Winners Announced: The African Sovereign Debt Network (AfSDJN) Essay Competition

By:

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The African Sovereign Debt Justice Network (AfSDJN) Essay Competition Winners

The African Sovereign Debt Justice Network, (AfSDJN), is delighted to announce the winners of its Essay Competition on "National Legal Frameworks for Debt Contracting, Prudent Management and Accountability in Africa." The AfSDJN has twin aims for the Essay Competition. First, to encourage a new generation of students and early career researchers in sovereign debt issues from an African perspective, and second, to focus scholarly and policy attention on the role of and effectiveness of national legal and policy frameworks for debt contracting, management and accountability in Africa. The winners of this competition have been invited by the African Forum and Network on Debt and Development (AFRODAD) to present their winning papers at the second African Conference on Debt and Development (AfCoDD II) from the 24th to 26th August 2022. Their

papers will also be published on Afronomicslaw.org.

The winners are:

1. Miss Chioneso Samantha Kanoyangwa, Program Associate, Centre for Community Development in Zimbabwe

Essay Title: "Prudent Finance Management and Accountability: A review of Zimbabwe's Legal and Institutional Framework on Debt Contraction"

Essay Summary: While developing countries, particularly in Africa, continue to face debilitating debt crises, in Sub-Saharan Africa, there is a growing and developing trend towards debt distress. Zimbabwe has put in place a range of laws, procedures and policies to improve the country's public debt management. However, the limited success of these strategies thus far, as illustrated by the unsustainable ratios of public and publicly guaranteed debt against the GDP over the past 5 years, is alarming. This study posits that such failure to contain its external debt stock and reduce it to sustainable and manageable levels reflects that the country's legal systems and institutions are not equal to the task of tackling debt management in an effective and efficient manner that promotes socio-economic development. This paper therefore analyzes and interrogates the legal and institutional frameworks governing the loan contraction process and debt management in Zimbabwe and proposes practical measures that promote prudent management and accountability.

In response to a question from the AfSDJN about Chioneso's reason for entering the competition, she explained as follows: As an early-career legal researcher, I have a great interest in international economic law; particularly how it intersects with topical issues such as debt management and development in not only the Global South but the whole of Africa. As a build-up to my legal studies, in which my academic dissertation was focused on the relationship between law and policy in public finance management, I found the opportunity to zero in on the legalities of public debt in my country even more amusing. I was even further motivated to take up this challenge as it provided me with an opportunity to delve into the specifics of debt management, be able to gauge my country's performance and proffer formidable afrocentric solutions to the identified mishaps and irregularities. I sincerely believe this to be the first of many accomplishments, and I am grateful for the opportunity to expand

myself in this way and share with the world my compelling but humble arguments and submissions on debt management in Zimbabwe.

2. Dotun Odunlade Nathaniel, 500 Level LLB Student, Lagos State University

Essay Title: “National Legal Framework for Debt Contracting, Prudent Management and Accountability in Africa.”

Essay Summary: Nairametics reported that as at September 30th, 2021, Nigeria’s public debt had risen to NGN38 trillion (same has been reported by other news platforms and international organizations such as the World Bank and International Monetary Fund). This, if calculated, amounts to NGN5 trillion up to 15% from the N32.9 trillion reported in December 2020, identifying as the highest debt profile ever recorded dating back to 2010. And on it goes. The metric utilized by economists (debt to GDP ratio and debt service ratio) also indicated that something must be earnestly done about the loans, or the government would have mortgaged the future of the country to the loan providers. As solutions on legal framework for contracting, management and accountability, it is advised that the Nigerian government reduce high cost in governance, establish economical limits in the debt management laws, and conduct regular as well as periodic audits.

In response to a question from the AfSDJN about Dotun’s reason for entering the competition, he explained as follows: “As a law student who is passionate about the profession, one is bound to set himself apart in areas that matter to the profession viz a viz research, writing and advocacy. In addition, I am an individual with a keen interest in policy making, national development and providing solutions to national predicaments. My passion collided with my interest upon coming across this essay competition as it came at a time, far imminent not to provoke a bite. The debt portfolio in Nigeria has gotten risky and alarming that a conversation on contracting, management and accountability of these debts, together with the legal frameworks, is needed to be had. Hence, when I came across the competition, I saw it not only as a competition but also as an opportunity to contribute my bit to providing solutions to the debt crisis in my country.”

3. Issabella Anane-Fosuhene, LLD Candidate, Department of Mercantile Law, University of Pretoria, South Africa

Essay Title: “National Legal Framework for Debt Contracting, Prudent Management and Accountability in Ghana.”

Essay Summary: Most developing countries including Ghana rely on foreign funds (loans) to finance or supplement their budgets. The loans as public debts contracted by Ghana have legal backing from the 1992 Constitution and Public Financial Management Act, 2016 (Act 921). This makes debts which are contracted without lawful authority unenforceable. In the quest to lower the risk of repayment default, the legal frameworks create an office responsible for public debt management which ensures that payment obligations are met at the lowest possible cost with the lowest degree of risk. In view of this, the parliament as the final authority for the approval of public debts is deemed as the gatekeeper to ensure prudent debt contracts. As a means of ensuring accountability and prompt repayment, Ghana, through the Ministry of Finance creates a special fund known as “sinking fund” for the redemption of its public debts through a periodic contribution into the fund and revenue from petroleum.

In response to a question from the AfSDJN about Issabella’s reason for entering the competition, she explained as follows: Ghana has been saddled with debt repayments since the attainment of republican status in 1960. The country was plunged into economic crisis in the 1980s and sought assistance from the IMF through an economic recovery programme. Notwithstanding, Ghana’s debt grew exponentially and subsequently applied for HIPC in 2001. In 2016, a law was enacted to govern and manage its public finances. Almost six years since the coming into force of the law, Ghana is still heavily indebted to foreign entities creating a vicious cycle of debt. As a student of Banking Law researching the failures of banks and early intervention measures to salvage distressed banks, I found that mismanagement of public debt could occasion a systemic risk in the financial economy of a country. This sparked my interest to enter this competition to write on the legal frameworks put in place by Ghana for the contracting, management and accountability of

its public debt.

4. Ugwuezi Winnerman Odinakachi, LLM Student, University of Nigeria, Enugu Campus

Essay Title: “National Legal Frameworks for Debt Contracting, Prudent Management and Accountability in Africa: Kenya as a Case Study.”

Essay Summary: Kenya’s debt crisis has led to limited economic growth. To reduce its burgeoning public debt burden, Kenya must improve its production capabilities in the long term. This can be achieved in several ways. Firstly, it must increase its investment in human capital to promote entrepreneurial activities. Secondly, there must be a shift from exporting raw materials to value addition and manufacturing. Importantly, the Kenyan government needs to, as a matter of fact and principle, begin to strengthen its legal/institutional frameworks governing loans and overdraft, as the misuse of funds generated from these loans along with corruption have affected the growth of its economy.

In response to a question from the AfSDJN about Ugwuezi’s reason for entering the competition, he explained as follows: The quest to solve economic problems in Africa inspired my writing of the essay as it exposes some of the challenges encountered in the continent. Researching is stressful but fun, when there is a positive outcome or a genuine purpose for it, as I was able to gather new knowledge in the course of my research. The need to pass information and educate the public on some of the economic challenges faced in Africa, including in Kenya, whose debt system especially the China/Kenya partnership has led to a financial crisis in the country. The terms of the competition were strictly based on originality and freedom to state one’s opinion on the issue with little guidance, thus it encouraged my joining the competition.

5. Nater Akpen, 300 Level MBBS Student, Benue State University

Essay Title: “Africa’s Conundrum: Its Initiation, Perpetuation, and Termination.

Essay Summary: By incurring unsustainable debts, Africa imports what it has; by way of illicit financial flows (IFFs), Africa exports what it does not have (i.e., growth and development). What IFFs initiate, unsustainable debts perpetuate. The result is an avoidable collapse of the functionality of the state system and the desolation of citizens. The sentiment of this essay is this: the resolution of Africa's conundrum would neither arise from those who are responsible for, and benefit from, the prevailing situation nor would it come about spontaneously. Instead, that resolution would arise from young Africans through an interaction of traits that are innate to them and their own deliberate actions.

In response to a question from the AfSDJN about Nater's reason for entering the competition, he explained as follows: I entered to competition to simply know better. For all my years alive, I have consistently heard of Africa's potential to be the greatest continent. It does not appear to be advancing towards reaching its potential. At the core of this stagnation is irresponsible accumulation of debts, general fiscal indiscipline, and illicit financial flows. Through my research for this competition, I sought to understand how the status quo was instituted and why it subsists. Also, I sought to discover measures – if any – that can be applied to ameliorate the current situation.

We heartily congratulate all our winners.

Download the brochure on the winners here.

View online: Winners Announced: The African Sovereign Debt Network (AfSDJN) Essay Competition

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