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Concept Note

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

The African Union Dialogue on Debt Sustainability and Reform

***“From Crisis Response to Sustainable Financing: Implementing the Common African
Position on Debt”***

Date:1-3 July 2026

1. Background and Rationale

On 15 February 2026, the African Union Heads of State and Government adopted the Common African Position (CAP) on Debt at their 39th Ordinary Session in Addis Ababa, Ethiopia. Building on the Lomé Declaration adopted at the African Union Conference on Debt in May 2025, the CAP establishes a unified continental basis for Africa's engagement on debt sustainability and restructuring, strengthening coordination, amplifying Africa's voice in global debt discussions, and supporting access to more affordable and sustainable financing. The adoption of the CAP marks a decisive political mandate that now requires urgent translation into concrete implementation.

In order to achieve this, the African Union Commission is convening a Continental Dialogue on Debt, under the theme "**From Crisis Response to Sustainable Financing: Implementing the Common African Position on Debt,**" to serve as a platform to consolidate Africa's collective resolve and leadership. It will do so by agreeing on concrete modalities for CAP implementation and identifying priority, actionable inputs to advance selected CAP on Debt recommendations, aimed at delivering immediate solutions to alleviate the current debt burdens faced by member states. Through this approach, the Dialogue will enhance coordination, support tangible outcomes, and reinforce a unified African voice in global debt and financial reform processes.

Over the past decade, Africa's public debt landscape has deteriorated significantly, driven by rising development financing needs, repeated external shocks, tightening global financial conditions, and persistently high borrowing costs. According to the African Development Bank's 2025 Macroeconomic Performance and Outlook report, more than 20 African countries are currently either in debt distress or at high risk of debt distress. Average public debt levels in Africa increased from about 40 percent of GDP in 2012 to over 60 percent by 2024, while debt service obligations have risen sharply as interest rates increased and exchange rates depreciated. In several countries, debt service now absorbs over one-third of government revenues, severely constraining fiscal space for investments in health, education, infrastructure, and climate resilience (AfDB, 2024).

These fiscal pressures have been further exacerbated by structural weaknesses in the global debt architecture. Fragmented creditor coordination, an increasingly diverse mix of official and private creditors, and the absence of predictable restructuring timelines have resulted in protracted and uncertain debt resolution processes. In many cases, delayed restructurings have prolonged macroeconomic instability, weakened growth prospects, and undermined development outcomes. This experience has highlighted the limitations of country-by-country approaches and underscored the need for a stronger, more coordinated continental response.

While the CAP on Debt provides a strong policy foundation and a unified continental voice, its effectiveness depends on its translation into concrete actions. This requires clarity on implementation modalities, including institutional arrangements, sequencing, and allocation of responsibilities across continental, regional, and national levels. At the same time, there is a need to complement these modalities with mechanisms to advance priority short-term CAP interventions with immediate impact. By combining operational clarity with actionable delivery mechanisms, the Dialogue will aim to ensure that the CAP generates tangible outcomes in addressing Africa's urgent debt challenges, including accelerated debt resolution, improved liquidity, and strengthened collective engagement with creditors.

2. Overall Objective

The overall objective of the Dialogue is to develop practical implementation modalities for the Common African Position (CAP) on debt. This will be done by clarifying institutional

arrangements, sequencing of actions, and responsibilities at continental, regional, and national levels, while advancing mechanisms for the implementation of priority short-term CAP interventions with immediate impact.

3. Specific Objectives

In support of this overall objective, the Dialogue will aim to:

- i. Establish consensus on the CAP implementation modalities framework, including institutional arrangements, coordination mechanisms, sequencing of actions, and clearly defined roles and responsibilities across AU organs, Member States, and Regional Economic Communities.
- ii. Identify and assess available financing and liquidity opportunities offered by development partners and financial institutions, with a view to mobilizing and aligning these resources to support and ease immediate debt pressures.
- iii. Develop and provide technical inputs into the formulation of key continental instruments for debt negotiations, including the Continental (Unified) African Term Sheet and African Union guidelines on ex-ante debt reprofiling, to strengthen Africa's collective bargaining position.
- iv. Develop inputs into a unified African advocacy position on the reform of the G20 Common Framework, aimed at enhancing its efficiency, transparency, and creditor coordination to better respond to Africa's debt restructuring needs.
- v. Strengthen Africa's collective voice and coherence in global debt discussions through agreed messages, follow-up actions, and accountability mechanisms.

4. Discussion Themes

The Dialogue will be organised around both plenary and thematic breakout sessions. Each session will bring together relevant technical and policy experts to develop concrete inputs on a specific aspect of CAP implementation. The plenary sessions will focus on the CAP implementation modalities, while the proposed breakout sessions will focus on the following proposed themes;

- i. debt restructuring processes and ex-ante debt reprofiling guidelines;
- ii. Unified African Term Sheet and;
- iii. liquidity and concessional financing access;

5. Expected Outcomes

As a result of the Dialogue, the following outcomes are expected:

- i. An agreed CAP Implementation Modalities Framework, outlining institutional arrangements, coordination mechanisms, sequencing of actions, and clearly defined roles and responsibilities across AU organs, Member States, and Regional Economic Communities.
- ii. A consolidated mapping of available financing and liquidity opportunities, including actionable options for mobilizing and aligning resources from development partners and financial institutions to ease immediate debt pressures.
- iii. Progress toward the development of key continental debt negotiation instruments, including technical inputs for a Unified African Term Sheet and AU guidelines on ex-ante

- debt reprofiling, strengthening Africa's collective bargaining position.
- iv. A draft unified African advocacy position on the reform of the G20 Common Framework, with clearly articulated priorities and reform proposals to enhance its effectiveness, transparency, and coordination.
 - v. Strengthened coordination and coherence in Africa's engagement in global debt discussions, reflected in agreed messages, follow-up actions, and accountability mechanisms to advance a unified African voice.

5. Format and Participation

The Dialogue will be held in person, allowing inclusive and active participation from different stakeholder institutions across the continent. Discussions will be structured around plenary sessions and thematic breakout working groups.

Participants at the dialogue will include the following;

- Representatives of Ministries of Finance,
- Representatives of Central Banks,
- Senior policymakers and technical officials from AU Member States
- African financial institutions and continental policy bodies
- Selected international partners and development finance institutions
- Creditor representatives, as appropriate
- Civil society organizations, think tanks, and research institutions
- Representatives from Regional Economic Communities

For further information and to confirm participation, kindly contact:

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