**MINISTRY**

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

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**2787. Mrs T P Msane (EFF) to ask the Minister of International Relations and Cooperation:**

In light of the fact that the African countries accepted loans from bodies and countries such as international Monetary Fund and China in the range of billions of US dollars that were allegedly disguised as COVID-19 assistance and to date, more than a year later, most African counties have not returned to their full economic activities and have budget running at a deficit, how does the African Union intend to assist such countries to pay back the loans? **NW3297E**

# REPLY:

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), with the majority of them coming from the African Continent. The devastating impact of the debt burden to the economies and sovereignty 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 developed countries including International Financial Institutions to ease the debt burden owed by African countries. This includes the utilisation of the Specialised Technical Committee (STC) on Finance, which is an STC composed mainly of Ministers of Finance.

South Africa, in its capacity as the Champion of Covid-19 for the African Union, nominated by the AU Assembly in 2021, was tasked with the responsibility soliciting debt relief measures for AU Member States from donors and international financial institutions such as the World Bank, the International Monetary Fund, and bilateral donors such as China. However, such measures are determined by bilateral and contractual obligations, underpinned by the sovereignty of each member state.