



Key takeaways from Day 1

- Countries in Africa are now experiencing second and third waves of the COVID pandemic.
- This has come at a time when countries were trying to consolidate spending and reduce funding pressures.
- Countries are now facing a situation – whatever they do, consolidate expenditures, or increase or decrease borrowing, it will have an impact on the economic growth and budgets.
- Countries realise that it will take longer to return to pre COVID growth, expenditure, and funding levels.
- Countries that have started with structural reforms earlier, were able to deal with the crisis better, as enough fiscal space were created to accommodate additional spending pressures.
- Well-developed local debt currency markets are needed to support governments local restructuring operations.
- Less concessionary funding, social crises, volatility in foreign markets and higher borrowing requirements led to countries borrowing more in domestic markets.
- In WAEMU region, external debt has longer maturities (on average 11 years), while domestic debt average term to maturity is 3 years – this is the main reason why countries are facing refinancing risks.
- Appropriate indicators should be developed to monitor refinancing risks closely.
- Debt management strategies should be flexible and adjusted, during crisis times, to ensure debt sustainability.
- ESG funding send a strong message to investors or creditors of government's commitment towards sustainable development.
- It is important that government, before engaging or considering alternative funding options, such as ESG, that they do their homework, find suitable projects, obtain commitment across government, before accessing this type of financing.
- ESG funding pool are increasing fast, governments should take note of developments in ESG funding space.
- ECAs funding comes with very favourable terms, but it is important that Sovereign takes control of the process, there is a lot to negotiate, pricing may differ from Bank to Bank, need to create competitive tension to get full transparency and best terms.
- ECA are new funding and does not compete with other sources of funding available.