



There is need to sustainably balance public debt levels with the necessity to accelerate inclusive development and enhance public service delivery in Africa

HIGHLIGHTS

AFRODAD continues to promote effective debt management strategies and Africa's sustainable development



Participants during the AFRODAD / Grassroots Africa Debt Advocacy meeting in Accra, Ghana.

AFRODAD in collaboration with Grassroots Africa hosted various CSOs, representatives from the Ghana's government, economic bodies, development partners, and national private sector on the 4th July 2019 in Accra, Ghana.

The main aim of the meeting was to discuss debt management and borrowing by African States and to allow mutual learning and knowledge exchanges among debt management stakeholders. The meeting ran under the theme: "Interrogating Ghana's Debt Management Strategy: Lessons for West African States." The forum was also an effort to highlight the need to reduce borrowing from external sources and to ensure that debt management processes are transparent and accountable to avoid unsustainable debt situations.

AFRODAD's position, as clearly highlighted in the [African Borrowing Charter](#) is that African governments should always avoid incidences of over-borrowing in order to protect the continent from unsustainable and at times unsafe public debt



Mr. Tirivangani Mutazu, Senior Policy Analyst AFRODAD

contraction. Governments are charged with the responsibility to avoid risks of possible deterioration of fiscal positions thus negatively affecting living standards of African citizens.

"There is need to sustainably balance public debt levels with the necessity to accelerate inclusive development and enhance public service delivery in Africa". Mr. Tirivangani Mutazu, Senior Policy Analyst from AFRODAD, emphasized as he also mentioned that over 15% of African countries were already in debt distress while about 28% others were experiencing high risk of debt distress.

Member of Parliament (MP) for Bolgatanga Central constituency in Ghana, Mr Isaac Adongo, urged the government of Ghana and other African States to consider the concept and realisation of domestic borrowing instead of foreign borrowing. "we need to develop the local capacity to fund government programmes rather than letting a country borrow from external sources because [if you borrow in dollars, you need to pay in dollars](#) and that puts a strain on government's ability to offer adequate public service to its people.

To sum it up, Mr Mutazu urged Ghana to continue improving its debts strategies, fix its financial sector fragilities and implement the fiscal responsibility law that was recently passed by Parliament stating that public debt should be kept below the established threshold of 65% of Gross Domestic Product. [Here](#) is an interesting reaction that goes beyond passing laws.

Why does AFRODAD care about Ghana? You may check out Ghana's economic situation [here](#) and [here about the debt sustainability analysis](#).

AFRODAD is demanding that Public Private Partnerships put people first

AFRODAD joined various stakeholders and regional Civil Society Organisations (CSOs) that attended the [Open Society Initiative for Southern Africa \(OSISA\)](#) regional conference that took place on July 2-3, 2019 in Johannesburg, South Africa. The two day multi-stakeholder conference emanated from growing concern about southern African countries' rising debt level, which threatens developmental aspirations.

Dr. Fanwell Bokosi, AFRODAD's Executive Director represented the organisation as a panellist on one of tabled discussion topics: 'Public-private partnership blessing or a curse?' with a specific emphasis on the pros and cons of PPPs in the region. Other panellists included Ms. Caroline Chema Eric –World Bank, PPP Operations Officer; Mr. Isaah Mhlanga, Alexander Forbes Investment, Executive Chief Economist and Ms. Lebohang Pheko – Trade Collective, Senior Research Fellow.



(From right); Dr. Fanwell Bokosi, Ms. Lebohang Pheko, Mr. Isaah Mhlanga, Ms. Caroline Eric & Ms Kantha Rattay (extreme left)

PPP's in many instances have been found to be a useful tool to foster development. However PPP's also come with their form of negativity such as extended projects longevity, marginalisation of women and communities and increased public debt.

You see, [PPP's](#) are an opportunity for blended financing which enables governments to deliver services which would otherwise not be available. These partnerships are strategic for improving the efficiency, robustness and quality of public services. However Dr. Bokosi highlighted

the other face of PPP's that cannot be overlooked. He tackled challenges that are associated with PPP's such as very high cost compared to public services and difficulties to negotiate and renegotiate. They are also risky and they often lack transparency and sufficient accountability. "There are very few PPP's that have delivered the developmental outcome that they set out to deliver" Dr. Bokosi emphasized.

AFRODAD's position is that if in future African Countries wish to deal with PPP's, there is need to make a demarcation on specific projects which require PPP's since financing gaps will always be there. African governments should not be pressured to execute such projects in a rush. There is need to plan for what is important and relevant for the betterment of the community that deserves better service delivery.

If you look at it analytically, PPP's are not always bad BUT there is need to approach PPP's in a sufficiently transparent manner that must be debated upon by both parties to achieve the intended outcomes. PPP's should put people first though they often do not!

Find out more on [AFRODAD's position on PPP's](#).

Feedback can be forwarded to: communications@afrodad.co.zw

Our Financial Partners



CONTACT US:

African Forum and Network on Debt and Development (AFRODAD)
31 Atkinson Drive, Hillside, PO Box CY1517, Causeway,
Harare, Zimbabwe
Tel: +263 24 778531/6 or 2912751-4 | Fax: +263 24 747878

Website: www.afrodad.org

FOLLOW US ON SOCIAL MEDIA

