



CONCEPT NOTE

Getting Africa into the Driver's Seat in Global Debt Discussions

**SIDE EVENT ON THE OCCASION OF THE 13th UNCTAD DEBT MANAGEMENT CONFERENCE
Geneva/Switzerland, 5 to 7 December 2022**

WHEN, WHERE, WHO

Date and Time:	December 5 th 2022, 13:00-14:30 CET
Location and Venue:	Room XXII Palais des Nations, Geneva – Switzerland
Organizers:	African Union ETTIM Department, UNCTAD, FES AU Cooperation Office
Participants:	Conference participants

BACKGROUND

Since the early 1980s, there have been a total of 317 sovereign debt restructurings in Africa, yet African perspectives have not been featured prominently in the ongoing sovereign debt debate. Traditionally, African countries have borrowed mostly from multilateral lenders and high-income bilateral creditors belonging to the Paris Club. Consequently, when African countries have restructured their debts, they have done so through the Paris Club and through specific debt relief initiatives set up by their multilateral creditors. More recently, however, the composition of Africa's creditors has been changing, as more countries turn to private commercial lenders and new bilateral creditors — principally China and other emerging market governments — for their borrowing needs.

Until the beginning of the 2000s, traditional creditors were the primary source of financing for Africa's development projects and as such, the overwhelming debt re-structuring frameworks were articulated and narrated in accordance with their interests and demand. During that period, there was no or limited policy space given to developing countries or countries that were indebted. For many years, the Paris Club was the premier forum through which African countries restructured their sovereign debt. But as the composition of Africa's official bilateral creditors increasingly shifts from Western governments to new, non-Paris Club countries, the relevance of this forum fades — as does the relevance of the broader debt-restructuring regime of which it is a part. Although the HIPC (1996) and MDRI (2006) initiatives have provided debt relief for several developing countries, however, it was not designed or meant to ensure debt sustainability in Africa, rather, it was a one-off practice addressing the problem at a time. To date, the majority of African countries have continued to engage and participate in different debt relief and re-structuring frameworks and cooperation modalities, while the underlying narrative and practice remain unchanged.

At the core of the problem is the governance issue where African demands and interests are often misrepresented and rarely reflected on the debt restructuring agreements and frameworks. The long-standing narrative that the creditors have the exclusive policy space for designing and rolling out debt relief and restructuring agreements is a decade-old assumption and it doesn't take into account the

evolving nature of global finance, actors and challenges. African countries, as it stands, are not satisfied with the way the global financial system operates, yet they have also not managed so far to come up with a common position or specific demands on how to re-shape an emerging framework for debt relief and restructuring. This leads to important questions about mechanisms and strategies to be used to resolve future defaults and debt restructurings on the continent. The African Union has taken meaningful steps to establish the African Financial Institutions (AFI), as premier intuitions for the continent to mobilize resources and manage financial sectors. This is indeed a major political step for the union and to place the content in a better governance structure.

OBJECTIVES

The side event aims to learn from African countries' extensive and evolving experience with sovereign debt management and restructuring process and envisions how a future debt re-structuring framework should look like. In general, the forum seeks to discuss the existing global financial system and governance and reiterates Africa's position and role in creating an inclusive and just system. The main purpose of the side event is:

- To look back on past debt relief initiatives and lessons learned from the experience;
- To examine the current global financial architecture and Africa's role within the existing frameworks;
- To highlight the role of the African Union in galvanizing political support and finding an African common position for international debt relief and debt restructuring negotiations.

FORMAT AND AGENDA

The side event will take place on the 5th of December 2022 on the occasion of the 13th UNCTAD International Conference on Debt Management. The event will be held as a plenary debate with expert inputs, followed by a Q&A session with the audience.

Proposed Agenda:

TIME	AGENDA ITEM	WHO
13:00 – 13:05	Opening and Welcome	FES-AU
13:05 – 13:10	Setting the scene	Moderator
13:10 – 14:00	Panel discussion	Moderator & panelists
14:00 – 14:25	Q&A	Moderator
14:25 – 14:30	Closing	FES/UNCTAD

PANELISTS & MODERATOR

Panelists:

1. *Patrick Ndzana Olomo*, Dep. Director at ETTIM Department, AU Commission
2. *Josephine Tito*, Programme Manager, Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)
3. *Daniel Tilahun*, Team Leader at Debt Management Directorate, Ministry of Finance, Federal Republic of Ethiopia (virtual)
4. Creditor Institution
5. African NGO/Think tank

Moderator:

Richard Kozul-Wright, Director Globalization and Development Strategies Division, UNCTAD