

WEBINAR: Africa's debt architecture: global financial access, rating agencies and restructuring

Background

- After the cancellation of debts of developing countries in the early 2000s, a proliferation of new creditors emerged as African countries began entering capital markets.
- Eurobonds have grown to become an important source of financing for development in various countries across the African continent.
- Policymakers have argued that the growing activity in issuing Eurobonds is a result of more easily available credit information.
- In response to the increased activity in the Eurobond market, the frequency of assigning sovereign credit ratings in Africa has risen dramatically since the 2008 financial crisis.
- Compared to their first sovereign credit ratings, most African countries' credit ratings have deteriorated, which has had serious implications on the cost of servicing debt.
- The share of traditional and relatively new creditors in African external debt varies a lot across African countries. In 2019, 8 African countries accounted for over 80% of private creditors debt whereas 3 countries accounted for 50% of China's debt.
- Majority of infrastructure investments are delivered through the use of Public-Private-Partnerships (PPPs) that have been shown to pose serious economic and social risks.
- The absence of a successful sovereign debt resolution system involving all creditors means that the resolutions fall short of supporting recovery for African countries, particularly in light of the evolution of debt profiles.

The Webinar

The webinar will bring together experts in debt and credit ratings to:

- Discuss the African debt landscape with a focus on the effects of increased access to international financial markets, role of credit ratings and the various debt restructuring agreements.
- Discuss how the absence of statutory and human rights-based sovereign debt mechanisms that involve all creditors hinders attempts towards addressing reforms in the architecture of the current African debt profile.
- Discuss the drivers and outcomes of the growing activities in Eurobond issuance and sovereign credit ratings in Africa over the last decade.
- Discuss how the AU APRM Policy Framework on Credit-Ratings can mitigate the negative effects of credit ratings in Africa.
- Highlight policy recommendations for debt restructuring.

Agenda: 1700h – 1815h CEST

17:00 - 17:05	Opening remarks by Dr. Olumide Abimbola
17:05 - 17:25	<p>Session 1: Paper presentations</p> <p>“Africa's Debt Landscape: Scope for Sustainability” Presented by Aurore Sokpoh, an economist, researching African agency in international public finance architecture as part of her second Master in Africa and International Development at the University of Edinburgh. She holds a Certificate in Data, Economics, and Development Policy from the Massachusetts Institute of Technology; a Master's Degree in Development Economics and a Double Bachelor in Economics and Law, both from the University of Paris Panthéon-Sorbonne.</p> <p>“How are the 'Big Three' rating agencies impacting African countries?” Presented by Nora Chirikure, a research assistant at Africa Policy Research Institute (APRI). Nora holds a B.Sc. in Politics, Philosophy and Economics from the Erasmus University in Rotterdam. She is currently pursuing a M.Sc. in Economics and Management Science at the Humboldt University in Berlin.</p>
17:25-18:00	Session 2: Panel Discussion

	<p>Dr Theophilus Acheampong is an economist and political risk analyst with over ten years' experience working with governments, private investors and international organizations on natural resource governance and public financial management issues. He has worked as an independent consultant on various projects in the global energy industry, particularly in upstream oil and gas, and in providing economic analysis and market research focused on frontier emerging markets. He is currently co-editing a Palgrave MacMillan book titled "Petroleum Resource Management in Africa: Lessons from Ghana", which examines the challenges and opportunities from ten years of oil and gas production in Ghana.</p> <p>Jason Rosario Braganza is a Kenyan Economist with over ten years' experience working on international development in Africa. Jason has focused his work over the past decade on trade and regional integration; finance for development and tax; illicit financial flows and domestic resource mobilisation; and poverty and inequality. Jason is the Executive Director at The African Forum and Network on Debt and Development (AFRODAD).</p> <p>Moderated by Chenai Mukumba, the Policy Research and Advocacy Manager at the Tax Justice Network Africa. She is based in Nairobi Kenya and is responsible for leading the policy unit and coordinating the institution's research and policy engagement on tax justice issues at regional and global levels. She has held the position since August 2020 and was also recently elected to sit on the board of ATAF's African Tax in Women Network as the Vice Chair. Chenai has a Masters in International Relations from Wits University, Johannesburg.</p>
18:00-18:15	Open plenary session and Q&A Recommendations and next steps