



AFRICAN FORUM AND NETWORK
ON DEBT AND DEVELOPMENT

Terms of Reference

Revising the Africa Borrowing Charter

The [African Forum and Network on Debt and Development \(AFRODAD\)](#) is a Pan-African civil society organisation established in 1996 to advocate for debt cancellation and addressing debt related issues in Africa. Over the past 25 years, AFRODAD has built expertise on public debt management issues and its intersectionality with domestic resource mobilisation, and international public and private finance in Sub-Saharan Africa and continues to be concerned that African economies do not become highly indebted and in debt distress as in the 1980s. We work with Government Officials across Africa, Members of Parliament, Media and Journalists, Civil Society Organisations, and representatives from the global financial architecture at continental and global levels. We advocate for accountable and transparent public debt and financial management; strengthening of legal and policy frameworks to curtail leakages through illicit financial flows and profit shifting; prioritising revenue generating opportunities through all forms of finance in Africa. Our work focuses on influencing African governments and institutions to adopt accountable and transparent public debt management policies and practices for sustainable development and eradication of poverty. Since our establishment, we have been contributing to finding sustainable solutions to Africa's challenges in debt and resources mobilisation, including financial development. Our main focus areas are Sovereign Debt Management, Democratisation of the Debt Discourse, Collective Action on Debt and Development and Institutional Development & Sustainability.

1. Introduction

African governments have historically relied on borrowing to finance development and accelerate economic transformation in the continent. Such borrowing has not been the core of recurring debt crisis in the continent as has been the issue of debt governance. This has led to African debt crisis being fundamentally analysed as a problem rooted in weak debt governance frameworks, inadequate legal and institutional safeguards, limited transparency and accountability, and the persistent failure to ensure that borrowed resources are directed toward productive and development-enhancing investments. Africa's debt history has been shaped by a variety of factors. Foremost, colonial legacies disrupted the traditional African financial system by introducing a cash-based economy and political influences in public finance. Colonial powers borrowed to finance the development of particular sectors for their benefit, which debts were inherited by African countries upon independence, and are also argued to be odious debts. Further, the labour and resources of African countries were exploited during colonialism and slavery, which further disadvantaged these nations upon attainment of independence, giving rise to calls for reparative justice. Additionally, Africa's debt crisis of the 1970s through the 1990s was broadly understood from this lens. During the 1970s, many African countries borrowed heavily in an international environment characterised by high commodity prices and abundant global liquidity, as commercial lenders sought to recycle petro-dollar surpluses. Borrowing continued into the 1980s despite deteriorating terms of trade, rising global interest rates, stagnating industrial output, and declining export performance.

By the early 1990s, many African countries were under severe debt distress, unable to service their obligations, resulting in the accumulation and capitalisation of arrears. External debt rose dramatically, reaching unsustainable levels that undermined fiscal stability, weakened development institutions, eroded social spending, and compromised poverty reduction efforts.



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The Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI) came into being as the main framework for restructuring the debts accumulated in the previous decades. These initiatives, together with the governance rhetoric that characterised its conditionalities reinforced the understanding that unsustainable debt accumulation was not merely a function of borrowing volumes, but of deeper structural weaknesses in debt governance, fiscal discipline, transparency, and accountability—particularly in contexts where most debt was owed to bilateral and multilateral creditors and governed by limited domestic oversight.

It was against this historical backdrop that the African Forum and Network on Debt and Development (AFRODAD) developed the African Borrowing Charter in 2018. The Charter sought to promote responsible and sustainable public borrowing by balancing debt sustainability with the imperative of inclusive development and improved public service delivery. It emphasised transparency, accountability, strengthened legal frameworks, and the rule of law in the contraction and management of public debt, the issuance of public guarantees, and the selection and implementation of debt-financed projects. Since the adoption of the Borrowing Charter, however, Africa's debt landscape has evolved significantly. Africa's public debt has been on an upward trend, reaching its highest level over the past decade with about 24 countries either in debt distress or at risk of debt distress. This is a situation that has been exacerbated by the multiplicity of crises that the continent has witnessed during this period, limiting its growth potential and curtailing its ability to cope with crisis or to invest towards its sustainable development.

2. Problem Analysis - Africa's debt crisis

Africa's crisis has unfolded in multiple phases. First, in the 1970s and 1980s, a combination of political and economic factors, especially the oil shocks and an adverse global environment, led to an increase in debt in many African countries. A second phase involved significant debt reduction efforts through the [Heavily Indebted Poor Countries \(HIPC\) Initiative](#) and the Multilateral Debt Relief Initiative (MDRI), resulting in the cancellation of approximately \$100 billion of sub-Saharan debt. The most recent period, following the 2009 global financial crisis, saw African governments significantly increase borrowing due to global liquidity and accommodative monetary policy in advanced economies. This recent debt accumulation included a substantial surge in lending from China and Eurobond markets at non-concessional, high interest rates, which compounded the debt burden when the returns on funded projects were insufficient. The problem has worsened in recent years. In the fourth phase, starting in 2020, the global pandemic coupled with the Ukraine war, led to a further increase in African indebtedness as countries tried to address these multiple shocks. Rising commodity prices, especially due to fuel and food price increases, widened current balances in sub-Saharan Africa. In the fifth phase, which was in parallel, many African countries are seeking debt relief under the G20 Debt Service Suspension Initiative, [the G-20 Common Framework](#) and other IMF-led initiatives like the [Global Sovereign Debt Roundtable](#) (GSDR). The G20 Common Framework in particular has been hampered by critical flaws. So far, only 4 African countries, Chad, Ghana, Zambia and Ethiopia have joined the G20 Common Framework and have experienced [significant delays](#) because of its vaguely undefined and unenforceable rules. Further, it is skewed to provide bilateral debt relief only, even though Multilateral Development Banks and private creditors hold the largest proportion of developing countries debt and is proving unambitious in truly providing relief at a time when developing economies, particularly in Africa, are spending more on debt interest payments than on healthcare and borrowing to service outstanding debts, leaving barely any fiscal room for development. For example, after their debt deals, Chad, Ghana and Zambia were projected to pay an average of 48% of the budget revenues on debt service from 2023-2025 and cut their government spending by a cumulative 4% of GDP from 2023-2028.



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Africa's debt crisis is now characterised as a developmental crisis attaining unprecedented proportions amid multiple crisis that have continued to tighten fiscal space and access to financial resources limiting African countries' ability to cope with their increasing development financing needs. The continent's burgeoning public debt is now estimated at \$2.14 trillion accounting for 60% of GDP with [22 African countries](#) already in debt distress or facing high risk of debt distress. Despite accounting for 1.9% of global public debt, Africa pays far more than any region of the world. The rising debt servicing costs are heavily accounted for by [biased low credit rating of African countries](#) resulting to high borrowing costs averaging 9.1% on dollar denominated sovereign bonds compared to regions like Latin America and emerging Asia at 6.5% and 4.7% respectively. According to an [UNCTAD debt report](#), Africa's public debt has increased by 183% since 2010, a rate that is roughly four times its GDP growth rate in dollar terms. Africa's creditor landscape has greatly changed in the last two decades. Whereas historically a large share of African debt was held by bilateral creditors such as the Paris Club, now private creditors hold approximately 44% of Africa's debt from 30% in 2010. Additionally, multilateral creditors account holds 32% reflecting a decline from 32% and while debt owed to bilateral creditors is estimated at 23% down from 33%. Having a bigger share of private creditors has exposed the continent to high cost of borrowing and challenges in timely and orderly restructuring since there is no formal creditor coordination mechanism that brings together private actors. With these rising costs, African governments are now spending more on debt servicing than on public investment with external debt payments. Over the past decade, Africa interest payments have increased by over [132% at the detriment of healthcare, education and investment](#) with debt servicing expected to reach [\\$90billion](#) in 2026.

it is important to recognise that Africa's debt is not due to resource mismanagement as often cited but by design. The current global financial architecture which consists of institutions, rules and mechanisms that govern international finance, remain inadequate to address systemic inequities, historical imbalances and contemporary challenges faced by Africa economies. It has instead perpetuated cycles of underdevelopment, through sovereign debt crises, inequitable access to finance, illicit financial flows, and climate financing disparities. Historically, the colonial Era in Africa, deployed an economic model that focused on the extraction and exportation of valuable resources from the African continent. Colonial infrastructure and present-day Africa were simply designed to extract and export resources out of the continent, becoming obsolete in many cases after independence. Financing Colonial economic structure saw the introduction of debt to facilitate resource extraction for the industrialisation of the metropole, rather than financing the development of a domestic productive economic base. More consequential was the extensive borrowing that created liabilities that were later attributed to the independent African states marking the genesis of a cycle of borrowing and continuation of extraction characteristics of the colonial era. Post-debt relief initiatives of HIPC and MDRI, there has been very little effort to changing the debt architecture and its actors including credit market behavior, credit rating agencies, mechanisms for restructuring or inclusion of safeguarding clauses in debt contracts. Instead, an unfair sovereign debt narrative that persists that continues to place greater priority on the fulfilment of creditor interests at the expense of social and economic justice for African countries.



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3. The African Borrowing Charter

During the Post-HIPC/MDRI phase, the African Borrowing Charter has provided a normative and forward-looking framework to advocate for responsible and accountable debt governance in Africa – putting public debt at the centre of democratic governance, accountability and the need for development effectiveness in African countries. It remains an important governance instrument for Africa at a time when public borrowing has become both unavoidable and increasingly high and risky - marked by high debt distress, rising borrowing costs, constrained fiscal space and a global financial architecture that is heavily skewed against African countries. Its main significance includes its emphasis on the role of constitutionalism, transparency, parliamentary oversight and strong legal frameworks in accountable debt governance in Africa. It emphasises that borrowing should be anchored in the rule of law and subject to scrutiny that aligns with the development aspirations of African citizens. Hence, it was conceived by AFRODAD as a comprehensive toolkit for debt advocacy and a preventive tool to Africa's debt distress by providing principles that African governments can adopt to sustainably balance public debt levels with the necessity to accelerate inclusive development and enhance public service delivery in Africa. The expectation has been for the Charter to contribute to improvements in the following: transparency of the political, institutional and administrative processes used; accountability of the State actors involved; the contraction and management of public debt, the issuance of public guarantees, the selection and implementation of debt financed projects and the formulation and execution of overall fiscal policy, within the context of strengthened legal frameworks and the rule of law. It outlines guiding principles for debt contraction, emphasising government agency, parliamentary oversight, and public disclosure of financing agreements. The Charter also offers a historical context of Africa's debt crises from the 1970s through the 1990s and the subsequent debt relief initiatives. The document proposes a robust legal and fiscal framework, including a Fiscal Responsibility Act and specific debt rules, to enhance transparency and accountability in managing public finance and debt.

Several years after its conception, however, the Borrowing Charter in its current form does have critical limitation. It does not comprehensively capture the evolving debt landscape in Africa, the global financial system and the changing nature of the development finance landscape. The context in which it was conceived has fundamentally changed. Since its development, African countries have faced multiple, overlapping crises that have sharply constrained fiscal space and reshaped borrowing needs and risks. This includes the escalating climate crisis, the effects of the Covid-19 Pandemic, heightened geopolitical tensions, tightening global financial conditions, and external economic shocks transmitted through trade, capital markets, and exchange rates volatilities. The creditor landscape has also changed significantly with new and emerging lenders – including China, Brazil and India, as well as strong emergence of private lenders who make debt restructuring more complex than in the pre-HIPC era. The Borrowing Charter was developed in a largely post-HIPC/MDRI environment, where debt relief had significantly reduced debt stocks and optimism prevailed that improved domestic policies, fiscal discipline, and responsible borrowing would prevent a return to unsustainable indebtedness. It assumed that borrower responsibility in implementing conditionalities for debt restructuring would provide sustainable solutions to Africa's recurrent debt crisis. The recurrence of the current debt crisis however negates the assumptions of that time. It provides clear indication that they were inadequate in informing policies for long-term debt sustainability in African countries which entered an unprecedentedly heavy borrowing cycle since the mid-2010s, driven by both internal structural weaknesses and external shocks - suggesting that debt vulnerabilities are more deeply embedded and systemic than previously acknowledged.



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Global responses to recent debt crises—such as the Debt Service Suspension Initiative (DSSI), the G20 Common Framework, and proposals for a Global Sovereign Debt Roundtable – have continued the same principles and have proven to be partial, less ambitious, slow, and largely ineffective in addressing Africa’s debt crisis. One significant limitation of the current Charter is its heavy focus on borrower responsibility rather than a balanced approach that includes creditor responsibility. The Charter's primary guiding principle is "Agency," which explicitly states that African Governments have the responsibility to protect the interests of their citizens when contracting debt. While it briefly notes that the state is not bound by contracts that violate the constitution, the document lacks a comprehensive framework for responsible lending. The Borrowing Charter was developed in a context when debt crisis was argued to be more cyclical than structural as it is today – often reflecting liquidity and solvency crisis – instead of structural problems that should address the underlying root of African countries and the Global South being stuck in a recurrent debt crisis. Hence, the Charter paid limited attention to the structural drivers of debt distress, including the influence of credit rating agencies, the volatility and pro-cyclicality of capital markets, borrowing and lending terms, and the constraints imposed by the global financial architecture on domestic policy space. Additionally, the aspect of colonial legacy was missing from the previous charter, and yet colonial legacy shaped the fiscal situation of African countries. The African Union Commission declared 2025 as the year of reparations, with a theme of Justice for Africans and People of African Descent Through Reparations. As both socio-economic and political landscape changes globally, the world should not pretend that Africa’s present day economic and social conditions are not connected with historical injustices. As history put it, many African countries, upon earning their independence, were left with imposed colonial debts transferred to newly established independent governments which enticed African countries and leaderships to steer away from socialist policies and rewarded corrupt African governments for creating welcoming environments for foreign investment in place of focusing on the well-being of citizens. Additionally, majority of debt contracts have fallen under the ambit of contract law, where dominance of external actors prevails. Debt contracts have in many instances been governed by English law, for instance, and hidden from public scrutiny. The Charter calls for transparency and accountability but requires further examination into upholding aspects such as restrictions on excessive waivers of sovereign immunity, promotion of collective action clauses and encouragement of African or regional dispute resolution mechanisms to protect the interests of African citizens. Discussion on odious debt, and appropriate remedies, is particularly crucial, especially considering recent disputes, such as the Mozambican case highlighted above, and the ongoing petition in the Kenyan High Court (HCCHRPET E216 of 2025) on odious debt.

The Borrowing Charter requires strengthening in several critical areas that have gained prominence over the past decade. In its new strategic period 2021-2025, AFRODAD integrated a legal perspective to debt analysis and advocacy, the question of illegitimate and odious debts has also picked traction, issues of gender/feminist lens and rights-based approach to debt advocacy have also grown. These are critical issues that need to be considered in a revised version of the current Charter. Major policy reforms on debt governance have now also shifted from mainly responsibilities at the national level to increased calls for reforming the global financial and debt architecture. This have been highlighted in section 50(f) of the [Sevilla Outcome Document](#) and section 44 of the [Lome Declaration](#) especially with regard to debt – hence the Common African Position on debt.

The gaps in the Borrowing Charter demonstrate that while it remains conceptually valuable, it must keep up with the evolving context to remain relevant. An updated Charter is therefore necessary—one that rebalances borrower and creditor responsibilities, addresses structural drivers of debt, integrates new and emerging debt issues that aligns with national, continental and global reform agendas—so that it can effectively guide responsible, development-oriented borrowing and lending in Africa today and into the future.



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4. The Aim and Scope of the Assignment

The aim of the assignment will be to revise the African Borrowing Charter and make it reflect the realities of Africa's evolving debt context. The task will be to come up with an accessible, and authoritative African framework for responsible borrowing and lending principles and practices in the context of current and emerging global development finance challenges. These will be attained within the framework of the following objectives:

- i. Assess the relevance and adequacy of the current African Borrowing Charter as a normative advocacy framework for sustainable debt governance in African countries
- ii. Engage with key stakeholders to develop a forward-looking, African-led standard-setting instrument that promotes responsible borrowing, advocates for responsible lending, protects fiscal space, and supports sustainable development and debt justice
- iii. To present the revised African Borrowing Charter in clear, accessible language and a coherent structure that comprehensively captures Africa's sustainable debt advocacy needs and can be effectively used by governments, parliaments, civil society, media, African citizens, and other stakeholders

Cognisant of the dynamic nature and the new developments in the public debt landscape, the Borrowing Charter needs to be updated to reflect current changes. It should be explicitly designed to capture the various pathways that can be used by African countries to prevent the recurrence of debt crises by taking into account new developments in the debt landscape, principles that specifically address new sources of risk that emerged following the poly-crisis and that we have witnessed in the past decade, particularly the shift toward market-based financing and non-traditional lenders. The scope of the revision should focus on analytical inputs that include but are not limited to issues such as:

- Responsible public debt management
- Responsible borrowing and responsible lending – creditor and borrower responsibilities
- Structural issues in the global financial architecture that aggravate indebtedness – especially Credit Rating Agencies and Borrowing and Lending terms
- The nature of the global economy, domestic resource mobilization and fiscal space
- The legal foundations and relevant contractual elements of debt, strong accountability mechanisms and odious debt principles
- Principles of public participation
- Parliamentary oversight and its strengthening
- Gender/Feminist lens to public debt management
- Rights-based approach to debt management
- Borrowing ceilings - Debt ratios – debt to GDP or Debt to export etc. – strength and limitations Debt and development
- Linkage to financing for development process and continental positions Lomé Declaration, CAP on Debt
- Evaluation plan/ tracking of implementation of the charter by countries



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5. The Role of the Consultant

The consultant is expected to lead the comprehensive review and revision of the African Borrowing Charter to ensure its continued relevance, credibility, and effectiveness in Africa's evolving debt context. She/He expected to critically assess the current Charter, identify substantive gaps and outdated assumptions, and propose strengthened principles and guidance that respond to contemporary borrowing realities, including market-based financing, private and non-traditional creditors, climate-related fiscal risks, and recurrent shocks.

The consultant is expected to develop a robust methodological approach to developing the Charter. This shall include undertaking a thorough and a rigorous desk review of the existing Charter and relevant documents and debt governance frameworks, and to develop and implement a plan for a targeted, rigorous and inclusive stakeholder consultations to inform the design and implementation of the Borrowing Charter revision process. The consultant will apply an integrative analytical approach that links debt governance to development outcomes, fiscal space, accountability, and power asymmetries within the global financial system. Drafting will be iterative, incorporating feedback from AFRODAD and validation processes, and presented in clear, non-technical language accessible to a broad range of stakeholders.

The consultant has the responsibility to ensure that the African Borrowing Charter is clearly structured, coherent, and forward-looking; aligned with Africa's collective positions on debt and global financial architecture reforms; and capable of strengthening transparency, democratic oversight, and accountability across the public debt cycle. The final output should serve as a practical advocacy, policy, and accountability tool that reinforces African agency and promotes responsible, development-oriented borrowing.

6. Approach and Methodology

- Broadly participatory and consultative methodology
- Documentary / desk review expectations
- Key documents for consideration as basis of review but not limited to these
 - ✓ Current Borrowing Charter
 - ✓ Harare Declaration
 - ✓ Maputo Manifesto
 - ✓ Lome Declaration
 - ✓ Common African Position in Debt
 - ✓ UNCTAD Principles of Responsible Sovereign Lending and Borrowing – its limitations
 - ✓ IMF and World Bank Debt Management Frameworks
 - ✓ Other relevant documentation
- Stakeholder consultation on what borrowing charter (who, how many, where)
- Validation and launch process
- Timelines



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7. Required qualifications for the Consultancy Team

It is expected that the consultancy team should collectively demonstrate significant expertise in sovereign debt, public finance, and development finance governance, with a particular focus on African context. It should have proven experience in reviewing, drafting, or revising policy frameworks, charters, or normative instruments related to debt management, fiscal governance, or economic justice.

Key qualifications should include:

- Demonstrated expertise in public debt management, sovereign debt restructuring, and global financial architecture, including familiarity with private creditors, market-based borrowing, and emerging debt risks.
- Strong understanding of African political economy and fiscal governance, including the roles of parliaments, oversight institutions, and civil society in debt accountability.
- Experience working with or analysing continental and global policy frameworks on debt management
- Proven capacity to conduct political economy analysis and to integrate technical debt issues with development, climate, and governance considerations.
- Demonstrated experience in participatory processes, including stakeholder consultations and facilitation with diverse actors across regions.
- Strong analytical writing and communication skills, with the ability to translate complex technical concepts into clear, accessible language for non-specialist audiences.
- At least one senior team member with extensive experience in strategic policy drafting or charter development, preferably for pan-African or international organisations.

Team Leader / Lead Consultant

- Advanced academic qualifications in Economics, Development Studies, Public Policy, International Political Economy, or a related field (minimum Master's degree; PhD is an added advantage).
- At least 10–15 years of relevant professional experience in public debt management, development finance, fiscal governance, or global financial architecture reform.
- Proven experience leading strategic reviews, policy framework development, or charter/standards drafting, preferably for pan-African, regional, or international organisations.
- Strong facilitation and stakeholder engagement experience across diverse African contexts.

Senior Team Members

- Minimum of a master's degree in economics, Public Finance, Development Studies, Law, Political Science, or related disciplines.
- At least 7–10 years of relevant professional experience in areas such as sovereign debt analysis, fiscal policy, climate and development finance, governance, or accountability.
- Experience in research, policy analysis, and drafting of policy or advocacy documents.

Technical / Research Team Members

- Minimum of a Bachelor's degree (Master's preferred) in relevant fields.
- At least 5 years of relevant professional experience in research, analysis, or policy support related to debt, development finance, governance, or economic justice.



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8. Deliverables

- Inception report – including gap analysis and how it will be addressed - methodology
- Draft for validation and further consultation and validation workshop report
- An updated, detailed African Borrowing Charter – final document
- Timeframe- 5-6 months

9. Expression of Interest

- i. Narrative Proposal
- ii. Proposed Work-plan and timeline
- iii. Financial Proposal in USD
- iv. CVs of all team members
- v. References
- vi. Samples of work that are similar to this assignment

All expressions of interest to be submitted to procurement@afrodad.org copying theo@afrodad.org and john@afrodad.org by 1700hrs (East African Time) 31st March 2026 with EOI: Updating the African Borrowing Charter” in the subject line of the email. Non-compliance with the above will result in automatic disqualification from the process.

