AFRODAD
AFRICAN FORUM AND NETWORK ON DEBT AND DEVELOPMENT

DFI spoke in a webinar on domestic debt in Africa organised by AFRODAD. Drawing on the Debt Watch database, he showed how domestic debt service has risen from 20% to 42% of budget revenue in Africa between 2017 and 2026, and is now more than education and health spending combined in 42 African countries. This rise is because African leaders and the international community have largely ignored domestic debt service in their judgements on whether debt is sustainable, and indeed pushed countries to borrow domestically in the absence of sufficient external funding to achieve the Sustainable Development Goals. Tackling this problem will require reforms to the international financial architecture but also actions by African governments to reduce their borrowing costs and where necessary pay down or restructure debt. The webinar was one of the first steps in a joint project between AFRODAD, DFI and other stakeholders which will analyse the domestic debt crisis in G77 countries and how to overcome it, which will produce a report by the time of the IMF/World Bank Annual Meetings in October.