

The Accra Declaration

Preamble

Having met in Accra, Ghana for the 2019 Africa Caucus Meeting from July 31, 2019 to August 2, hosted by Hon. Ken Ofori-Atta, Minister for Finance of Ghana and Dr. Ernest Addison, Governor of Bank of Ghana, and chaired by Hon. Ken Ofori-Atta, Chairman of the African Caucus of the International Monetary Fund (IMF) and the World Bank Group (WBG);

We, African Governors of the IMF and WBG, held discussions under the theme “Africa Beyond Aid: Enhancing Institutional Capacity and Innovative Finance for Sustainable Growth”. We hereby declare;

Enhancing Human Capacity and Skills Development to Accelerate Jobs and Economic Transformation

Recognizing that Africa is endowed with a growing youthful labor force, however, the low quality of human capital characterized by the lack of relevant skills pose a major constraint to Africa’s economic transformation:

- We, African Governors commit to invest in human capacity and skills development necessary for the transformation of our economies, particularly in a rapidly advancing technological age;
- We commit to boost educational spending to meet the SDGs, particularly SDG 4, including investments in the early years and secondary education;
- We call on the IMF and WBG to scale-up their support to capacity building to national and regional institutions including assisting them to acquire international accreditation and to establish qualification and skills recognition across the continent; and

- We urge the WBG to deepen its support to African Centers of Excellence while accelerating the implementation of the Africa Human Capital Plan and the Digital Economy for Africa initiative, including strengthening capacity in generating and use of big data.

Strengthening Institutional Capacity and Public Financial Management

Mindful of the importance of enhanced institutional capacity together with PFM reforms to sustainably create fiscal space for development spending needs, we remain committed to:

- Continue working with international financial institutions as well as regional organizations to strengthen macroeconomic and fiscal frameworks and upgrade capacities at all levels to support our development objectives;
- Enhanced governance, transparency and accountability that ensures judicious use of public funds and in partnership with IMF, World Bank and other partners to strengthen institutional capacity on public investment management and assessment (PIMA) and on debt management; and
- Collaborate with IMF and WBG to develop tools that better evaluate fiscal risks of PPP projects.

Promoting Innovative Finance for Private Sector-Led Inclusive Growth

Acknowledging the importance of entrepreneurship and private sector participation in accelerating sustainable and inclusive growth and recognizing the need to promote business-friendly environments for private sector investment:

- We commit to continue pursuing appropriate macroeconomic frameworks, policies and reforms that support an environment conducive for private investment, women empowerment and inclusive sustainable growth;

- We call on the Bretton Woods Institutions (BWIs) to support reforms and investments to foster private sector development and facilitate entrepreneurship and innovation, including in agribusiness, manufacturing, industrial parks, renewable energy, housing and digitization;
- We further call on the IMF and the WBG to help deepen capital markets in Africa by strengthening the capacity of domestic financial sectors and local capital markets to mobilize domestic savings, including attracting and judiciously utilizing international pension funds and other institutional funds for long-term financing;
- We request the IFC to extend its blended finance instruments, venture capital, equity funds and funding lines to reduce or share financial risks and expand investment and advisory services to SMEs in Africa, including through platform and regional approaches, particularly in FCS; and
- We undertake to further explore the option of having African rating agencies.

Africa's Development Financing Needs and Debt Sustainability

Understanding Africa's enormous infrastructure needs and the importance of bridging the infrastructure gap to support private sector participation and development;

And at the same time being concerned about rising debt vulnerabilities in many of our countries:

- We urge the WBG to accelerate the efforts through the Cascade Approach to promote private sector investments in our countries;
- We call on the BWIs to support the diversification agenda of our countries and assist us with commodity hedging practices to address countries' vulnerabilities to shocks; and
- We encourage the BWIs to play an active role in working with various stakeholders to build consensus on establishing a debt resolution framework, which would be feasible for all

stakeholders, especially non-traditional public and private creditors, as well as borrowing countries.

Facilitating Economic Integration through Trade

Distinguishing trade as a major driver of growth and with the launch of the African Continental Free Trade Area (AfCFTA)-

we commit to the removal of trade and non-trade barriers to facilitate regional economic integration;

- We commit to accelerate the development of cross-country infrastructure networks, and strengthening our payment and settlement systems;
- We commit to advance policies that promote economic integration; and
- We call upon the IMF and WBG to develop an action plan to support the continent in the implementation of the AfCFTA

Illicit Financial Flows (IFFs)

Knowing the magnitude of Illicit Finance flowing out of Africa,:

- We commit to scale-up regulations to streamline cross-country settlements to prevent illicit outflow of funds;
- We commit to collaborate and harmonize legal frameworks to mitigate those flows
- We commit to work with international development institutions to develop a database of beneficial ownership and IFFs and make it a policy objective to discourage such funds flowing to developed countries and streamline repatriation of such funds to countries of origin; and

- We call upon the WBG and IMF to step up support to stem IFFs and strengthen coordination with other international financial institutions (IFIs) to address IFFs.

Quota and Governance Reforms

Understanding the centrality of the voice of the poorest members and developing countries:

- We reiterate our long-standing request for a third chair for sub-Saharan Africa at the IMF Executive Board; and
- We call for resuming as swiftly as possible the review of quotas to enhance the financial viability of the Fund while preserving the agreed-upon requirement of protecting the quota shares and voice of the poorest members.

IBRD & IFC Capital Package

Being mindful of the need to strengthen the WBG's financial capacity to fulfill its development mandate in all member countries, we commit to work closely with WBG Management to ensure that our countries subscribe to the shares allocated to them in the 2018 IBRD capital package within the subscription timeframe.

Acknowledging the centrality of the private sector for development, we urge the WBG to finalize the 2018 IFC Capital package to help mobilize private financing for growth and poverty reduction in an inclusive manner.

Ensuring a Robust IDA19 Replenishment

Noting IDA's contribution over the years to our Governments' development efforts and to poverty reduction in our countries as well as the urgency required to achieve the Sustainable Development Goals (SDGs), we call for a strong IDA19 replenishment.

Selection of a Managing Director for the IMF

We express our deep appreciation to Madame Christine Lagarde, outgoing Managing Director for her support and commitment to advancing Africa's reform efforts towards strengthening macroeconomic stability and promoting inclusive and sustainable growth. During her tenure, the IMF has increased low income countries and fragile states' access to concessional financial resources. Under her leadership, the IMF supported policy efforts to build resilience, particularly in countries impacted by fragility and climate related shocks. We reiterate our request to the IMF Executive Board to select the next Managing Director in an open, transparent and merit-based manner. It is our expectation that the new Managing Director shall serve the interest of all member countries.

Acknowledgement

We, African Governors, thank His Excellency the President, Nana Addo Dankwa Akufo-Addo for the official opening of the 2019 Meeting of the Caucus of the African Governors of the International Monetary Fund and the World Bank Group.

We express our sincere thanks to the Government and People of the Republic of Ghana, for their warm hospitality and precious support throughout our deliberations and stay in Ghana.

Accra, August 2, 2019

**The Caucus of the African Governors of the International Monetary Fund and the World
Bank Group**