# New AfSDJN Policy Brief focuses on Debt, Climate Finance and Vulnerability for Countries in Africa

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**Key Points**

There is a correlation between climate change, climate finance, and unsustainable debt levels in Africa. In this African Sovereign Debt Justice Network (AfSDJN) Brief, we highlight this connection focusing on eight countries in debt distress currently (Chad, The Republic of Congo, Mozambique, Sao Tome and Principe, Somalia, Sudan, Zambia, and Zimbabwe) and one highly indebted country (Ethiopia) in sub-Saharan Africa. These countries (referred to here as Debt and Climate Vulnerable (DCV) countries) are also some of the most climate vulnerable countries despite having some of the least carbon footprints. In this Brief, we find that:

- African countries need USD 2.8 trillion for climate action between 2021 and 2030, excluding the cost for loss and damage. DCV countries require 17% of this amount (USD 46.7 billion per annum). However, they have received/been approved for USD 2 billion in the last 8 years (USD 250 million per annum).
- Despite facing severe climate change impacts, adaptation funding represents 26% of the total cost required by DCV countries compared to 72% in mitigation funding.
- DCV countries are heavily reliant on external support to finance their climate needs. On average, these countries are dependent on external funding for approximately 85% of their required climate finance.
- One-fourth of climate finance received by DCV countries is in the form of loans, most notably in the case of Zambia (55%) and Ethiopia (43%), which are both undergoing debt restructuring under the G20 common framework currently.
- The impact of climate finance on the debt levels of DCV countries is even more daunting when multi-country climate initiatives are considered. About 55% (USD 2 billion) of the total multi-country climate finance (USD 3.8 billion) received by DCV countries between 2021 and 2022 was in the form of loans.
- The debt relief which DCV countries received in 2020 and 2021 during the COVID-19 pandemic (USD 2.7 billion) paled in comparison to debt repayments they continued to make during the same period (USD 11 billon).
- DCV countries are spending more on debt repayments than investment to meet their climate commitments. Currently, debt servicing by Congo, Zambia and Ethiopia exceeds their envisaged contribution to adaptation finance.

**Download the Full Brief here: A Brief on Debt and Climate Vulnerable Countries in Africa**.

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