



OPEN SOCIETY
FOUNDATIONS



TRANSPARENCY &
ACCOUNTABILITY
INITIATIVE

Context

There has been increased reporting and data availability indicating an impending debt crisis in Africa, even though it is only twenty years since the instigation of debt relief initiatives such as the Heavily Indebted Poor Countries (HIPC) and the Multilateral Debt Relief Initiative (MDRI). How did Africa come to this position again in such a short amount time? Some HIPC countries, like Rwanda are not currently debt distressed, while others, like Ethiopia are at a high risk of debt distress. What led some African countries to avoid an unsustainable debt burden while others could not?

Objectives

The Open Society Foundation (OSF) Economic Justice Program is seeking an in-depth situational analysis of the looming debt crisis with a focus on Sub-Saharan Africa. This analysis will build our understanding of the drivers of rising debt burdens, the implications for tax and spending in those countries significantly affected, and the potential for actions – both in strengthening transparency of overall debt burdens, but also managing negative impacts. This research will take a sub-Saharan perspective to complement ongoing Southern African regional specific work being currently undertaken by OSF's regional foundation OSISA. The analysis will inform strategizing with grantees focused on debt, tax and budget. The analysis will similarly be used by other donor members of the Transparency and Accountability Initiative (TAI).

Scope of Work

The consultant will conduct desk-based research, including interviews with relevant individuals and organizations working on debt issues in selected countries. This will inform an analysis that addresses the following research questions:

1. What has fueled a return to high debt levels in many African countries? What policies (and other factors) have enabled some countries to keep debt at reasonable levels?
2. What are the different forms and proportions of sovereign debt (privately issued, government lending, multilateral, etc.)? How do they differ in terms and consequences for failure to keep up payments (to the extent generalizable by type)?
3. Is it feasible to generate an accurate assessment of a country's overall debt burden? What information is typically available and what is not?
4. Have variants in national legal landscapes contributed to differing debt trajectories? To what extent did Rwanda's legal framework influence its ability to maintain a low risk of

debt-distress? Is there significant variation between HIPC and non-HIPC countries? Have legal frameworks in HIPC countries evolved since provision of debt relief? Are there inadequacies with legal frameworks themselves or is the problem more a challenge of implementation? (For example, although Mozambique had legal requirements to disclose debt to parliament, this did not happen.)

5. What have been the various state responses to servicing debt? Are they raising taxes and/or cutting social spending? Or are they borrowing more to refinance existing debt/restructure current debt? To what extent does the transparency of their tax regime influence their responses (if at all)?
6. What are the negative implications for a high risk of debt distress on countries with low foreign direct investment, poor infrastructure, and rising populations? How is the potential crisis affecting civic space?
7. What are potential civic society interventions to inform debt policy debates – both in countries incurring the debts and with debt issuers?

The consultant should include the following countries in the analysis: Nigeria, Cameroon, Kenya, South Africa, Uganda, and Ghana and additional countries at the suggestion of the consultant. We anticipate that the analysis will include 2 to 3 more in depth country cases from the list above.

Audience and Use

This report will initially be for private consumption of OSF network and other TAI members but we anticipate asking the consultant(s) to revise the report for the wider donor community and public consumption. OSF and other TAI donor members would use this report's findings to inform future programming around fiscal transparency and accountability.

Deliverables and Proposed Timeline

For this project, we expect the following deliverables at these suggested but flexible dates:

- Inception memo outlining proposed strategy to answer these questions within two weeks of contract signature – anticipate by June 28
- Virtual presentation of preliminary findings to OSF and other TAI members by September 30, 2019
- One paper up to 30 pages answering these questions, including specific recommendations that OSF and other funders can do to support responses to the debt crisis (including areas for further research)
 - Full draft by October 31, 2019
 - Final version by December 15, 2019
- A verbal presentation to TAI members synthesizing findings and suggested next implications for funders – by November 30, 2019

Candidate or Team Profile

- Demonstrated research or evaluative experience
- Knowledge of global debt issues
- Pre-existing familiarity/relationships with organizations and initiatives working on fiscal issues is a plus
- Ability to work in dynamic consultation with OSF staff (and potentially other TAI members), and resourcefully draw on additional outside expertise as needed to complete the work

Candidates or Teams with proposals under \$50,000 are encouraged

Submission of Expression of Interest

Interested candidates should send a letter (no more than 6 pages) describing their 1) evaluative and/or research experience; 2) experience working on debt; 3) brief biographical statement and project role of all anticipated consultant(s); 4) ideas and/or questions that this TOR elicits; and 5) an initial quote for undertaking the consultancy on the timeline identified.

Please send all submissions to Richard Christel at rchristel@transparency-initiative.org no later than **Friday, June 14, 2019**. Other than confirming receipt of the EOI, TAI will only follow up with candidates invited to the next round of selection.