

## Press release

18 January 2023

### Ghanaian Civil Society Call on Private Lenders to Cancel External Debt

*For more information and interviews contact Bernard Anaba at the Tax Justice Coalition Ghana on +233244584565*

A group of Ghanaian civil society organisations have today released a statement calling on international lenders to cancel enough of Ghana's debt to make it sustainable. They call on Ghana to be supported by the G20, and UK in particular, to stay in default on all external creditors who refuse to accept the scale of debt cancellation needed.[1]

In December Ghana announced it is suspending debt payments to external private lenders and has applied for the G20 Common Framework for Debt Treatments. Ghana is expected to miss its first payment on a foreign currency bond on 18 January, a \$41 million interest payment on a \$1 billion bond.[2]

Ghana is the latest country which has defaulted on debt and sought a debt restructuring since the Covid pandemic began, and food and energy prices shot up in 2022.

Signatories of the statement include the Integrated Social Development Centre (ISODEC), Tax Justice Coalition Ghana, Ghana Integrity Initiative, AbibiNsroma Foundation, Caritas Ghana and ActionAid Ghana. It is also supported by the African Forum and Network on Debt and Development (Afrodad), Debt Justice, Eurodad, Christian Aid, Oxfam, Public Services International, and Third World Network.

In the statement the signatories:

*"welcome Ghana's suspension of most external debt payments until creditors agree to cancel enough debt to make it sustainable."*

They point out that the high-interest rates private lenders charged mean that they should now be willing to accept losses on their risky bets:

*"Ghana's lenders, particularly private lenders, lent at high-interest rates because of the supposed risk of lending to Ghana. The interest rate on Ghana's Eurobonds is between 7% and 11%. That risk has materialised with the global Covid pandemic, rising food and energy prices, and increasing global interest rates. Given that they lent seeking high returns, it is only right that following these economic shocks, private lenders willingly accept losses and swiftly agree significant debt cancellation for Ghana."*

The organisations call on the G20, and UK in particular, to support Ghana in the debt negotiations:

*"The G20 can help by making clear that Ghana will be politically and financially supported to*

*remain in default on any creditor which does not accept the necessary debt restructuring. Furthermore, Ghana's foreign currency bonds are governed by English law. The UK parliament could update their Debt Relief (Developing Countries) Act to specify that no creditor can sue under English law for more than they would have got if they had taken part in the Common Framework debt restructuring."*

The statement also calls for increased transparency, including bondholders releasing information on how much debt they own and the price they paid for it. Ghana's Eurobonds are currently trading at 35-40 cents on the dollar. The signatories point out that tackling the debt crisis in many African countries requires *"a reformed international financial architecture through the United Nations, which delivers sustainable development finance to all countries."*

## **Notes**

Debt Justice (formerly Jubilee Debt Campaign) is a UK charity working to end poverty caused by unjust debt through education, research and campaigning: <https://debtjustice.org.uk/> and Tax Justice Coalition Ghana: <https://ticghana.org>

To unsubscribe from receiving press releases please reply UNSUBSCRIBE to this email.

Debt Justice's Privacy Policy is available at <https://debtjustice.org.uk/privacy-policy-2>

[1] The full statement is available at [https://debtjustice.org.uk/wp-content/uploads/2023/01/Statement-on-restructuring-and-default\\_01.23-1.pdf](https://debtjustice.org.uk/wp-content/uploads/2023/01/Statement-on-restructuring-and-default_01.23-1.pdf)

[2] \$41 million of interest is due to be paid on Ghana's bond XS1108847531 on 18 January 2023. This is the first scheduled payment on a Eurobond since Ghana announced the debt suspension in December 2022.