



Terms of Reference

The Political Economy of Debt and Reparation in Africa: Building a United Front to Advance the Cause of Debt Justice and Reparations in Africa

A. Overall Context

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 citizens¹. Today, total debt stock owed by all African governments equates to over \$1.8 trillion. Eight of the nine countries listed by the IMF as being in 'debt-distress' in 2024 are African. This is because structural factors make debt uniquely burdensome for Africa. It should be noted that African countries' public debts are uniquely burdensome, in part because they are mainly owed to international rather than domestic lenders, making debt harder to refinance or restructure.

Increased Africa debt is generally accompanied by the historical injustice it faced from its colonial masters who invested a lot of their resources in Africa to earn profit which has also resulted in increased illicit capital flight². For instance, the Global North economies gave indirect subsidies to their large companies operating locally while charging the Africa people the interest rates for the burden of doing so. Thus, any historic "investment" in roads, railroads, harbors was intended to facilitate the export of African natural resources to Europe's metropolitan centers. For instance, Tunisia even went into debt to buy its own land back from its [French rulers](#)³. At the same time, while slaves have never received reparations for being sold,

¹ [Speakers Stress Link between Historical Injustices, Africa's Current Socioeconomic Woes, Urge Bridging of North-South Divide, as General Assembly Debate Continues | Meetings Coverage and Press Releases](#)

² [media.afreximbank.com/afrexim/State-of-Play-of-Debt-Burden-in-Africa-2024-Debt-Dynamics-and-Mounting-Vulnerability.pdf](#)

³ [The Dark Legacy of French Rule in Tunisia \(1881–1956\): A Closer Look at Exploitation, Discrimination, and Atrocities | by Mallick Speaks | Medium](#)

the British government was in 2015 still paying slave owners reparations for their lost property upon the abolition of slavery.

The Africa Union “[Accra Proclamation on Reparations](#)” highlighted the demerits of neo-colonialism which is also inform of weak representation in the global stages and injustices in trade⁴. It pronounced that African States are still facing the repercussions of trans-Atlantic enslavement, colonialism, and apartheid through the persistence of neo-colonialism and dependency on former colonial powers. Hence, there have been increased call for immediate, just and comprehensive reforms of the prevailing architecture of multilateral institutions by fully realizing related African Common Positions. Particularly regarding the composition and working methods of the United Nations Security Council, and the Bretton Woods Institutions, as well as ensuring an equitable and just international system through concrete measures including, but not limited to, special and differential treatment, common but differentiated responsibility and mechanisms for loss and damage, debt relief, curbing illicit financial flows and return of African cultural artifacts.

Currently, half of Africa’s countries are facing difficulties in fulfilling their debt repayments with eight of these countries regarded to be in debt distress i.e., not able to fulfill their financial obligations. For instance, in December 2022, Ghana launched a domestic debt exchange and pronounced that it anticipates defaulting nearly half of its \$28.4 billion of external debts becoming the second African country to default since Zambia defaulted in the year 2020. The inception of the G20 Common Framework was to ideally look on to the problem of unsustainable debt levels, insolvency and protracted liquidity problems in the DSSI-eligible countries by providing debt relief consistent with the debtor’s capacity to pay and maintain essential spending needs. The poly-crisis faced by these countries has had increased negative effect directly inflicted on them by developed economies either in form of unequitable or disproportional resource distribution and unbalanced global financial architecture. This dynamic is largely a result of high borrowing costs which increase the resources needed to pay creditors, making it difficult for Africa economies to finance investments while still borrowing at rates that are 2 to 4 times higher than those of the United States and 6 to 12 times higher than those of Germany.

The current stage of affair of the Global South natural resources is deeming to its development where most of the countries are even forced export more and more mineral resources to sustain the industries of their countries. However, these imbalances also come with increased demand on climate financing which developed economies never fulfill year-in-year-out. For instance, the infrastructure requirements, including support of Africa climate change adaptation and mitigation, is estimated to cost between USD \$68 billion and \$108 billion per year. However, failed climate finance promises, dwindling concessional finance, infective system of SDR allocation and use as well as an International Finance Architecture heavy biased against African and the Global South. Additionally, failure in the G20 CF and unfavorable debt management polices of IFIs entails continues reduction of expenditures in sectors and services that are beneficial to women and children, thus, disproportionately impacting on women while undervaluing their contribution in the global development initiatives. These are direct factors that are clearly defining the component of debt injustice and reparations in Africa which these policy brief will expound on. It is against these factors that AFRODAD intend to undertake a study to explore on the political economy of debt

⁴ [Accra Proclamation on Reparations | African Union](#)

and reparation while also building a United Front that will advance the cause of debt justice and reparation in Africa.

B. Background and Problem Analysis

According to the Africa Union's "[Accra Proclamation on Reparations](#)", reparations is a moral as well as a legal imperative rooted in principles of justice, human rights and human dignity, and that the claim for reparations represents a concrete step towards remedying historical wrongs and fostering healing among the people of Africa and people of African descent. There is clear evidence on how the nexus of debt injustice and development became a norm in Africa while being inflicted by Global North. For instance, Belgium transferred its debt to the World Bank, incurred by the Belgian colonial government, to Congo. At the same time, Congo received 120 million dollars of loans from Belgium, of which 105.4 million dollars were spent in Belgium. It therefore confirms the issue of debt injustice which is more than the impact on public spending for the well-being and rights of people and communities, and more than the economic vulnerability to exogenous shocks.

Generally, loans, access to credit and debt relief from IFIs and developed economies to Africa have long been used as leverage to impose policy conditionalities, and this practice continues in various guises. The impact of many of these conditionalities, including tight austerity measures and privatization of essential services, which are just as worse if not even worse than the debt problem. At the same time, many debts peddled by lenders and incurred by governments in the name of their people were not actually used for the real benefit of people and many loan-financed projects have been harmful for communities and the environment⁵. These debts are illegitimate debts but still being paid by the Global South citizens. According to the UNFCCC, wealthy countries are responsible for over 75% of global accumulated emissions since the start of industrialization, thus, have an obligation to pay back developing country climate action and pay for climate adaptation, the loss and damage caused by the impacts of climate disaster, and for a just transition away from fossil fuels to renewable energy and climate-resilient societies. Accordingly, it projected that by 2050 the Global North [will owe US\\$192 trillion](#) in fair reparations to the Global South which generally breaks down to an annual climate debt of US\$5 trillion owed by wealthy countries to poorer ones⁶.

Injustices in the global economy against Africa economies show up in different ways. But perhaps the most glaring is in relation to debt. Over indebtedness, and the system fueling it, has devastating impacts on people's rights. For instance, in the year 2013 and 2014, Credit Suisse, VTB Capital, and BNP Paribas gave loans of up to \$2 billion to three Mozambican state-owned enterprises which were never approved by the Mozambican Parliament but guaranteed by the then Finance Minister. Much of the USD 2 billion was either stolen, paid as bribes, or otherwise unaccounted for. When the issue surfaced in 2016, the Mozambican government sued Credit Suisse and VTB for their role in the debt scandal, which cost Mozambique an estimated USD 11 billion in lost funding. In 2022 the US and UK fined Credit Suisse USD 484 million for its role in the scandal. But this money has all gone to the US and UK governments,

⁵ [Afrodad.org/sites/default/files/publications/Afrodad Policy Recommendations to Address the Current Debt Challenges 0.pdf](https://afrodad.org/sites/default/files/publications/Afrodad_Policy_Recommendations_to_Address_the_Current_Debt_Challenges_0.pdf)

⁶ [Climate Debt: Nigerian Activists, Others Demand \\$5 Trillion From Rich Countries - CAPPA - Corporate Accountability and Public Participation Africa](#)

none to Mozambique. Credit Suisse also agreed to cancel USD 200 million of debt, though Mozambique is still trying to prove it does not own anything. VTB, the other main bank involved in the deals, has faced no consequences. These are global financial architecture systematic failure that has led to increased capital flight from Africa economies, thus needs to be relooked in broader system. Additionally, having high levels of external public debt particularly in foreign currency continue to make Africa economies more vulnerable to volatility in financial markets.

While the Africa Union theme for 2025 is “Justice for Africans and people of African descent through reparations.” aims to address reparations owed to Africans both on the continent and in the diaspora, acknowledging the profound harm caused by the transatlantic slave trade, slavery, colonialism, and neo-colonialism, AFRODAD seeks to undertake a study that will produce a policy brief on the political economy of Debt and Reparation while building a United front to advance the causes of debt justice and reparation in accordance with the Africa Union theme. AFRODAD believes that the policy brief will expound and enhance the outcome of the [Accra Reparations Conference](#) (ARC2023) which was held in Accra, Ghana, in November 2023.

C. Objective of the Assignment

The overall aim of the research is to undertake a study that will produce a policy brief on the political economy of Debt and Reparation. It will explore the historical and structural injustices emanating from slavery, slave trade, colonisation, land dispossession, resource exploitation in Africa, and provide evidence of how these actions produced the power asymmetries that have disrupted Africa's development trajectories and has imposed systemic inequalities between Africa and the rest of the world. The study will ignite the need for debt justice and reparations as per the outcome of the [Accra Reparations Conference](#) (ARC2023) which was held in Accra, Ghana, in November 2023 and seek to inform a united front to advance the causes of debt justice and reparations in accordance with the Africa Union theme of 2025.

The specific objectives of the study are to:

- i. Develop a political economy framework for analysing Africa’s time immemorial experiences under slavery and slave trade, colonialism and neocolonialism, and how this informs the need for advocacy for debt justice through reparations
- ii. Highlight the contemporary injustices emanating from Africa’s time immemorial subjugation to external forces, and the extent to which its unbalanced Global Financial Architecture has resulted in debt injustice in Africa
- iii. Articulate the moral, legal, and ethical grounds for debt justice through reparations, citing international historical precedents of reparative justice and the extent to which this is in conformity with the principles of human rights and the quest for debt justice in Africa
- iv. Provide a framework of policy recommendations for on a sustainable pathway to effective debt justice through reparations - including reforms of the global financial, economic and political systems, institutional reforms, cultural restoration, capacity building, technological transfer etc.

D. Key Outputs

- ❖ A policy brief of 20 pages (excluding references, table of content, cover page, and annexes)

E. Analysis Approach

- ❖ The policy brief must be well articulated with structural flow as proposed below, thus allowing flow of both analytical and policy argument:

1. Introductory or background section
 - Presents and overview of the subject matter
 - Expresses a clear research problem with related research questions.
 - Provide the aim and objectives of the study linking them to the political economy of debt justice and reparation
 - Summary and justification of the methodology used in the study
2. Literature Review
 - Presents clear conceptual clarifications.
 - Looks at related literature and identifies gaps.
 - Looks at issues related to the problem and questions raised
3. Findings and Discussions
 - Tackles the questions raised.
 - Determines whether the main problem is being solved
4. Conclusion and Policy Recommendations
 - Determines whether the research aim, and objectives were met.
 - Engages in policy discussions and advances recommendations

The policy brief MUST:

- ❖ Be well written and articulated with up-to-date references and acknowledgment of sources of materials used put in the text, provided in end notes, and included in the bibliography
- ❖ Have table of contents, list of tables, and list of acronyms
- ❖ Have executive summary section, key findings, conclusion and recommendations
- ❖ Propose alternative Policy Recommendations on debt Justice and Reparation relative to the call by the Africa Union's 2025 theme

F. Timing

The Policy brief should be completed within 30 working days from the time the contract is signed between the selected consultant and AFRODAD.

	Wk1	Wk2	Wk3	Wk4	Wk5	Wk6
Inception meeting with consultant						
First draft and review						
Second Draft and Validation						
Final Draft that takes in to considerations the comments from validation						
Approval and launch						

G. Reporting

The consultant will report to the Sovereign Debt Management Portfolio Policy Analyst, Research and Advocacy Officer (SDM) and Legal Analysis and Advocacy (LAAD) officer on the following emails: shem@afrodad.org and afshin@afrodad.org

H. Competence

The consultant (s) should be knowledgeable, skilled and experienced in the following areas:

- ❖ Must possess at least a university graduate degree in Economics or Social Sciences
- ❖ At least 10 years of experience in Public Policy, Political Economy, or Legal Analysis on Debt Policy work with broader Policy framework knowledge on Global Geopolitical Issues
- ❖ Policy aptitude and experience on mechanisms for financing for development and excellent writing and oral communication skills in English language.

Expressions of interest should be sent to the recruitment@afrodad.org and copied to catherine@afrodad.org and afshin@afrodad.org with the subject line; SDM-LAAD- Debt Justice and Reparation by 17th March 2025