



Concept Note

VALIDATION WEBINAR DOMESTIC DEBT CONUNDRUM IN AFRICA –IMPLICATIONS ON NATIONAL AGENDA AND FISCAL CONSOLIDATION (CASE OF SENEGAL, KENYA, AND ETHIOPIA)

Event Details

Date & Time:	9 th February 2026, 3PM EAT
Location & Venue:	Zoom
Participants:	Civil Society Organizations, Think Tanks, Academia, National Treasury, and Central Bank Representatives. Members of Parliament

Introduction

The African Forum and Network on Debt and Development is a Pan-African civil society organisation advocating for accountable and transparent sovereign debt management, debt cancellation, and efficient mechanisms for mobilisation and utilisation of domestic resources and the use of international public finance in Africa, while demonstrating how opaque borrowing and creditor secrecy have historically worsened sovereign debt crises across Africa and made debt restructuring processes more contentious.

Background

African nations are facing a [debt crisis](#), characterized by a shift in sovereign debt composition. While international focus has featured on external creditors, domestic debt in Sub-Saharan Africa has surged [fourfold](#) from 4% of GDP in 2015 to 16% in 2025. In countries like Kenya, Ethiopia, and Senegal, this shift is driven by a combination of [tightening external capital markets](#), recurrent fiscal deficits, and a desire to minimize exchange rate risks. However, this "[sovereign-controlled](#)" financing has become a source of intense fiscal stress. Unlike external concessional loans, domestic debt is often short-term and carries significantly higher interest rates, leading to a cycle where domestic debt service now absorbs a massive share of government revenue.

Against this background, AFRODAD commissioned research paper titled; ‘Domestic Debt Conundrum in Africa – Implications on National Agenda and Fiscal Consolidation (Case of Senegal, Kenya, and Ethiopia)’. The aim of the paper was first, the need to address the crowding-out effect, where domestic debt service obligations are diverting resources from essential human rights sectors such as health, education, and infrastructure. By centering the discussion on these trade-offs, the paper reinforces that debt management must remain secondary to a state’s primary obligation to provide basic social services and achieve national aspirations like [Kenya’s Vision 2030](#) and [Senegal’s Plan Sénégal Émergent](#). The necessity is further amplified by the transition of African countries like Kenya and Senegal to lower-middle-income status, which has restricted their access to cheap concessional financing and forced a perilous reliance on expensive, short-term domestic markets.



Secondly, the paper addresses governance mishaps and legal gaps that have allowed domestic debt to flourish without the same transparency and oversight standards applied to external debt, leading to "hidden fiscal risks" within for example, Ethiopia's state-owned enterprises and Senegal's public-private partnerships. In response, this paper aligns with the [African Borrowing Charter](#) by advocating for dedicated domestic debt laws and "instrument-specific issuance guides" to curb executive overreach and ensure that borrowing is both transparent and developmental. Finally, by focusing on the domestic "conundrum," this research provides for a missing link in global policy discussions; it moves beyond the narrow focus of the [G20 Common Framework](#), which centers almost exclusively on external debt, to offer a more holistic restructuring roadmap for countries like Ethiopia that are navigating volatile domestic landscapes. Thus, this validation webinar will help refine how African debt profiles are managed with the accountability and human-rights lens.

Objectives

Based on the study, the primary objectives of the validation meeting are to review and refine the following key areas of the research:

1. Present political economy analysis of domestic debt accumulation trends in Africa with Kenya, Ethiopia, and Senegal as case studies
2. Assess the findings of implications of public service delivery, social spending, and sectoral allocations in sectors such as health, education, and infrastructure.
3. Highlight and interrogate the effectiveness of existing legal and institutional debt management frameworks and identify any gaps in relation to domestic debt sustainability.
4. Validate and refine the proposed policy recommendation for managing domestic debt achieving sustainable economic growth and the fiscal capacity of African countries

Expected Outcomes

The key outcome of webinar is to refine the research from critical inputs and commentary to strengthen the focus and arguments of the paper. It will also focus on validating a political economy analysis of domestic debt accumulation in Africa, using Kenya, Ethiopia and Senegal as a case study. and shape inputs into evidence that can influence engagements with policy makers and civil society practitioners. Based on the study, the specific outcomes anticipated from this process include:

1. Capture feedback from policymakers, civil society, researchers, and development partners on the study's findings and conclusions.
2. Identify areas for refinement to improve usefulness of the study for policy influencing and decision-making at national, regional, and continental levels.

Panelists and Moderator

Presentation

1. Mr. Benard Njiiri, Lead Author & Lead Analyst Macro Fiscal and Debt Analysis, IPPF



Panelists

2. Dr. Ndongo Samba Sylla, Head of Research and Policy for the Africa Region/International Development Economics Associates (IDEAs)
3. Ms. Martha Bekele, Director and Cofounder-Development Transformations
4. Mr. Kwame Owino, CEO-Institute of Economics Affairs, (IEA)

Moderator: Catherine Mithia, Policy Officer, SDM-AFRODAD

Format

The validation webinar will be held virtually for 90minutes beginning with presentation of the paper followed by expert panelist discussion and feedback, followed by a Q&A segment, for participants to share insights and opinions to shape the paper better.

Contact Persons

In case of any questions or clarifications, please reach out to the persons listed below.

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