



**AFRICAN LEADERS
DEBT RELIEF
INITIATIVE**

The Cape Town Declaration

The African Leaders Debt Relief Initiative

27 February 2025

AT A TIME WHEN the global economy is reeling from shocks—pandemics, energy crises, food insecurity, and inflation,

AT A TIME WHEN interest rate hikes have deepened a sovereign debt crisis that threatens to strangle Africa’s future,

AT A TIME WHEN forests burn, rivers overflow, and droughts devastate our land,

AT A TIME WHEN Africa’s potential to lead in climate solutions is clearer than ever, but starved of the investments it needs,

AT A TIME OF global political and economic instability and unpredictability,

AT A TIME WHEN global financial cooperation is at risk of unraveling,

EVEN AS Africa is a continent of vast potential—rich in resources, youthful population, ambition, innovation, and a leader in the global green transition,

WE, A GROUP OF AFRICAN LEADERS, have come together in Cape Town as the **African Leaders Debt Relief Initiative (ALDRI)**, to call for bold and urgent action on a comprehensive plan for debt relief for Africa and other developing countries suffering under **excessive debt burden**.

Africa: Held Back by Debt and Other Challenges

Africa is trapped in a crippling debt crisis, the worst in 80 years. More than half of the African population lives in countries that are spending more on interest payments than on education or health or climate. Indeed, most African countries will need significant debt relief to unlock the necessary funding for the United Nations 2030 Sustainable Development Goals and Paris Agreement targets, alongside other forms of low cost and concessional financing. This crisis is compounded by the escalating impacts of climate change, which devastate economies and deepen financial instability.

A Call for Comprehensive Debt Relief

We stand at a historic crossroads. 2025 marks the first African presidency of the G20, led by South Africa. One of the key objectives of the G20 is to solve global financial crises. This is its moment of truth. In this context, **we welcome the commitment expressed by His Excellency President Cyril Ramaphosa, Chair of the G20, to give priority to ensuring debt sustainability for developing countries.** Now the G20 must heed Africa's call.

The solutions are clear. We propose a two-pronged approach, based on the debt burden of each country and a country-owned sustainable growth plan:

- 1. Comprehensive Debt Restructuring** for highly indebted countries. This includes:
 - (a) A predictable, fair, and inclusive debt restructuring process involving all creditors—private, bilateral, and multilateral.
 - (b) Ensuring comparability of treatment across creditors to avoid fragmentation and prolonged crises.

- 2. Lowering the Cost of Capital** for all developing countries. This includes:
 - (a) Credit enhancements through multilateral institutions to unlock affordable financing.
 - (b) Debt suspension mechanisms to create fiscal space for development and climate investments.

The world has tackled debt crises before. Along with significant capital inflows through the Marshall Plan, Germany received massive debt relief after World War II (London Debt Agreement, 1952). The Brady Plan and the Highly Indebted Poor Countries (HIPC) Initiative of the 1990s proved that bold action can unlock growth. **We must now act again.**

A New Chapter for Africa—and the World

Debt relief is not charity. It is an investment in a prosperous, stable, and sustainable future—for Africa and the global economy. And it is a pre-condition for the successful implementation of the African Union’s Agenda 2063. A strong Africa means a stronger world. Unlocking Africa’s economic potential will drive global growth, strengthen supply chains, and accelerate the green transition.

TODAY IN CAPE TOWN, AS THE AFRICAN LEADERS DEBT RELIEF INITIATIVE, WE DECLARE

That the time has come for the implementation of a bold comprehensive debt relief plan for Africa and other developing countries.

SIGNED,

HE Olusegun Obasanjo, Former President, Federal Republic of Nigeria (Chair)

HE Macky Sall, Former President, Republic of Senegal

HE Joyce Banda, Former President, Republic of Malawi

HE Jakaya Mrisho Kikwete, Former President, United Republic of Tanzania

HE Nana Addo Dankwa Akufo-Addo, Former President, Republic of Ghana

HE Dr. Ameenah Gurib-Fakim, Former President, Republic of Mauritius

HE Hailemariam Desalegn, Former Prime Minister, Federal Democratic Republic of Ethiopia

HE Yemi Osinbajo, Former Vice President, Federal Republic of Nigeria

For more information: www.debt-leaders.org

Declaration:

Contact: <https://debt-leaders.org/contact/>