectives:
 - Facilitate knowledge exchange and share cutting-edge practices in debt management in African Union (“AU”) Member States.
 - Formulate a position on the needed reforms to the current global financial architecture to address the current debt crisis on the continent.
 - Formulate and discuss innovative debt financing mechanisms for securing new financing while maintaining debt sustainability.
 - Explore and recommend sound debt management practices needed to restore and safeguard public debt sustainability in Africa.

III. Expected Outcomes

8. The expected outcomes of the African Union Conference on Debt will include:

- an African Union Lomé Declaration on Africa's Debt;
- enhanced knowledge and coordination on debt management issues;
- a position on the reforms needed to enhance the effectiveness of Global Financial Architecture on debt treatment mechanisms;
- recommendations on sound debt management practices and the needed policy reforms to restore and safeguard public debt sustainability in Africa;
- recommendations on innovative debt financing instruments and practices for securing new financing while maintaining debt sustainability.

IV. Format of the Conference

9. The forum will discuss various issues related to public debt management in Africa and provide guidance for the work of the AU sound public debt management and the crafting of an African Common Position on Debt. Among the key features of the conference are plenary sessions and stakeholders' parallel engagements.

Opening session

10. The opening session will feature welcome speeches by H.E. Faure Gnassingbé, President of the Republic of Togo, H.E. Mahmoud Ali Youssouf, Chairperson of the AUC, Heads of State and Government from the AU, Heads of African and International Multilateral Financial Institutions, Ministers of Finance, Economy and Planning, and Central Bank Governors. The high profile of the speakers at this opening session reflects the importance given by these institutions to debt management and their willingness to design a strategic framework and an African Common Position on Debt Management.

Plenary Sessions

11. Plenary sessions will comprise a Presidential Dialogue, Ministerial and Central Bank Dialogues, and African policymaker debates on issues relating to public debt management, with a view to devising strategies to enhance debt management and reverse the current debt crisis. Speakers will share their experiences and views and debate what efforts should be made to achieve success in public debt management in Africa.
12. Each session is designed to foster interactive discussions, with a mix of case studies, expert insights, and collaborative problem solving to ensure that participants leave with actionable insights and strategies to strengthen public debt management in Africa. These sessions aim to create a strong foundation for improving accountability, transparency, and efficiency in public finance and debt management, aligned with the continent's Vision and Aspirations for inclusive growth and sustainable development

as encapsulated in Agenda 2063.

V. Participants

13. The conference is expected to bring together at least 500 participants, including African Union Heads of State, Ministers of Economy, Finance and Planning, Central Bank Governors, representatives from Ministries of Finance, African Central Banks, Regional Economic Communities, African Multilateral Financial Institutions, and Civil Society Organizations.

VI. Venue and Date

14. The three-day African Union Conference on Debt will take place in Lomé, Togo, from 12 to 14 May 2025. More logistical details will be provided in the Information Note for the conference.

VII. FOR MORE INFORMATION

15. For further information, please contact:

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