

## CONCEPT NOTE

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**3<sup>rd</sup> African Conference on Debt and Development (AfCoDD III)**

*“The 4Rs for Africa Rule-Maker: Reimagining, Rethinking, Reorganising, and Remobilising for an African World Order”*

**30<sup>th</sup> August to 1<sup>st</sup> September 2023, Dakar, SENEGAL**

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**1.0 Introduction**

The African Forum and Network on Debt and Development (AFRODAD) and its partners present the [3<sup>rd</sup> edition of the African Conference on Debt and Development \(AfCoDD III\)](#) to be held on 30<sup>th</sup> August to 1<sup>st</sup> September 2023 in Dakar, Senegal. [Launched in August 2021, AfCoDD](#) is one of three flagship programmes run by AFRODAD that seeks to bring together **all African citizens** to discuss, debate, and decide Africa's path towards economic, political, and social self-determination.

**2.0 Context**

At the start of 2023, the Republic of Ghana became the fourth African (fifth globally) to apply for the G20s Common Framework for debt relief and restructuring. This came about following the country [defaulting on it Eurobond](#) and was swiftly accompanied by a [downgrade by credit rating agency](#) Fitch. The Republics of Chad, Ethiopia, and Zambia have suffered a similar fate since 2020. Across the continent, several countries are beginning to show similar symptoms that indicate either defaulting or needing to apply to G20 Common Framework. This situation is graver than what meets the eye. Africa's debt burden is directly becoming a burden on Africans who are having to pay the price both irresponsible borrowing and equal irresponsible lending. Yet, despite the debt burden, institutions like the International Monetary Fund (IMF) continues to provide loans under the guise of “highly concessional” loans to our African governments. Africa is caught in a debt trap that extends beyond contraction in fiscal policy space. Africa is trapped in a low productive capacity trap that is entrenched by the neo-liberal economic order that blocks any attempt for Africa to produce and transform its economies in manufacturing and industrial hubs for global production.

Africa's perpetual crisis mode and dependency policy making approach thus needs a rethink. At [AfCoDD II the keynote address posited](#) while debt was not in itself bad, in its current form, is the perpetuation of colonisation in Africa. It is perhaps the single most important variable that has impacted on the way in which neo-colonialism has been entrenched on the African continent. To escape this vicious cycle, we as Africans and as Africa need to find ways out of the short-termism of macroeconomic planning, enhance production and industrialisation, increase domestic resource mobilisation, and reinforce African agency both inwardly and externally. At a more fundamental level, this debate problematises the function of debt and related power differentials in late capitalism and calls into question development paradigms, notably the hegemonic infrastructure-led development regime, that have sustained Africa's financial dependency into the 2020s.<sup>1</sup>

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<sup>1</sup> Debt, distress, dispossession: towards a critical political economy of Africa's financial dependency by Tim Zajontz, Pages 173-183

To achieve these four proposals, AfCoDD III presents the “**4Rs for Africa the Rule-Maker: Reimagining, Rethinking, Reorganising, and Remobilising for an African World Order.**”

Together with our partners, AFRODAD welcomes you all to AfCoDD III! The Conference webpage can be found [here](#).

### **3.0. The 4rs For Africa Rule-Maker: Reimagining, Rethinking, Reorganising, And Remobilising For An African World Order**

#### **3.1 REIMAGINE - Who is Africa when she make the rules?**

*What if we as Africans reimagined our own concept of billions to trillions that is not locked within a neo-liberal, neo-colonial framework that invests billions but extracts trillions from Africa?*

To **REIMAGINE** implies to allow the mind to venture and explore areas and issues seldom touched on in the pursuit of economic, political, and social emancipation. For instance, in 2021, the [female population stood at 50.17%](#) for 53 African countries while more than [60% of Africa’s population is under the age of 25](#). By 2030, [young Africans](#) are expected to constitute 42% of global youth. **Reimagining requires us to accept Africa’s future is women and young people.** Africa is said to have the highest rate of women starting up businesses, with the Global Entrepreneurship Monitor 2021/22 Women’s Entrepreneurship Report finding that women are more likely than men to be entrepreneurs. Women in Africa also contribute significantly in multiple ways to general wealth creation on the continent, for example, through consumer spending, workforce participation, and business ownership, and women entrepreneurs drive innovation and economic growth. It would be wonderful to see the women of Africa leading the foray into eco-tourism and growing their existing small agricultural businesses into formidable enterprises.<sup>2</sup>

#### **3.2 RETHINK – Where is Africa without dependency on the Neo-Liberal Economic and Political Order?**

At the heart of Africa’s current debt situation, is inequality that is multi-layered and problems of debt governance that need redressing. At the global level, there is an inequality in how decisions are made. This inequality is entrenched in the neo-liberal and neo-colonial approaches that assumes a few can make rules for the many.<sup>3</sup>

**RETHINKING** an African economic order requires a movement away from primary commodity production and exports. It demands an end to market based approaches to attracting investments. And it requires a state-led approach which focuses on the inward advancement of the continent and its people. The appreciation of this notion is confirmed by the downturn in foreign investment when the realisation of lower profits is observed which a direct impact on our continent and our people. It is further entrenched when we accept that the rules-based international order has not served Africa’s interests. On the contrary, it has preserved a status quo in which major world powers maintain their positions of dominance over the global South and Africa specifically.

#### **3.3 REORGANISE – What happens when the African States comes together?**

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<sup>2</sup> [Africa Wealth Report 2022, Henley and Partners](#)

<sup>3</sup> <https://www.theguardian.com/technology/2021/may/04/amazon-sales-income-europe-corporation-tax-luxembourg> This article demonstrates how skewed the international financial architecture is in favour of multinational corporations, and how profits over people dominates the global policy arena.

**REORGANISING** is about self-determination and demonstrating resilience to the cause. [African leaders are coming to the global arenas not as subordinates but as equals.](#)<sup>4</sup> **REORGANISING** implies taking control of one's manifest destiny and exerting one's sovereign right to self-determination. Solidarity among African states and societies has helped sustain the campaigns against colonialism and apartheid in the twentieth century, sentiments which underpin the African Union's Agenda 2063 development plan, which seeks to transform the continent into an economic powerhouse.

### **3.4. REMOBILISE – Why must Africa care about the poly-crisis?**

The African continent is experiencing a **poly-crisis** comprising the aftershocks of the Covid-19 pandemic, a climate emergency, and the spillovers from the conflict in Europe at the global level. This poly-crisis is deepened at the continental and national levels as country debt, austerity, fiscal consolidation, political instability, and electoral instability all threaten the agency of African citizens. The democratic deficit that exists across the entire global and continental architecture<sup>5</sup> is eroding the rights of citizens to hold leaders to account and to demand representation in how decisions are made. Instead, African citizens are not only subsidising neo-liberal policies through regressive taxation, but they are also subsidising democracy and democratic governance via user fees and privatisation of public services.

**REMOBILISING** is an undertaking that accepts that the global financial system where institutions like IMF, act as a device by which powerful forces in some rich countries increase their power over poor nations is not fit for Africa's purpose. Current challenges facing the post-war liberal international order warrant a reimagining of Africa as an agent in the international system, rather than as a passive victim of a predatory, anarchical order imperative.<sup>6</sup>

## **4. CONFERENCE PILLARS**

AfCoDD will have three pillars:

- i. **Political** – This pillar will focus on Africa's engagement and role in the current debt and financial architecture as a rule taker and debt taker and investigate building a new political consensus for a new debt architecture where it is a rule maker and debt negotiator. Africa's experience with debt resolution has historically been disorderly and protracted. It will also explore the idea of Africa's foreign policy intersection with economic, trade, security policy and how to go about developing this policy framework
- ii. **Research and Ideation** – This pillar is about contributing to the Pan-African knowledge and intellectual perspectives of debt, development finance, and structural transformation of Africa. A journal of selected papers for presentation will be launched at the AfCoDD.
- iii. **Public Mobilisation #SisiNdioTuko** – This pillar is about national civic movement building in a sustained manner beyond the current debt crisis. Citizens of the developing countries and their governments need to grab the opportunity presented by COVID-19 to demand new debt resolution mechanism that addresses the legality, legitimacy, and sustainability of debts.

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<sup>4</sup> [Watch from minute 9:19](#)

<sup>5</sup> <https://afrodad.org/covid-19-debt-vulnerabilities-opportunity-to-reform-debt-restructuring-mechanisms/>

<sup>6</sup> Reimagining Africa: A Continent in Transition and Its Implications for World Order, Clement Adibe

## 5. OBJECTIVES

- i. **Call for reforms of the global financial architecture that governs public debt:** The principles and mechanisms that protect debtor countries from profiteering creditors need to be revisited based on suspension, renegotiation, restructuring and cancellation. This includes considering changing of the creditor landscape and the proliferation of debt instruments available to African governments. A new sovereign debt restructuring mechanism that would be binding on all creditors, including commercial creditors, and that would make it difficult for hold-out creditors to prevent sovereign debt workouts.
- ii. **Seek meaningful debt solutions:** The financial squeeze African governments find themselves in has been worsened by the prolonged effects of the global Covid-19 pandemic. The pressures of debt repayment amidst declining revenues are forcing African governments to trade off protecting citizens from the vagaries of the pandemic in favour of paying off creditors. Support the United Nations Conference on Trade and Development's proposal for an International Developing Country Debt Authority that would oversee comprehensive temporary standstills.
- iii. **Call for the sealing of financial leakages:** The African Union needs to focus on closing the financial leakages including addressing illicit financial flows, and supporting initiatives that spur domestic resource mobilisation to fight the pandemic. The issue of Illicit Financial Flows, Debt, Tax Havens, and aggressive corporate culture; and Privatisation of development is a growing concern. It is estimated Africa could gain \$89 billion annually by curbing illicit financial flows. The status quo that governs global finance is skewed, with illicit financial flows representing a double theft: an expropriation of funds that also robs billions of a better future.

## 6. FORMAT

The AfCoDD will be held in-person and livestreamed on all our social media platforms.

## 7. TIMELINES

The AfCoDD will be held over 3 days between 30<sup>th</sup> August and 1<sup>st</sup> September 2023 in Dakar, Senegal; and will be delivered as hybrid physical and virtual conference. For more information, please contact John Oduk [john@afrodad.org](mailto:john@afrodad.org) and Aurore Sokpoh [eventscoordinator@afrodad.org](mailto:eventscoordinator@afrodad.org)