



African Heavily Indebted Poor Countries

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Introduction

- the African Union
- Agenda 2063
- AfCFTA



AFRICAN UNION



Agenda 2030 - 7 Aspirations

1. A prosperous Africa based on inclusive growth and sustainable development

3. An Africa of good governance, democracy, respect for human rights, justice and the rule of law

5. An Africa with a strong cultural identity, common heritage, shared values and ethics

7. Africa as a strong, united, resilient and influential global player and partner

2. An integrated continent, politically united and based on the ideals of Pan-Africanism and the vision of Africa's Renaissance

4. A peaceful and secure Africa

6. An Africa, whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children

AfCFTA

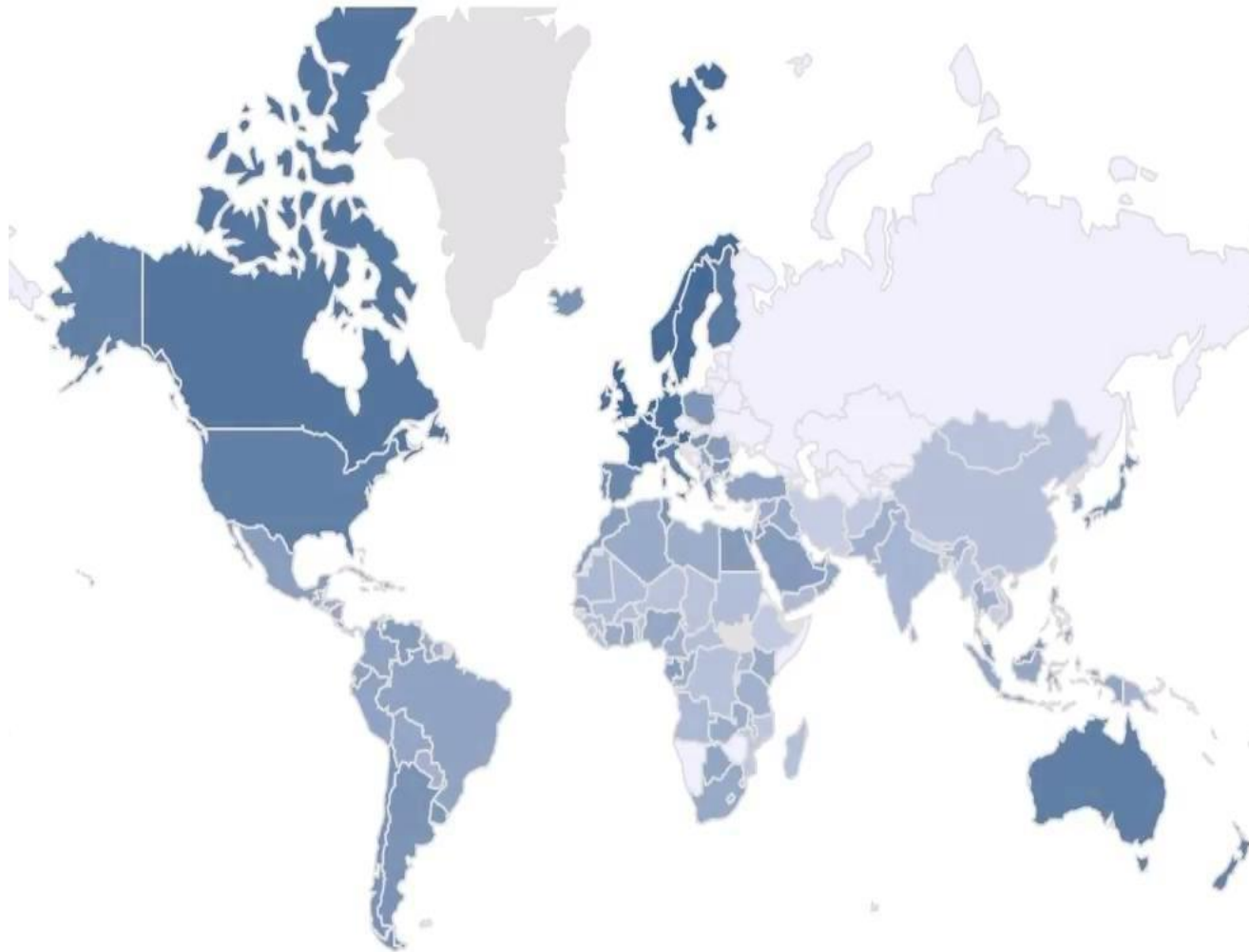
- 1st of January 2021
- Intra-African exports - 16,6 % (2017)
- Uganda (51.4%), Togo (51.1%)
- Chad (0.2%), Guinea (1.6%), Eritrea (2.3%), Guinea Bissau (4.7%), Liberia (5.1%)



Creating One African Market

“This is not just a trade agreement, this is our hope for Africa to be lifted up from poverty.” - Wamkele Mene, General of AfCFTA

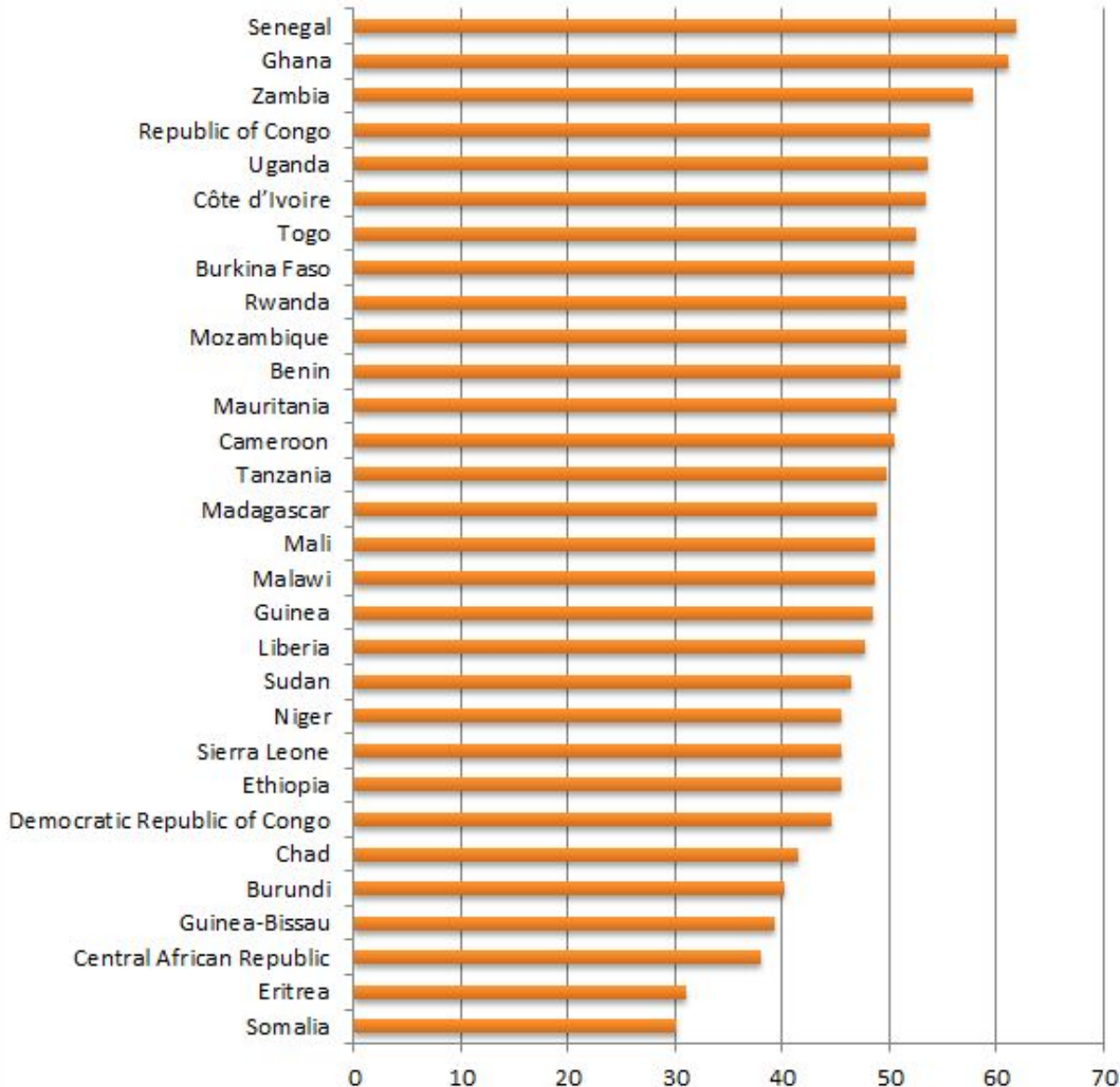
Secretariat



1980



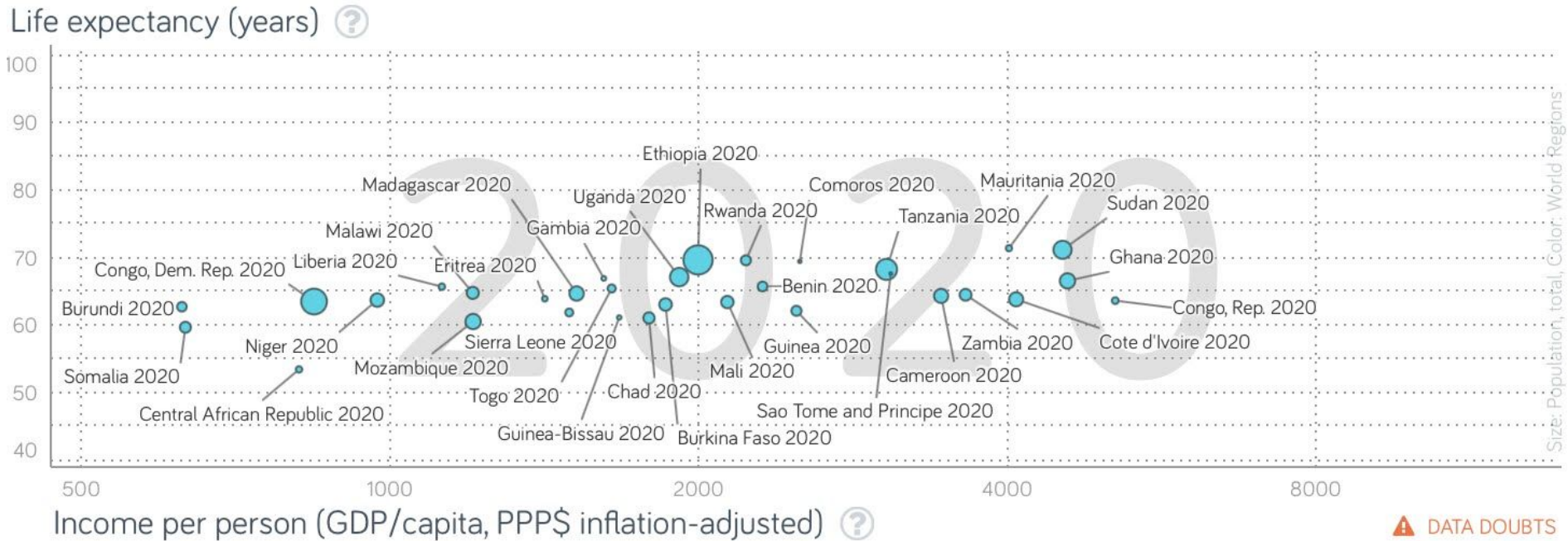
KOF Globalisation Index value (2018)



KOF Globalisation Index

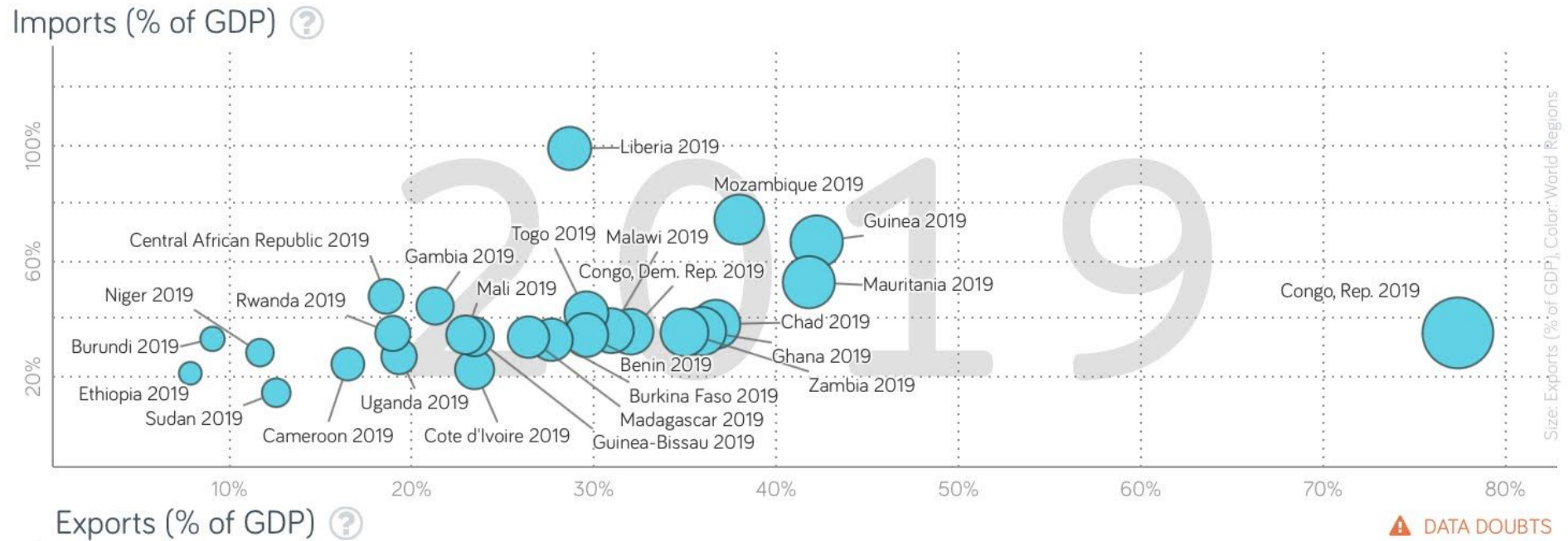
- 1 - 100 scale
- measures economic, social and political dimensions of globalisation

Graph I.



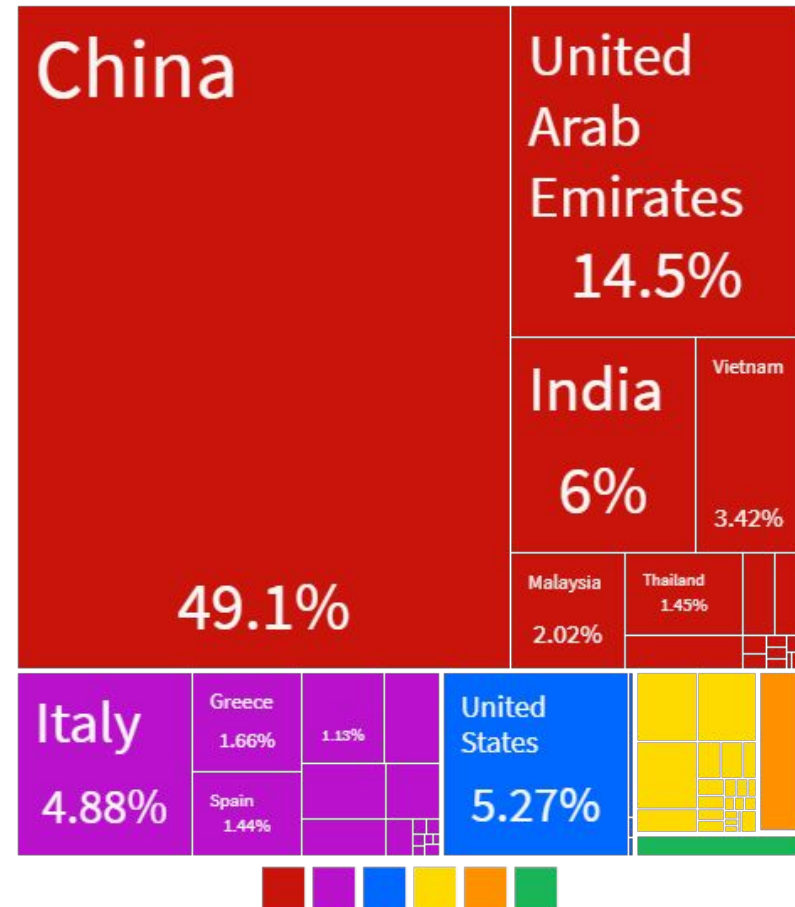
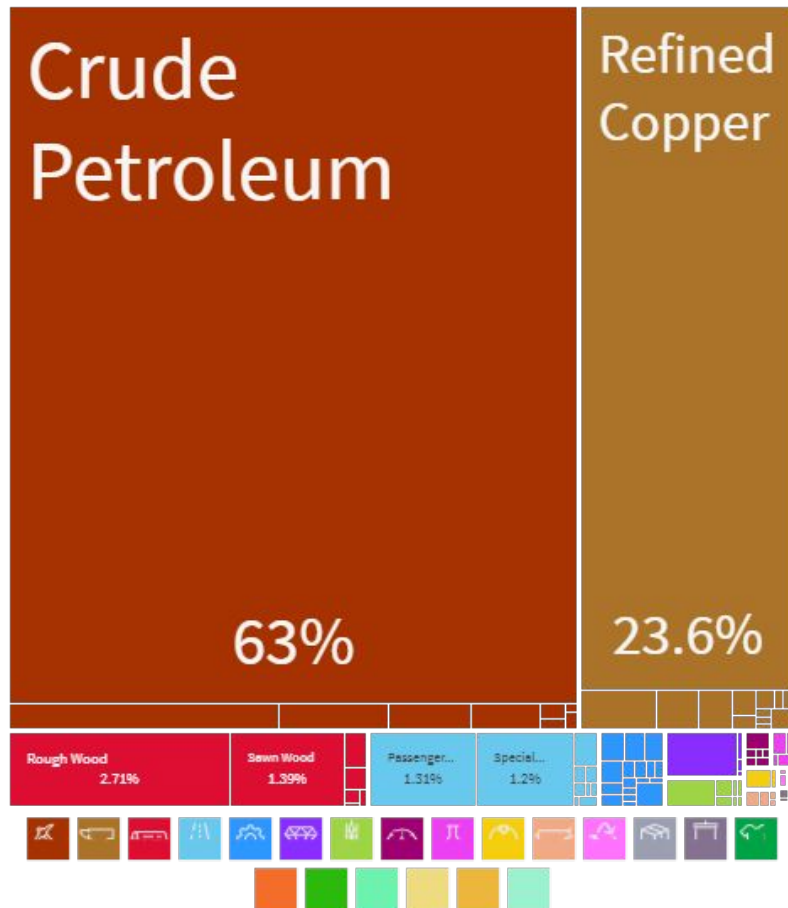
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Graph II.

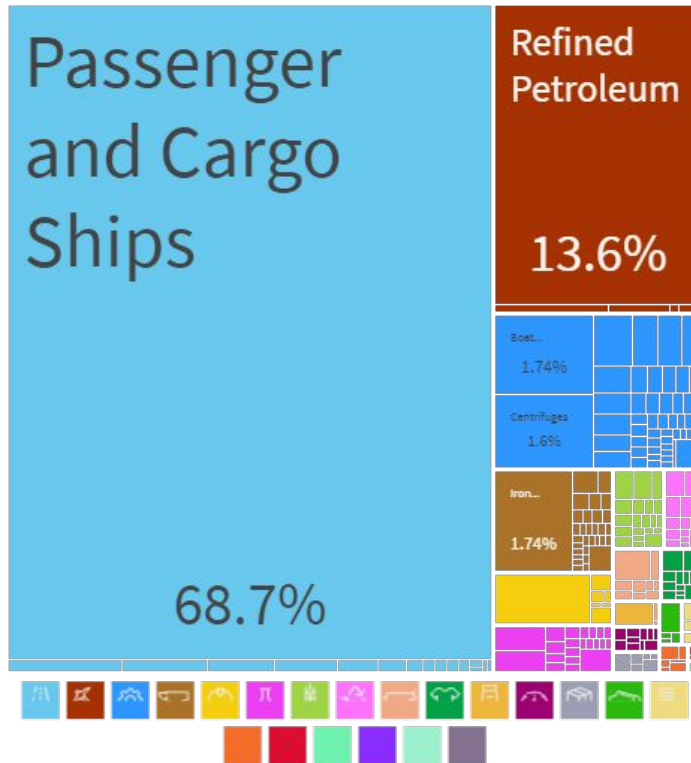


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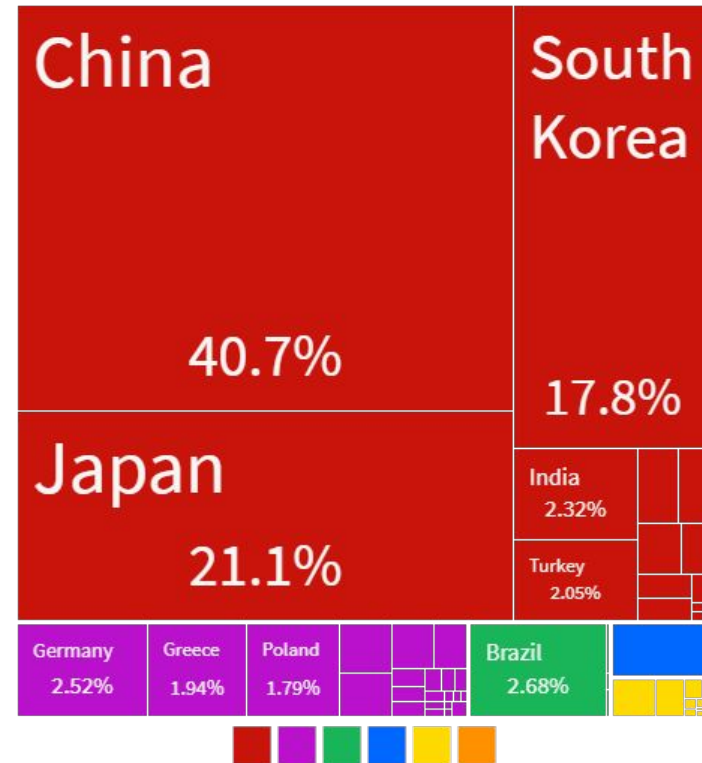
Republic of Congo - Exports (2019)



Liberia - Imports (2019)



ecb.world/en/profile/country/lob



ecb.world/en/profile/country/lob

Heavily Indebted Poor Countries (HIPC) Initiative

- created in 1996
- reduce or cancel the public debt of 39 HIPC
- 31 countries in Sub-Saharan Africa
- launched by World bank, International Monetary Fund (IMF) and bilateral donors
- providing \$76 billion in debt-service relief over time
- SAP program - twice 3 years

Post-Completion-Point Countries (37)

Afghanistan	Comoros	Guinea-Bissau	Mauritania	Sierra Leone
Benin	Republic of Congo	Guyana	Mozambique	Tanzania
Bolivia	Democratic Republic of Congo	Haiti	Nicaragua	Togo
Burkina Faso	Côte d'Ivoire	Honduras	Niger	Uganda
Burundi	Ethiopia	Liberia	Rwanda	Zambia
Cameroon	The Gambia	Madagascar	São Tomé & Príncipe	
Central African Republic	Ghana	Malawi	Senegal	
Chad	Guinea	Mali	Somalia	

Pre-Decision-Point Countries (2)

Eritrea	Sudan
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Criteria HIPC must fit 2 Steps:



First step: The decision point

- 1) Be eligible to borrow from the World Bank's International Development Agency
- 2) Not be able to overcome the debt
- 3) Give proof of the economic reform
- 4) Have developed a document of economic strategy

Second Step: The achievement point

- 1) Good Performance on IMF and World Bank Programs
- 2) Execute the precedent stage decisions
- 3) Adopt and implement its PRSP for at least one year.

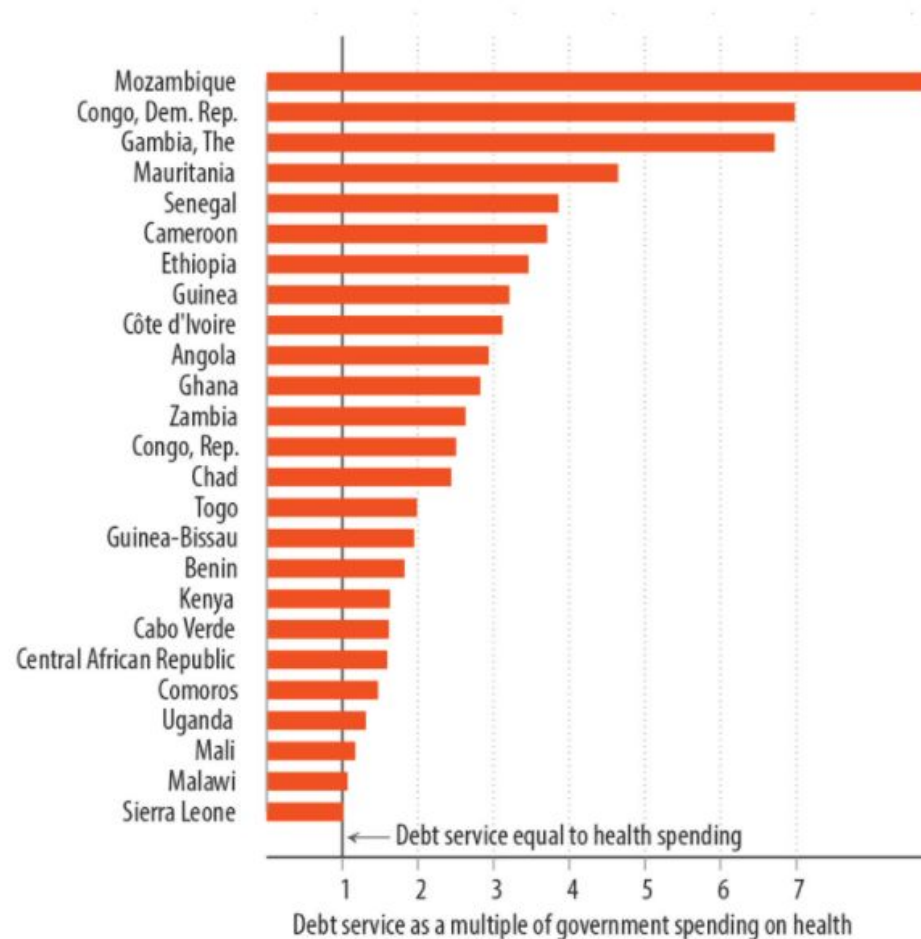
Criticism of HIPC Initiation

- not actually helping HIPC but helping the rich nations
- aimed not at canceling debts, but ensuring that they can be repaid.
- different sets of conditionalities slow down the process
- the debt reduction offer is too small



Neither healthy nor wealthy

A number of sub-Saharan African countries spend more on debt servicing than on health.



Source: World Health Organization; and World Bank, International Debt Statistics (<https://datatopics.worldbank.org/debt/ids/>).

Reality

- Most of HIPC in the 10 years after this initiative → re-indebted

Possible causes:

- difficulties with **reforming of economic model**
- problems with **diversifying of economies** (by commodity exporters)
- difficulty making reforms in structure to **mobilize more income** and generate additional tax revenue
- **new “private” creditors** on the scene



Debt Moratorium for Poor Countries

- The IMF, the World Banks, and the G20 countries, along with help of the Paris Club but also form some official bilateral creditors including China, India and some Middle Eastern countries
- To suspend repayment of debt service - of the debt and its interest
- The idea is to create fiscal space for social and health spending



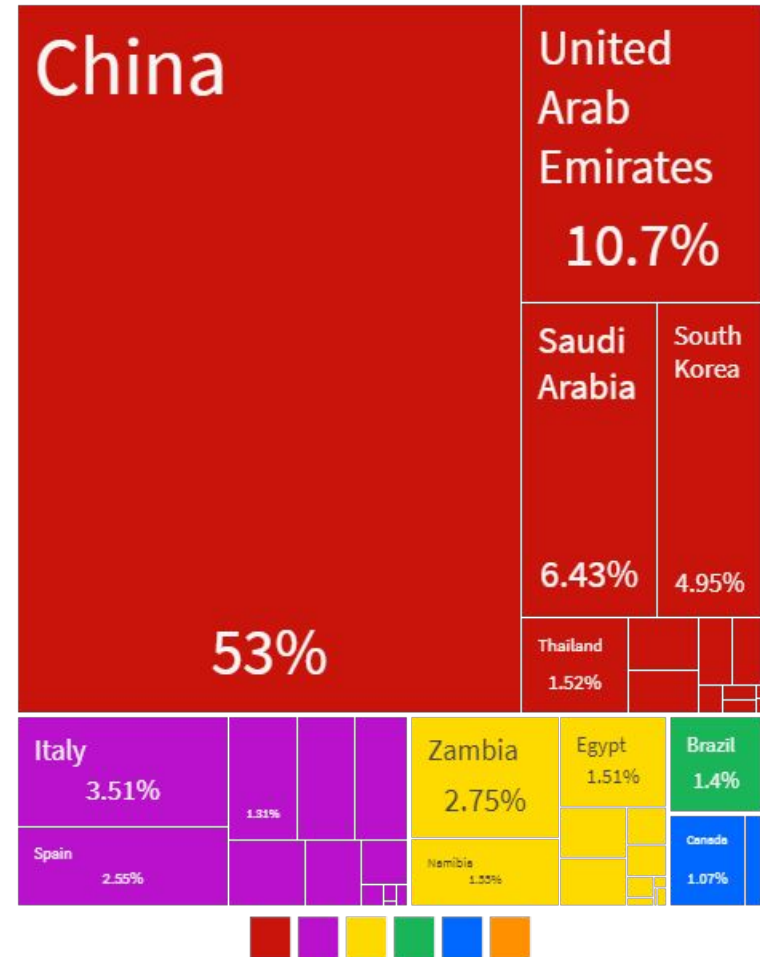
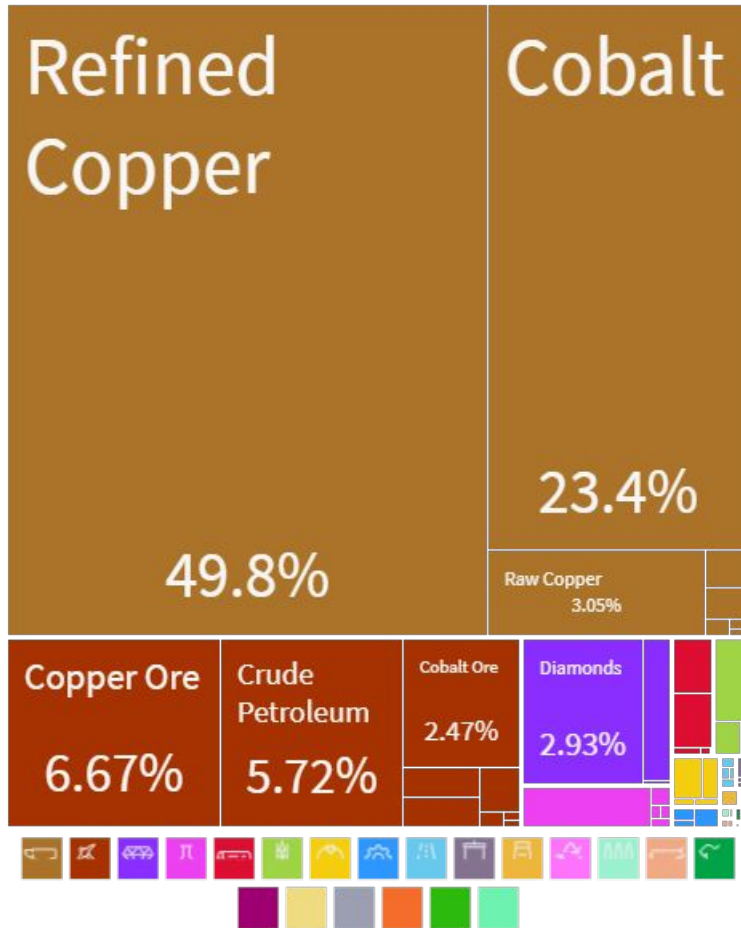




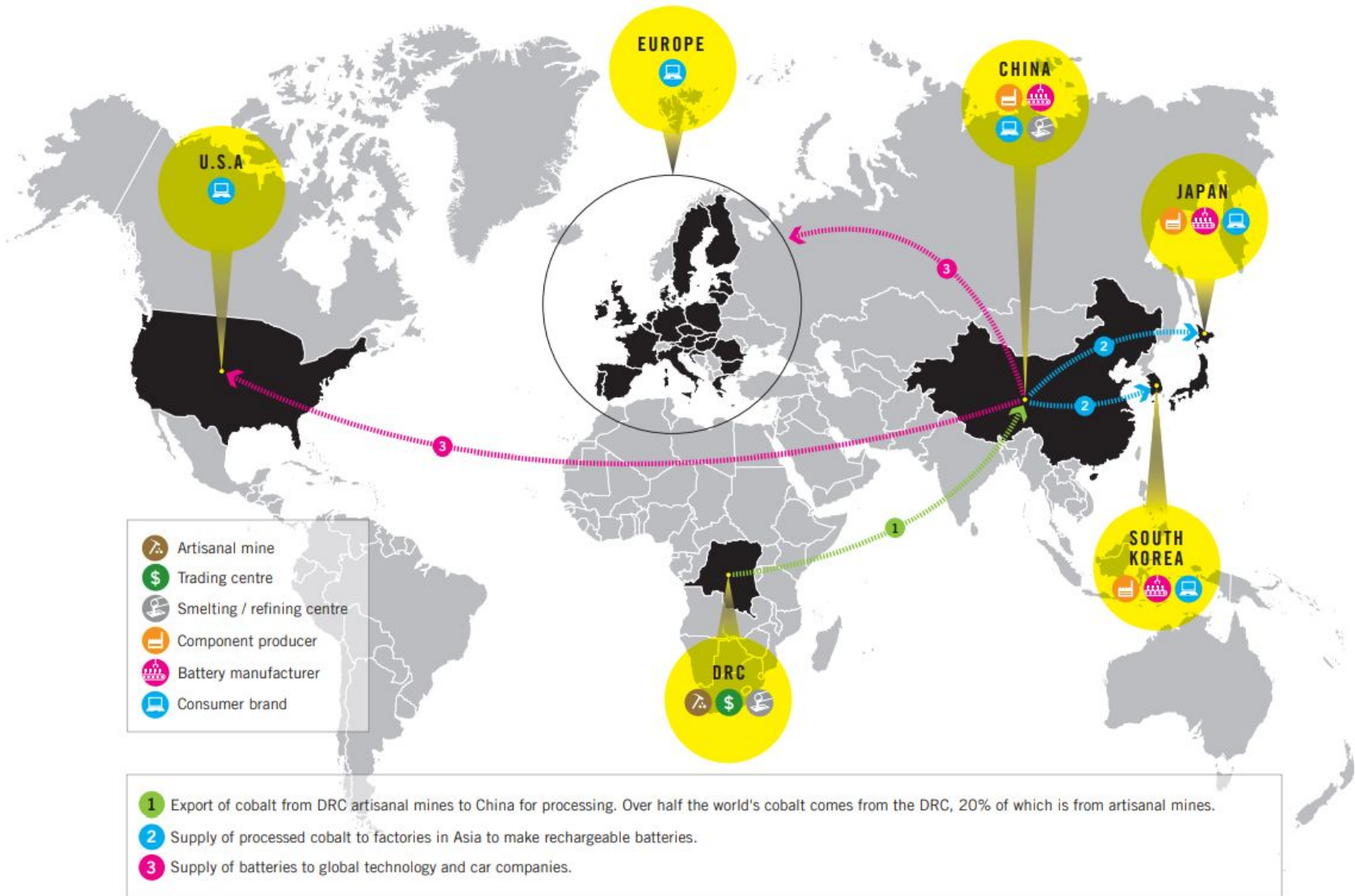
Democratic Republic of Congo

- Belgian Congo/Zair
 - Independent since 1960
 - One of the poorest countries in the world
 - World's biggest exporter of cobalt and cobalt ore
- more than half of the world's total supply of cobalt comes from the DRC
- 20% of the cobalt currently exported from the DRC comes from **artisanal miners** in the southern part of the country
 - 110,000 to 150,000 artisanal miners (creuseurs)

DR Congo - Export (2019)



Movement of cobalt from artisanal mines in the DRC to the global market





Artisanal Miners in the DRC

Artisanal mining

To mine by hand using the most basic tools to dig out rocks containing minerals from tunnels deep underground

- Many women and children are involved in washing and sorting the ore
- Source of livelihood for many people when the largest state owned mining company collapsed in the 1990s
- *The Mining Code (2002)*

Health Consequences of Mining

- Vast majority of miners do not have basic of protective equipment (gloves, work clothes, facemasks)
- Inhalation of cobalt particles can cause:
 - “hard metal lung disease”
 - respiratory sensitization
 - asthma
 - shortness of breath
 - decreased pulmonary function
- sustained skin contact with cobalt can lead to dermatitis.
- accidents are common, as unsupported tunnels collapse frequently



Child Labor in the DRC

- UNICEF (2014) - about 40,000 boys and girls work in all the mines across southern DRC
- Hard work in dangerous and unhealthy conditions
- Some children work full time, others attend school but work out of school hours, on weekends and holidays.
- Most children indicated that they earned between 1,000-2,000 Congolese Francs per day (US\$1-2)



“There is lots of dust, it is very easy to catch colds, and we hurt all.”

Dany, a 15-year-old cobalt miner in DRC

“I worked in the mines because my parents couldn’t afford to pay for food and clothes for me. Papa is unemployed, and mama sells charcoal.”

Arthur 13 , who was a miner from age 9 to 11

“When we come out of the mine we are tired. The dust is bad. Some people have problems with their lungs,”

Pierre, 27, artisanal miner, Kasulo, Kolwezi



“There are many accidents. Many tunnels collapse. The bodies are still there,”

Emmanuel, 32, artisanal miner for ten years, Kasulo, Kolwezi

“I sold to négociants who have scales. But some of the other did not... And just estimated weight: they paid less than the adults.”

Loïc, aged 13

“I spend 24 hours down in the tunnels. I arrived in the morning and would leave the following morning.”

Paul, aged 14, started mining at the age of 12

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Thank you for your attention!

Any questions?

