**MINISTRY**

**INTERNATIONAL RELATIONS AND COOPERATION REPUBLIC OF SOUTH AFRICA**

# QUESTION FOR WRITTTEN REPLY NATIONAL ASSEMBLY

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**2779 Ms TP Msane (EFF) to ask the Minister of International Relations and Cooperation**:

What interventions is the African Union implementing and/or planning to implement in order to prevent African countries from losing sovereignty to other nations through debts and/ or loans, as it has allegedly happened with Uganda and is soon to happen with many other African countries that will not be able to pay back their debts **NW3296E**

# REPLY:

The African Union is constituted by Member States who have the sovereign rights to determine their domestic priorities in line with their national interests. The prerogative to choose or establish measures to reduce debt burden or relief solely rest with each Member State of the African Union.

Nevertheless, and to the extent to which the debt becomes a burden to AU Member States, the AU has and continues to advocate for the easing of debt burden owed by African countries, especially the Less Developed Countries (LDCs) and Highly Indebted Poor Countries (HIPC), which the majority from them come from the Continent. The devastating impact of the debt burden to the economies and sovereignties of many countries in the Continent is hard to ignore. It is for this reason that the AU has and continues to use multiple approaches to urge the developed countries including International Financial Institutions to ease the debt burden owed by African countries.

At the Heads of State level, the AU Assembly has on numerous occasions taken bold resolutions and decisions urging the developed countries as well as International Financial Institutions to ease the debt burden owed by African countries. The Heads of States and Government of the AU have also been extremely vocal against the imposition of unilateral coercive measures on the right to development, international relations, trade, investment, cooperation, and peace and stability by African countries and countries such as Cuba.

The AU Ministers of Finance and Trade continue to use the annual Special Technical Committee of the AU to urge the G7, China and International Financial Institutions (IFIs) to ease the debt burden owed by the African countries.The AU Ministers of Finance and Trade also use the international meetings at the UN, WTO, and Meetings on Financing for Development to advocate for the easing of debt burden owed by African countries.

AU Commission as the Organ responsible for the day-to-day operation of the Organisation as well as the AU’s Economic, Social and Cultural Council (ECOSOC) continue to engage the International Financial Institutions and with the support of the United Nations, the Commission has played a huge role in advocating for the easing of debt burden by African countries.

South Africa for its part, used its Chairship of the AU in 2020 to advocate strongly for the easing of debt burden by African countries, whose ability to pay their debt has been affected heavily by the COVID-19 pandemic. As early as March 2020, President directly engaged with the leaders of both the World Bank and International Monetary Fund (IMF) as well as the leaders of the G7 to play their part in easing the debt burden in the Continent. South Africa also used its membership of the G20 to remind the 20 largest economies in the world of the urgent need to address the debt burden and its impact on the LDCs and HIPC. In March 2020, President Ramaphosa appointed NgoziOkonjo-Iweala of Nigeria, Donald Kaberuka of Rwanda, Tidjane Thiam of Senegal and Trevor Manuel of South Africa. The goal of the Special Envoys was to secure debt relief of US$44 billion, a generalised suspension of interest payment for all of Africa’s economies, and a stimulus package of US$100-150 billion. The suspension of payment of interests to IFIs will go a long way in easing the burden by African countries and will greatly assist many of the African countries to prioritise the revival of their respective economies, which has been devastated by the pandemic.

While the negotiations for the debt cancellation still ranges on, the gains made in the easing of debt burden needs to be noted. Thanks in large part to South Africa and indeed other AU Member States the World Bank and the IMF has and continues to engage the African on this matter and there are already positive outcomes. To date, more than 28 countries from Africa are benefitting from the Debt Service Suspension Initiative (DSSI) established by the Paris Club.

South Africa and other Member State of the AU will continue to use the convening power of the AU to continue to advocating for the easing of the debt burden owed by African countries so that African countries should not face the difficult choice of having to either pay their respective debt or revive their economies, amid the pandemic.