



EMEA WEBINARS

DEBT TRANSPARENCY AND INFRASTRUCTURE DEVELOPMENT FOR RESILIENT RECOVERY IN AFRICA

Tuesday 22 June, 2021 15:00- 16:50 CET

Moderator:

Alonso Soto
Correspondent Nigeria, Bloomberg

Speakers:

Prof. Rym Ayadi
President, Euro-Mediterranean Economists
Association (EMEA) and Professor, The Bayes
Business School (Former CASS), London

Daniel Munevar
Senior Policy & Advocacy Officer on Debt,
Eurodad

Nella Sri Hendriyetty
Senior CBT Economist, ADB Institute

Discussants:

Deborah Zandstra
Partner, Clifford Chance

Fred Binka
Founding Partner, TIA Capital

Moritz Kraemer
Chief Economist, CountryRisk.io

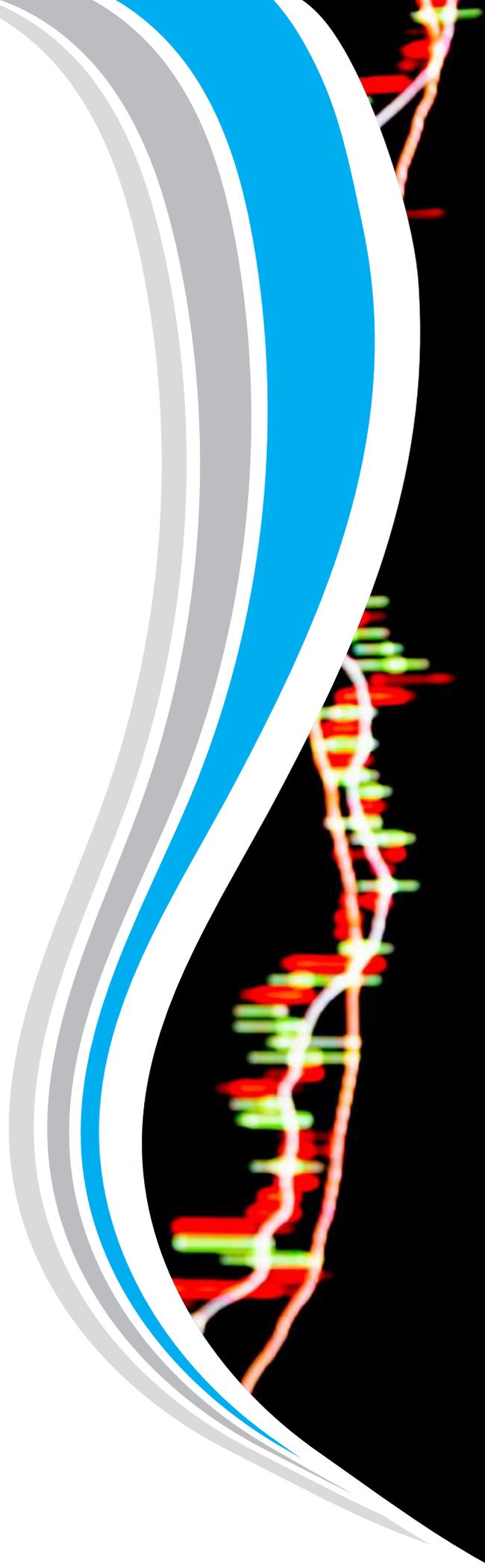


The COVID-19 pandemic has caused a widespread concern about increasing debt unsustainability and vulnerability worldwide. Low and middle-income countries are facing debt distress. Africa and Middle East have been battling with poor healthcare systems, low economic preparedness and very low fiscal space to face external shocks as shown by EMEA COVID-19 Policy Response Monitor. While the pandemic continues its silent ravage, African countries are further growing their level of indebtedness and facing growing double digits debt-servicing bill in the years to come, while their indebtedness is increasing steadily.

In April 15, 2020 Communiqué, the G20 announced an agreement with the Paris Club (a group of major creditor nations) to have the Debt Service Suspension Initiative (DSSI) to freeze debt payments for the 77 poorest countries from 1st May to the end of 2020, if requested by eligible countries, in order to free up cash for the pandemic. In April 2021 Communiqué an extension was granted till end 2021 and an endorsement for the IMF to propose a new Special Drawing Rights (SDR) of USD 650 Bi to support economies hit by the pandemic. Beyond this, a common framework for restructuring debt instruments was agreed to coordinate actions between official bilateral creditors.

The IMF has been already active in mobilizing billions of dollars in emergency financing through its Rapid Credit Facility instrument and in some cases by increasing the size of pre-existing programs as in Angola.

Through the Private Sector Involvement (PSI) element of the DSSI private creditors were asked to share the burden of suspending debt service payments to eligible countries requesting such relief. The take up of PSI i.e. countries requesting the suspension of commercial debt service obligations has been muted with many eligible countries fearing potential downgrades from ratings agencies as a result of such action and with it a potential loss of market access. Amidst persistent COVID-19 pandemic and dire global economic outlook, more African countries have transitioned to a high risk of debt distress and Zambia has already commenced the process of restructuring/reprofiling its debts.





In October 2020, the IMF Managing Director demanded an urgent reform of the international debt architecture emphasizing the role of debt transparency. Debt transparency is essential for good public governance and accountability. It has been described as the “citizen’s best friend”. The World Bank made available the debt databases which increased the aggregated level of debt transparency. A paper published by the G20-T20 Task Force on International Financial Architecture called for the urgent implementation of a public global mechanism for the recording of old and new debt issues as well as debt-like liabilities including all forms of sovereign debt and guarantees to boost debt transparency. The paper called for setting up of the Debt Transparency Platform powered by blockchain technology where all bilateral, multilateral and private sector players can register sovereign debt transactions thereby reducing market informational asymmetry. In October 2020, EMEA together with its partners launched the research initiative on debt transparency that aims to collect granular data on debt issuance in Africa and Middle East, to assess what has been achieved and what further steps can be taken to improve the financing and management of sovereign related projects in Africa specifically (primarily in the infrastructure space) and more broadly how these actions can better foster debt sustainability and tackle vulnerability. In 2021, the OECD launched the Debt Transparency Initiative aimed at enhancing transparency in private sector lending to low income countries in line with the IIF voluntary principles of debt transparency.

Debt transparency is a prerequisite for the ensuring that raised funds are used for the development and recovery path post COVID-19 particularly in the low and middle income countries in general and those that benefited from the DSSI.

In May 2021, an article by the FT called for new funding models to deal with Africa’s infrastructure paradox, in a pandemic context in which several of the African countries are racing to the financial market to benefit from the massive funding opportunities.

The focus of our webinar is to discuss debt transparency and infrastructure development and financing mechanisms for COVID-19 recovery in Africa. The discussion will be Africa specific and tackle issues such as new financing mechanisms to fund resilient development, debt relief measures focusing on the Common Framework, the role of the international organisations (e.g. IMF and the EU), the private sector and the potential path towards debt sustainability via transparency and conditionality.

Moderator:



Alonso Soto
Correspondent Nigeria, Bloomberg

Alonso started his career reporting on immigration and labour unions in Chicago for Reuters before heading to Ecuador to start a 12-year tour through Latin America. He wrote about everything from cocaine trafficking to shocking debt defaults, a massive earthquake and the impeachment of a president. After his last post covering economics in Brazil, Alonso moved to Africa to report for Bloomberg about the continent's economics and politics. Based in Nigeria, he has reported extensively on the global push to grant debt relief to poor nations, mostly in Africa. Alonso is a native of Nicaragua and holds a Master's degree in public policy from Princeton University.

Panellists:



Prof. Rym Ayadi
President and Founder
Euro-Mediterranean Economists Association

Professor Rym Ayadi is the Founder and President of the Euro – Mediterranean Economists Association (EMEA). She is Founder and Director of the Euro-Mediterranean Network for Economic Studies (EMNES). She is Senior Advisor at the Centre for European Policy Studies (CEPS); Professor at the Business School, City University of London; and Member of the Centre for Banking Research (CBR); Academic member and Chair (2018-20) of the European Banking Authority – Banking Stakeholders Group (EBA- BSG). She is also Associated Scholar at the Centre for Relationship Banking and Economics (CERBE) at LUMSA University in Rome.



Daniel Munevar

Senior Policy and Advocacy Officer on Debt
Eurodad

Daniel is a Senior Policy and Advocacy Officer at Eurodad. He is interested in the analysis of the links between debt sustainability, human rights and the 2030 Agenda. Before joining Eurodad in 2020, Daniel worked for the United Nations Conference on Trade and Development (UNCTAD) and advising the Ministries of Finance of Colombia and Greece on debt related issues. Daniel has a Masters degree in Public Policy from the University of Texas in Austin.



Dr. Nella Sri Hendriyetty

Senior CBT Economist
ADB Institute

Prior to joining ADBI, she served as deputy director for the G20 forum at the Fiscal Policy Agency, Ministry of Finance, Indonesia from 2016 to 2019. She also was Senior Compliance Officer in the Indonesia Financial Intelligence Unit (INTRAC/PPATK) from 2005-2010 and Head of the Sub-Division of Accounting Compliance for Securities Institutions in the Indonesian Capital Market Supervisory Agency (now the Financial Service Authority/OJK) from 2004 to 2005. She holds a PhD in economics from Victoria University, Melbourne, Australia, and a MSc in Finance from the University of Illinois at Urbana Champaign, United States.

Discussants:



Deborah Zandstra

Secretary
Partner
Clifford Chance

Deborah Zandstra is a partner at Clifford Chance LLP, where she leads the firm's sovereign debt restructuring and advisory practice and has been at the heart of many of the policy innovations of the last few years in the sovereign debt space, including advising ICMA on its published aggregated collective action clauses and enhanced pari passu provision for inclusion in sovereign notes. Deborah has advised the IIF on the Voluntary Principles for Debt Transparency and on the G20 Debt Service Suspension Initiative and has worked on numerous debt transactions that mitigate covid-19 impact. Her clients include sovereigns, major international commercial and investment banks, industry bodies, insurance companies, euro area financial stability institutions and funds.

Deborah has more than 25 years of experience in a wide range of sovereign debt raising and management transactions, including advising on liability management (bond exchange, debt buy backs and consent solicitations), debt issuances, loans (both with and without multilateral development bank guarantees), secured and structured financing transactions and derivatives, as well as debt conversion techniques relating to sovereigns, sub-sovereigns and central banks. Deborah is a graduate of Cambridge University where she studied history and law and speaks English, Spanish, Italian and French.

Deborah sits on numerous industry bodies relevant to sovereign debt, including the IIF's Committee on Sovereign Risk Management, the UK's Financial Markets Law Committee's Sovereign Debt Scoping Forum and the ILA's Sovereign Insolvency Study Group.



Fred Binka

Founding Partner
TIA Capital

Fred Binka is the managing partner of TIA Capital, an independent investment firm focused on sub-Saharan Africa (SSA). Established in 2009, TIA Capital serves as the SSA sub-advisor to a large institutional investor with over \$20 billion in AUM. From its offices in Lagos, London, Mauritius and Nairobi, the TIA Capital team is responsible for sourcing, structuring, and advising on investments in corporate and sovereign credits in the region. Based in London, Fred leads TIA Capital's deal structuring and credit pricing capabilities as well as overseeing the strategic direction of the firm.



Dr. Moritz Kraemer

Chief Economist
CountryRisk.io

Dr. Moritz Kraemer is Economist with a wide experience as Advisor in relevant firms such as Acreditus, a UAE-based risk consultancy firm and recently in CountryRisk.io. Dr. Kraemer also has been Independent Non-Executive Director of Scope Ratings, the largest Europe-headquartered Credit Rating Agency. Until 2018 he was at S&P Global as the Sovereign Ratings Group' Global Chief Ratings Officer. Before that he started his career as an Economist at the Inter-American Development Bank in Washington, D.C. Moritz holds a PhD in Economics from the University of Göttingen (Germany). He studied Economics, Latin American Studies and Literature in Frankfurt, Southampton and San Diego. He currently teaches graduate courses at Goethe-University Frankfurt's House of Finance and the Centre International de Formation Européenne (Nice).

SAVE THE DATE: Next webinar taking place on 01 July at 15:00 CET on Confidence:
How does it work and what does it mean for our economies and societies?

