The real debt crisis: The deadly combination of IMF austerity and paying debts

October 2025

Summary

When countries have an exchange rate or balance-of-payments crisis, the first port of call is turning to loans from the IMF. Before the IMF lends, it decides whether a country's external debt is sustainable or not. If the IMF says the debt is sustainable, a country cannot apply for debt relief. Creditor groupings – from the G20's Common Framework, to the Paris Club, to private lenders – will not consider debt relief unless the IMF says the debt is unsustainable.[1]

Whether it likes it or not, the IMF has huge responsibility when it decides whether a country's debt is sustainable or not. To make the decision, the IMF does not have any financial thresholds to help determine sustainability. It defines debt sustainability as a *"high likelihood that a country will be able to meet all its current and future financial obligations [which implies] that the debt level and debt service profile are such that the policies needed for debt stabilization under both the baseline and realistic shock scenarios are politically feasible and socially acceptable, and consistent with preserving growth at a satisfactory level while making adequate progress towards the authorities' development goals."*[2]

The IMF's own definition is that debt is sustainable if it can be paid while preserving satisfactory growth and making progress towards development goals, even if there are some economic shocks.

This briefing looks at countries:

- Which have received IMF long-term loans in recent years (current loans or those which expired since the start of 2024)
- Where the IMF says the debt is sustainable
- The IMF says there is a high risk of external debt not being able to be paid
- An austerity programme is being followed, measured through a significant primary budget surplus.

Our research finds that 11 countries meet all of these conditions. For these 11 countries, over the course of their IMF programme:

- Real health spending per person has been cut by 18%
- Real education spending per person has been cut by 16%
- Overall public spending per person (not including interest payments) has been cut by 10%

We also find that in the 11 countries economic growth per person has averaged 1.2% a year, less than half the average for global South countries between 2022 and 2025.

Debts are continuing to be paid, but at the cost of vital social services, preventing progress towards development goals, and unsatisfactory levels of economic growth. Despite this shocking performance, in none of the 11 countries does the IMF analysis consider what impact paying the debt is having on growth and progress towards development goals.

The combination of new IMF loans, further loans they unlock from other multilateral lenders such as the World Bank, and cuts in public spending enable the debts to keep being paid. This bails out previous lenders, and in the case of high-interest private lenders, enables them to make large profits, while their liabilities are de facto insured by the intervention of multilateral lenders. These efforts to ensure creditors continue to be paid is coming at huge costs to citizens in these countries, through cuts in vital public spending and low economic growth. There is no chance the Sustainable Development Goals can be implemented if public spending on vital services is being cut.

The IMF does sometimes say debt is unsustainable. We know of IMF programmes in seven countries in recent years where the debt has been declared unsustainable, allowing those countries to seek debt relief (four through the G20 Common Framework, three through ad hoc but similar processes involving the Paris Club and private creditors). However, the debt relief negotiations have been tortuously slow, with private creditors in particular causing problems in debt relief negotiations. If and when they are finally completed, countries will still be left with extremely high external debt payments. And restructuring countries have also been made to implement harsh austerity by the IMF, through targeting a high primary budget surplus. Moreover, seeking debt relief is still allowed to be presented as a moral failing, rather than a legitimate response to external shocks, in which lenders need to share the costs with borrowers.

As African Heads of State and Finance Ministers have said:

"while the continent welcomed the G20 Common Framework as a first step towards a more comprehensive approach to the sovereign debt restructuring on the continent and beyond, it has not provided a pathway towards the quick restoration of debt sustainability, creating some considerable skepticism as to its potential to deliver effectively for highly indebted countries, particularly in Africa."[3]

The Heads of State and Finance Ministers called for improvements to the debt relief process including:

"setting up a universally accepted methodology for comparability of treatment, enhancing transparency and inclusivity amongst stakeholders during restructuring, pursuing simultaneous and coordinated negotiations across creditor types, introducing a timebound aspect, suspending debt servicing for all borrower countries embarking on a debt restructuring, expediting the ongoing reforms to the Low Income Country-Debt Sustainability Framework ("LIC-DSF"), ... expanding its eligibility criteria to include the middle-income countries, and establishing a supranational legal mechanism for enforcement purposes, among other proposed reforms;"[4]

The debt relief process needs to be made quicker, cancel more debt, and countries need more political support to legitimise the process. The IMF has accepted that debt restructurings take place too late and cut debt by too little.[5]

To stop debt restructurings taking place too late the IMF should:

- Adopt and publish numerical thresholds for debt sustainability consistent with governments being able to make strong progress towards development goals and preserve growth at a satisfactory level.

- Before and during lending programmes, analyse whether paying debts in full is preventing strong progress towards development goals and preventing growth at a satisfactory level.

To stop debt restructurings preventing debts being cut by too little, the IMF should:

- Require all debt relief deals to reduce debt risk to at least moderate with substantial space to absorb shocks, so that repeated debt restructuring processes are not needed.
- Ensure enough debt relief is delivered that government's do not need to have counter-productive large primary budget surpluses.

The debt relief process should be improved so that:

- There is an automatic suspension of payments to all external creditors involved in the restructuring at the start of the process. This should be supported by legislation in key jurisdictions, such as the UK, to provide a legal stay on payments during restructuring negotiations, as happens in corporate debt restructurings, and preventing any creditor suing for more than other creditors receive through the restructuring negotiations.
- The IMF and G20 should make clear that debtors are taking the correct course of action by suspending payments and seeking debt cancellation and will be politically supported to keep payments suspended until creditors accept debt cancellation in line with reducing debts to the required level.
- A clear definition of comparability of treatment between creditors is adopted. This should be that the ratio of the net-present-value of the restructured debt (ie, how much creditors will be repaid) compared to the nominal value of the pre-restructuring debt (ie, how much creditors lent), should be the same across external creditors.

These changes need to be made urgently. Countries with very high debts, such as Senegal and Kenya, are currently negotiating lending programmes with the IMF. It is vital that these support the meeting of development goals, rather than yet again pushing harsh austerity which restricts growth and prevents access to public services and prevents human rights being met.

Ultimately, the core problem with the IMF playing a central role in the debt relief process is that it is itself a creditor, and its governance is dominated by large creditor countries whether through debts owed to them directly, or debts owed to their private creditors. Instead, the world needs a fair, independent and transparent debt workout mechanism housed within the UN. As African Heads of State and Finance Ministers have called for, there should be a:

"far-reaching reform of global debt architecture through the establishment of a UN Framework Convention on Sovereign Debt. This proposed framework should aim to create a more comprehensive, fair, and effective multilateral mechanism for preventing and resolving sovereign debt crises. The Framework Convention on Sovereign Debt should be a legally binding mechanism providing timely and adequate debt relief. It should furthermore be inclusive and transparent, propose development oriented debt sustainability assessments, address illegitimate debt and propose debt crisis prevention mechanisms."[6]

1. The IMF definition of debt sustainability
Before the IMF lends, it has to decide whether a government's external debt is sustainable or unsustainable. If it is unsustainable, the IMF can only lend if a debt restructuring takes place during the IMF programme, or grants or low interest loans are provided in such a way as to make the debt sustainable.[7]

The IMF has this policy because otherwise, if it lends into unsustainable debt situations:

- Pressure will be put on the country to make further cuts in spending and increase taxes in order to reduce the debt. This is often self-defeating because the damage done to the economy reduces the revenue with which to pay the debt, while negatively impacting the meeting of basic needs and human rights.
- IMF programmes will be much less likely to restore balance of payments and macroeconomic stability if there is not a restructuring.
- IMF resources will effectively be used to pay off previous lenders, incentivizing them to continue to act recklessly in the future.
- The IMF may itself need to offer debt relief in the future to restore debt sustainability, which means member governments of the IMF would have to pay for the debt crisis, rather than the original lenders.

The IMF's Articles of Agreement state that the Fund exists to facilitate "the promotion and maintenance of high levels of employment and real income" and "the development of the productive resources" of its members.[8] It does not exist to facilitate debt repayment.

The IMF defines debt sustainability as a *"high likelihood that a country will be able to meet all its current and future financial obligations [which implies] that the debt level and debt service profile are such that the policies needed for debt stabilization under both the baseline and realistic shock scenarios are politically feasible and socially acceptable, and consistent with preserving growth at a satisfactory level while making adequate progress towards the authorities' development goals."*[9]

The IMF does not publish any figures on what it regards as sustainable debt levels or debt service levels, or what satisfactory growth or progress towards development goals are.[10] Peter Doyle, a former IMF economist, has found that lower-income countries have the best long-term growth rates if their primary fiscal balance is between -3% and +0.5% of GDP.[11] Primary fiscal balance is how much more a government is collecting in revenue than it is spending, excluding interest payments.

We have looked at all countries where:

- The IMF has or has recently had a protracted balance-of-payments lending programme (either EFF or ECF)
- The IMF has said there is a high risk of debt distress or worse, but that the debt is sustainable.[12]
- The IMF is targeting a primary fiscal balance of 1% of GDP or more during the programme, indicating that there is sizeable fiscal constraint, and so a risk that development goals and long-term growth could be compromised

We have found 11 countries which meet all of these criteria (see Table below).

Table 1. IMF long-term programmes in high debt risk countries without debt restructuring

Country	**Date IMF programme began**	Targeted primary budget balance, % of GDP	Targeted primary budget balance, % of government revenue	Year for targeted primary balance	Change in primary balance over IMF programme, percentage points of GDP	Change in primary balance over IMF programme per year, percentage points of GDP	Change in real public spending per person since start of IMF programme and 2025	Change in real public health spending per person since start of IMF programme and 2025	Change in real public education spending per person since start of IMF programme and 2025	Real annual GDP growth per person since start of IMF programme and 2025
Argentina	Mar 2022	3.6%	10.7%	2026	+6.1	+1.2	-29%	-37%	-34%	+0.9%
Congo, Rep.	Jul 2019	8.2%	25.5%	2026	+1.0	+0.1	-8%	+6%	-19%	-1.8%
Egypt	Dec 2022	5.0%	29.1%	2026	+4.5	+1.1	-14%	-12%	-12%	+1.4%
Gambia	Mar 2020	2.6%	12.0%	2027	+2.2	+0.3	+6%	-28%	-10%	+1.6%
Guinea-Bissau	Jan 2023	1.0%	6.4%	2026	+5.7	+1.4	-9%	-8%	-5%	+2.8%
Kenya	Apr 2021	1.5%	8.0%	2025	+5.7	+1.1	0%	-44%	-3%	+3.6%
Mozambique	May 2022	1.0%	3.5%	2026	+3.7	+0.9	0%	-6%	-4%	+0.7%
Pakistan	Jul 2019	2.0%	12.7%	2027	+5.0	+0.7	-2%	-1%	-46%	+0.7%
Papua New Guinea	Mar 2023	2.4%	12.2%	2027	+5.3	+1.1	-4%	-5%	+22%	+1.9%
Sao Tome and Principe	2015	2.8%	12.4%	2027	+9.5	+0.8	-34%	-49%	-33%	+0.3%
Sierra Leone	2015[13]	1.5%	10.0%	2027	+3.8	+0.3	-16%	-17%	-31%	+1.6%
Mean		**2.9%**	**13%**		**+4.8**	**+0.8**	**-10%**	**-18%**	**-16%**	**+1.2%**
Median		**2.4%**	**12%**		**+5.0**	**+0.9**	**-8%**	**-12%**	**-12%**	**+1.4%**

2. The impact of denying debt relief

2.1 Cuts in public spending

Across the 11 countries, real terms public spending per person has been cut by an average of 10% since the start of the IMF programme and 2025. In four of the 11 countries, public spending has been cut by more than 10% (Argentina, Egypt, Sao Tome and Principe and Sierra Leone). In four it has been cut by between 1% and 10% (Republic of Congo, Guinea-Bissau, Pakistan and Papua New Guinea). In two it has stagnated (Kenya and Mozambique) and in one grown by a small amount (The Gambia).

2.2 Cuts in health spending

While public spending has been cut in the 11 countries, public health spending has been cut by even more. On average, health spending has been cut by a huge 18% in real terms per person, almost double the rate of cuts to general public spending. In 10 of the 11 countries, real health spending per person has been cut during the IMF programme, by 1% to 10% in four countries (Guinea-Bissau, Mozambique, Pakistan and Papua New Guinea), 10% to 20% in two countries (Egypt and Sierra Leone) and over 20% in four countries (The Gambia, Argentina, Kenya and Sao Tome and Principe). In Republic of Congo it has increased by 6% since the IMF programme began in 2019, though fallen by 7% since 2023.

One possible reason for the large health cuts could be that spending is regressing back to normal levels after large increases during the Covid crisis, and this happens to coincide with when IMF programmes have taken place. However, this is not what has happened in the 11 countries:

- In three of the countries, the changes in health spending are measured from before Covid – Republic of Congo (2019), Pakistan (2019) and Sao Tome and Principe (2015).
- In three of the countries, the spending cuts began in 2022 or later, so are a more recent phenomenon than Covid (Egypt, Guinea-Bissau and Papua New Guinea).

This leaves four countries where there is a potential Covid increase in health spending, then return to normal levels. However, in all of them cuts in health spending have taken place in relation to years other than during Covid:

- In Argentina, public health spending was cut every year between 2022 and 2024. It is budgeted to have increased in 2025, but to levels still below 2022.
- In The Gambia, health spending has been cut every year since 2021. In 2024 it was 28% less than 2020 levels, 26% less than in 2022 and 4% less than 2023.
- In Kenya, health spending did not significantly increase during Covid and is now 43% less than in 2019 (44% less than in 2020).
- In Mozambique, health spending has been cut in 2024 and 2025.

2.3 Cuts in education spending

Education spending has also been cut by more than general public spending, at a similar rate as for healthcare. Across the 11 countries, real public spending per person on education has been cut by an average of 16% during IMF programmes. Three countries have had cuts of 1% to 10% (Guinea-Bissau, Kenya and Mozambique), three between 10% and 30% (Republic of Congo, Egypt, The Gambia), four over 30% (Sierra Leone, Sao Tome and Principe, Argentina and Pakistan). Papua New Guinea is the only country to have had an increase in education spending, by 22%.

2.4 Economic growth per person

On average across the 11 countries, the IMF is targeting a primary budget surplus of 2.9% of GDP being reached during the programme, far above the level Peter Doyle found to be consistent with best performing long-term economic growth. This is an average of 13% of government revenue, which means for every $8 in government revenue, only $7 is spent on public services, administration and infrastructure.

From the start of the IMF programmes, real economic growth per person has averaged a paltry 1.2% a year. In five of the 11 countries, annual real growth per person has been less than 1% (Argentina, Republic of Congo, Mozambique, Pakistan and Sao Tome and Principe).

Across all "emerging market and developing economies" (the IMF's definition), excluding the 11 covered in this research, real GDP growth per person averaged 2.6% a year between 2022 and 2025. This is double the rate of the 11 countries with high debt and large-scale austerity.

2.5 Speed of austerity

Across the 11 countries, as well as the scale of austerity being high, seen through the high targeted primary balances, the speed of austerity is also high. This is despite the fact that research produced for the IMF has found that more gradual 'fiscal adjustments' are less damaging than rapid adjustments.[14]

On average across the 11 countries, the primary balance is being increased by 4.8% of GDP over the course of the IMF programmes, which is 22% of government revenue. This is an increase of 0.8% of GDP a year on average. Furthermore, the average pace of austerity is brought down by two countries (Republic of Congo and Gambia) where there was already a primary budget surplus before the IMF programme began.

The IMF says that in lower-income countries, any increase in the primary balance of 2.5% of GDP or more over three years (0.8% a year) puts a country in the top quarter of fiscal adjustment for countries on IMF programmes since 1990. Seven of the 11 countries have a rate of fiscal adjustment of over 0.8% a year, and many of these for well-over three years.

The IMF trying to say the debt is sustainable without debt relief is leading to damaging rapid austerity as well as high-levels of austerity.

2.6 Median averages

The median averages are slightly better but show the same pattern. Median overall public spending has been cut by 8% across the IMF programmes, compared to a mean average of 10%. Median health spending has been cut by 12% (compared to mean of 18%). Median education spending is down 12% (compared to 16% mean). Per person median economic growth is 1.4%, compared to 1.2% mean.

2.7 Is debt sustainable on the IMF's own definition?

Given the large public spending cuts, even larger cuts to key social spending on health and education, and poor economic growth, we do not think these countries meet the IMF's definition of sustainable debt. The debt is only payable due to austerity which is reducing growth below a satisfactory level, and by making spending cuts which are preventing development goals being met.

However, across the 11 countries, there is little analysis in the IMF's Debt Sustainability Analyses of whether the fiscal austerity being introduced in order to keep the debt being paid is consistent with satisfactory growth and achieving development goals. In eight of the 11 countries, we could find no analysis of this whatsoever. Of the other three:

1) In Sierra Leone the IMF says: "However, to achieve a pace of fiscal adjustment that does not imperil the post-pandemic recovery and allows the country to protect critical social and health spending and to continue addressing its large development needs, it will be vital to rely on highly concessional financing and grants." Of course, access to those low-interest loans and grants are not in the control of the Sierra Leone government. The IMF does not say what should happen if they are not forthcoming.

As it is, Sierra Leone's "post-pandemic recovery" is real growth per person of 1.8% a year. Health spending has been cut by 17% since 2022 and education spending by 31%.

2) In Republic of Congo the IMF says: "Opposition to reforms (including due to social discontent) could slow fiscal consolidation and payment of domestic arrears, weighing on banks' ability to lend to the private sector and subsequently economic growth prospects." Effectively the IMF is saying Congo might not introduce enough austerity because of opposition, and *less* austerity would lead to lower growth.

As it is, Congo's public spending has been effectively stagnant since 2020, having previously fallen by 50% between 2015 and 2020. The primary budget surplus has averaged a huge 9.7% of GDP so far during the IMF programme, and the IMF is targeting it to continue at 8-9% of GDP. 9.7% of GDP is 30% of government revenue, which means for every $4 in revenue, the government spends less than $3, a huge drag on the economy.

Since the IMF programme began in 2019, Congo's GDP per person has shrunk by an average of 1.8% a year. It is baffling that the IMF thinks the risk to "economic growth prospects" is too little austerity, rather than the impact too much austerity is having.

3) In Kenya the IMF says "The risks to securing socio-political buy in for implementation of revenue-based medium-term fiscal consolidation are significantly elevated. Similarly, the additional spending rationalization that aimed to offset about half of the deficit impact from the withdrawal of the 2024 Finance Bill is subject to considerable risks as pressures are already materializing."

This follows the huge protests in 2024 against austerity measures, which would have increased the prices of basic necessities, such as nappies, smartphones, batteries, bread, cooking oil and sanitary pads. Demonstrators condemned the IMF's role in using debt to force Kenya into devastating austerity.[15] But the IMF continues to say Kenya does not need debt relief, alongside pushing for continued austerity. Real public spending per person is stagnant compared to 2021 levels, when the IMF programme began, and 4% lower than public spending in 2015.

Kenya's primary budget surplus increased during the IMF programme from -0.6% of GDP in 2022 to 1.5% of GDP in 2025 when the IMF programme came to an end. The IMF predicted the surplus would continue increasing to 2.5% of GDP by 2028, which is presumably the IMF's starting point for negotiations over a new loan programme.

Kenya has actually had the strongest economic growth of any of the 13 countries during its IMF programme. But this 'growth' is not translating into improved public services for ordinary people. Real public spending per person on health has fallen 43% since 2019 and is 18% less than in 2016.

In none of these three cases does the IMF genuinely engage with whether the scale of austerity consistent with keeping the debt being paid is also consistent with maintaining satisfactory growth and achieving development goals. The IMF is ignoring its own definition of sustainable debt.

2.8 Who benefits from the debt being paid?

The combination of new IMF loans, further loans they unlock from other multilateral lenders such as the World Bank, and cuts in public spending enable the debts to keep being paid.

On average across the 11 countries, between 2020 and 2025, of external debt interest payments:

- 45% are to multilateral lenders
- 27% to private lenders (not including Chinese lenders)
- 17% to governments other than China
- 12% to Chinese public and private lenders

The high percentage of payments to multilaterals reflects that fact that some of the countries are low income whose main source of external loans has been multilateral lenders for a long time (The Gambia, Sao Tome and Principe, Sierra Leone). This is alongside others where IMF and multilateral bailouts have reduced the amount owed to other creditors and increased the multilateral share (Argentina, Pakistan). For five of the 11 countries, the highest interest payments are to private external lenders (Republic of Congo, Egypt, Guinea-Bissau, Kenya, Mozambique). In no countries is China the largest creditor group by interest payments.

For debt interest and principal payments, there is a similar pattern, with multilaterals taking a slightly higher share, and private lenders a slightly lower share. Of external debt interest and principal payments for the 11 countries:

- 47% are to multilateral lenders
- 20% to private lenders (not including Chinese lenders)
- 17% to governments other than China
- 16% to Chinese public and private lenders

3. The struggling debt relief process

To avoid the deadly combination of IMF austerity and paying debts in full, countries need a debt cancellation process which works quickly to reduce debts down to a level which enables development goals to be met. But this is not what is happening.

Seven countries have sought debt relief while being on IMF programmes in recent years: Chad, Ethiopia, Ghana, Sri Lanka, Suriname, Ukraine and Zambia. Only Chad and Suriname have completed the debt relief process, with Chad being told by creditors, supported by the

IMF, that it did not need any debt relief. Zambia is still negotiating with some creditors five years after defaulting in the autumn of 2020. In all the cases, private creditors in particular have caused problems during the debt relief process.

In **Chad**, the private creditor consortium led by Glencore delayed negotiations while continuing to be paid in full. This led to Chad getting virtually no debt relief, because the debt to Glencore was largely paid off during the delayed negotiations. The debts were governed by English law.

Ethiopia's private bondholders have refused to accept a reasonable and generous offer from the Ethiopian government and have threatened to sue in the UK in order to pressure Ethiopia to accept a weak deal.[16] The negotiations with bondholders and bilateral creditors have been held in parallel, and bilateral creditors have agreed a deal first, in March 2025.

Zambia reached a restructuring deal with its government creditors in summer 2023. It took almost a year to reach a deal with bondholders. Some non-bond private creditors have now also concluded restructuring deals[17] but others, including UK-based Standard Chartered, have not. It is over four-and-a-half years since Zambia started the Common Framework debt relief process, and two years since it reached a deal with government lenders.

Similarly, it is over 18 months since **Ghana**'s deal with official creditors, and a year since a deal with bondholders, but no deals have yet been announced with non-bond private creditors. Some of these creditors are using political pressure to try to be paid in full, out of IMF loans to Ghana, which would break comparability of treatment with bilateral creditors and bondholders.[18] Afreximbank is one of the commercial creditors refusing to restructure Zambia and Ghana's debt.

Bondholders are refusing to restructure **Ukraine**'s GDP-linked warrants.[19] The debts are governed by English law. In **Sri Lanka**, Hamilton Reserve Bank has rejected the bondholder restructuring and is continuing to pursue a court case in New York state.

Six of the seven countries are still rated as at high risk of debt distress by the IMF. Only Suriname is rated as at moderate risk, but this is because the IMF expects high economic growth due to future oil production. Suriname's external debt payments are expected to be the highest between 2025 and 2030 of any of the countries seeking debt relief. Suriname is already looking to restructure its debt to private lenders again, to move debt payments later, until after oil production has begun.[20]

Across the seven countries, external debt payments are expected by the IMF to average 16% of government revenue. These are all dependent on restructuring negotiations being concluded. Furthermore, this assumes there is high nominal US$ GDP growth, otherwise debt payments will be significantly higher.

Across all global South governments, median external debt payments are currently 12% of revenue, so restructuring countries are tending to be left with significantly higher debt payments than the majority of global South governments. The eleven countries in this research which are being denied debt relief are on average spending 23% of government revenue on external debt payments.

Ghana, Sri Lanka, Suriname and Zambia are all having to implement primary budget surpluses above 1% of GDP. In Zambia the primary budget surplus will be 4.1% of GDP in 2025, and is expected to rise to 4.9% by 2027, 22% of government revenue.

Table. Debt situation in countries seeking debt relief[21]

Country	Current IMF debt risk rating, September 2025	Projected external debt service, % of government revenue, average 2025-2030, assuming restructuring completed	Expected nominal US$ GDP growth, average per year, 2025-2030	Historical nominal US$ GDP growth, average per year, 2015-2024	Primary budget balance targeted by IMF, % GDP
Chad	High	10%	5.3%	1.4%	-1.0%
Ethiopia	In debt distress	11%	9.2%	10.1%	-0.7%
Ghana	High	17%	6.1%	4.5%	1.5%
Sri Lanka	High	21%	8.2%	2.3%	2.3%
Suriname	Moderate	23%	21.5%	0%	3.0%
Ukraine	High	10%	6.8%	5.3%	-0.3%
Zambia	High	18%[22]	11.5%	1.2%	4.1%
Average seven countries restructuring		**16%**			**1.3%**
Average 11 countries not restructuring		**23%**			**2.9%**

References

[1] By debt relief we mean a debt restructuring which leads to reductions in the Net Present value of external debt owed by the public sector.
[2] International Monetary Fund (2018) "Guidance Note on the Bank-Fund Debt Sustainability Framework for Low Income Countries". www.imf.org/en/Publications/PolicyPapers/Issues/2018/02/14/pp122617guidance-note-on-lic-dsf
[3] African Union (2025) 44785-doc-EN_Draft_Zero_Declaration_AU_Conference_on_Debt_Final.pdf
[4] African Union (2025) 44785-doc-EN_Draft_Zero_Declaration_AU_Conference_on_Debt_Final.pdf
[5] IMF. (2013). SOVEREIGN DEBT RESTRUCTURING—RECENT DEVELOPMENTS AND IMPLICATIONS FOR THE FUND'S LEGAL AND POLICY FRAMEWORK. https://www.imf.org/external/np/pp/eng/2013/042613.pdf
[6] African Union (2025) 44785-doc-EN_Draft_Zero_Declaration_AU_Conference_on_Debt_Final.pdf
[7] As explained in one IMF paper: "The Fund may only lend if debt is assessed to be sustainable in the medium term under the GRA and PRGT. If debt is not sustainable, the Fund is precluded from lending unless the member takes steps to restore debt sustainability, including through either debt restructuring or the provision of concessional financing." IMF. (2019). 2018 REVIEW OF PROGRAM DESIGN AND CONDITIONALITY. May 2019. https://www.imf.org/~/media/Files/Publications/PP/2019/PPEA2019012.ashx
[8] https://www.imf.org/external/pubs/ft/aa/
[9] International Monetary Fund (2018) "Guidance Note on the Bank-Fund Debt Sustainability Framework for Low Income Countries". www.imf.org/en/Publications/PolicyPapers/Issues/2018/02/14/pp122617guidance-note-on-lic-dsf

[10] The Debt Sustainability Framework for Low Income Countries (around 70 countries) does not have any mechanical signals for debt sustainability. The Sovereign Risk and Debt Sustainability Framework used for all other countries has mechanical signals, but the IMF does not publish what these are, so there is no way to hold the IMF to account on these the choice of signals or the decisions they make.
[11] https://retepelyod2.wordpress.com/wp-content/uploads/2024/01/right-primary.pdf
[12] Eight of the 11 countries are assessed by the IMF using their LIC Debt Sustainability Framework. This produces a risk rating of low, moderate, high or in debt distress. Six of these eight (Gambia, Guinea-Bissau, Kenya, Mozambique, Papua New Guinea and Sierra Leone) have a high risk rating. The other two have an in debt distress but sustainable rating (Congo and Sao Tome and Principe) which means they are not paying all their external debt, but the IMF thinks they can. The other three countries are assessed using the MAC Debt Sustainability Framework. Their most recent ratings are as follows:

Argentina: high risk, sustainable but not with high probability
https://www.imf.org/en/Publications/CR/Issues/2025/08/01/Argentina-First-Review-Under-the-Extended-Arrangement-Under-the-Extended-Fund-Facility-569162

Egypt: High risk, sustainable but not with high probability
https://www.imf.org/en/Publications/CR/Issues/2025/07/15/Arab-Republic-of-Egypt-2025-Article-IV-Consultation-Fourth-Review-Under-the-Extended-568598

Pakistan: High risk, sustainable https://www.imf.org/en/Publications/CR/Issues/2025/05/17/Pakistan-First-Review-Under-the-Extended-Arrangement-Under-the-Extended-Fund-Facility-567021

[13] Change in health and education spending are from 2022 as we could not find any earlier data for Sierra Leone. Change in overall public spending, and growth rate, are still from 2015.
[14] https://www.imf.org/en/Publications/WP/Issues/2016/12/31/Front-Loaded-or-Back-Loaded-Fiscal-Adjustments-What-Works-in-Emerging-Market-Economies-17666 and https://www.imf.org/external/pubs/ft/wp/2013/wp13230.pdf
[15] https://debtjustice.org.uk/wp-content/uploads/2025/06/Debt-Democracy-and-Austerity_Jun-25.pdf
[16] See https://debtjustice.org.uk/press-release/bondholders-would-still-make-30-profit-from-rejected-ethiopia-deal and https://www.ft.com/content/40c35ffd-fa86-445f-9c4c-dc434b61de25
[17] https://x.com/mofnpzambia/status/1902025846161887718
[18] https://www.theafricareport.com/387089/ghana-courts-trump-on-travel-ban-and-debt-relief/ and https://3news.com/business/u-s-senator-demands-ghana-repay-251m-debt-to-american-firms-before-imf-loan-approval/#google_vignette
[19] https://debtjustice.org.uk/press-release/hedge-funds-cash-in-while-ukraine-is-at-war
[20] https://www.bloomberg.com/news/articles/2025-09-24/suriname-wants-to-refinance-its-debt-before-oil-revenue-flows?srnd=phx-fixed-income
[21] All figures are calculated from the most recent IMF country report for the each country and the IMF World Economic Outlook database.
[22] Figure assumes Zambia has to make the higher payments to private and bilateral creditors as current expectations are the trigger to do so will be met.