



Evaluation Week
Semaine de l'évaluation
2022

Session title: Debt burdens and building economic resilience of African countries: Effective approaches for International Finance Institutions

About this session

Aim

The session's main aim is to share knowledge and experiences of key drivers and trends of debt in African countries, to draw lessons from past debt management practices and to reflect on innovative, evidence-based approaches to strengthen African countries' economic resilience in the face of their debt burden.


Background and context

After 30 Sub-Saharan African (SSA) countries saw their external debt canceled under the Heavily Indebted Poor Countries (HIPC) initiative and the Multilateral Debt Relief Initiative (MDRI), the average public debt-to-GDP ratio in these countries dropped from 85.3% in 2001 to 34.3% in 2013. However, this downward trend did not last and by 2022, the Africa's average public debt-to-GDP ratio will rise to 64.3% (AEO, 2022).

Many African countries are now in debt distress or at high risk of falling into debt distress. Even before the pandemic, African governments were making growth-enhancing long-term investments as the continent was seen at the time as being on the verge of economic transformation, bolstered by its fast-growing economies. With the arrival of the pandemic, governments responded with major new spending programs, to stimulate their economies and protect their citizens. At the same time, sharp reductions in remittances, tourism, and foreign direct investment reduced their incomes, resulting in wider fiscal deficits, increased indebtedness, and depleted foreign currency reserves. At the very moment when Africa needs to build back better after the pandemic, its public finances are heavily constrained.

As of February 2022, a total of 23 African countries were either in or at risk of debt distress (AEO, 2022). Furthermore, the Russian-Ukrainian war will further challenge African debt management through various transmission mechanisms: (i) rising oil and gas prices; (ii) rising food prices; (iii) higher interest rates in developed countries; and (iv) reduced resources for official development assistance to Africa. Therefore, to build resilient economies, African countries must address their debt and development financing challenges in partnership with the international community.

The current debt burden calls for bold reforms aimed at improving governance, eliminating the leakage of public resources, improving the mobilization of national resour-



es, and strengthening transparency. Among other initiatives, the African Development Bank has launched a Debt Management Action Plan and the Public Financial Management Academy to build capacity for financial management. The Bank has also proposed the establishment of an African Financial Stabilization Mechanism to protect the continent from external economic and financial shocks.

For these initiatives to be successful and help African countries come out of debt distress, their interventions and design must be informed by evidence and what we know about what works, what doesn't and why. This session of the AfDB Development Evaluation Week shall discuss evaluative knowledge to inform debt management and economic resilience initiatives, as well as look at current debt management practices by International Financial Institutions and innovative approaches to strengthening resilience.

What to expect from this session

The session shall open with a keynote presentation on the “Overview of the Debt burden and African countries’ resilience in the current crisis context” to set the scene for the morning’s discussions.

Following the presentation, a panel of experts, representing development institutions, governments, and civil society practitioners, will share their perspectives of debt management and economic resilience initiatives, as well as look at evidence and evaluation knowledge surrounding current debt management practices by International Financial Institutions and innovative approaches that aim to strengthen the resilience of African economies.

Relevant evaluations:

- [Evaluation of the AfDB Non-Concessional Debt Accumulation Policy \(IDEV\)](#)
- [Impact Evaluation of the AfDB-supported Public Finance Modernization Support Project in DR Congo \(IDEV\)](#)
- [World Bank Support for Public Financial and Debt Management in IDA-Eligible Countries](#)
- [Addressing Country-Level Fiscal and Financial Sector Vulnerabilities \(World Bank\)](#)

Session details

Date: 30 September 2022

Time: 09:30 – 11:30 GMT

Location: Virtual via online Zoom session (link to be provided to all panelists, moderators and speakers)

Session Program

Time	Intervention	Role	Person (to be confirmed)
9:30	Welcome remarks and introductions	Moderator	Eric Ogunleye, Division manager (Acting), Policy Management, AfDB.
9:40	Keynote presentation: “Overview of the Debt burden and African countries’ resilience in the current crisis context.”	Keynote Speaker	Abdoulaye Coulibaly, Director (acting), Macro-Economics Policy, Forecasting and Research.
10:00	Introduction to Panel	Moderator	Eric Ogunleye
10:05	Panel Discussion: Innovative approaches and current initiatives aimed at debt management in Africa and lessons from evaluations	Panelist	Jeff Chelsky, Manager, Country Programs and Economic Management Unit (IEG, World Bank)
		Panelist	Victoria Chisala, Acting Director, Corporate Strategy and Policy.
		Panelist	Rt. Hon. Mary Ayen Majok Deng, First Deputy Speaker, The Council of States, Transitional National Legislative Assembly
		Panelist	Jason Rosario Braganza Executive Director of African Forum and Network on Debt and Development
10:45	Q&A	All	
11:15	Wrap-up	Moderator	Eric Ogunleye

For more information about AfDB Development Evaluation week visit:

<https://idev.afdb.org/en/afdb-evaluation-week-2022>

