



AFRICAN CAUCUS 2024

THE ABUJA DECLARATION



AFRICAN GOVERNORS OF THE INTERNATIONAL MONETARY FUND
AND THE WORLD BANK GROUP



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Having convened in Abuja, Nigeria, from August 1-3, 2024, under the High Patronage of His Excellency the President of the Federal Republic of Nigeria, President Bola Ahmed Tinubu. Present at the meeting was Prime Minister of Rwanda-Dr. Eduard Ngirente, Deputy Prime Minister and Minister of Finance in Cabo Verde-Dr. Olavo Avelino Garcia CORREIA. For our 2024 African Caucus Meeting hosted and chaired by the Federal Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, Governor of the International Monetary Fund (IMF) and the World Bank Group (WBG) for the Federal Republic of Nigeria; we, the African Governors of the IMF and the WBG, together known as the Bretton Woods Institutions (BWIs), discussed the theme “Facilitating Intra-African Trade, Catalyst for Sustainable Development in Africa”.

- **Recognizing** the importance of intra-African trade to unlock investments, production, and job creation in Africa;
- **Cognizant**, however, that African countries continue to trade with the rest of the world more than among themselves;
- **Aware** that addressing both tariff and non-tariff barriers to intra-African trade—including, but not limited to, fragmented payment ecosystems, poor energy access, lack of infrastructure, lacking consistent common regulatory frameworks, divergent cross-border procedures, databases, and unique identification cards—is critical to bolster Africa’s share of global trade and stimulate sustainable and inclusive growth on the continent;

We underlined four key pathways to boosting intra-Africa trade, namely: (i) strengthen the pan-African payment ecosystem and accelerate digitalization, (ii) enhance energy access, affordability, and connectivity; (iii) leverage partnerships with Multilateral Development Banks (MDBs); and (iv) reform the global financial architecture. At a time of rising geopolitical tensions, we call on the BWIs to ensure that their support to member countries continues to be guided by principles of balance and even-handedness, consistent with their own policies. These considerations are all the more important at a time when African countries are being assailed by adverse endogenous and exogenous shocks and facing immense financing needs. **To this end, we commit and request the BWIs’ support to:**

1- Strengthen the Pan African payment ecosystem and accelerate digitalization, by:

- a. Harmonizing trading rules as well as settlement cycles and listing fees across Africa’s leading exchange and financial markets to ensure cross-border regulatory collaboration in African Sub-region’s Fintech ecosystem.
- b. Promoting regional integration of financial markets and cross-listing of securities to foster investment.



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- c. Accelerating financial integration with the goal of increasing the diversification of asset allocation across geographies and sectors, while addressing the liquidity challenges that have consistently constrained the promotion of African trade and investment.
- d. We urge timely adoption of the pan-African Payment and Settlement System (PAPSS) by all AU members and enjoin all MDBs to support this initiative by strengthening Africa's payment infrastructure and digital platforms to enable all countries to benefit from AfCFTA.
- e. Leveraging Blockchain Technology and Artificial Intelligence (AI) to improve payment system efficiency and reduce intermediaries.
- f. Aligning financial system regulations with technology products, including digital information grid, digital technology literacy and digital financial platforms.
- g. Developing quality regional ICT infrastructure, as well as institutional, technical, and human capacities within governments
- h. Fostering private sector investment to strengthen existing payment systems and explore mechanism for cost-effective cross-border transactions, interoperability, and data analytics; while strengthening security protocols against fraud, money laundering, and cyber-vulnerabilities, and prompt breach response.
- i. Scaling up innovative investments in digital infrastructure to unlock barriers to technology and enable technological innovations to secure effective payment infrastructure and robust payment solutions that meet the standards of efficiency, accessibility, manageability, resiliency, and agility.

2- Accelerate Energy Access and Connectivity in Africa, by:

- a. Delivering an Integrated Energy Strategy for Africa aligned with the African Union's Energy Transition Program, which has incorporated the AU Agenda 2063, the SDGs, and the Paris Agreement on climate change.
- b. Scaling up technical assistance and financing towards implementing a 5-year Energy Action Plan (EAP) for Africa (2025-2029).
- c. Member States commit to the implementation of Mission 300 (M300) and the development of country level Energy Compacts with the support of the World Bank Group, the African Development Bank and United Nations Sustainable Energy for All.
- d. Tripling investments in transportation—land (roads, rails), sea and air—as well as in on-grid, off-grid, and mini-grid energy infrastructures—through financing midstream and downstream energy projects across the Continent using appropriate energy mix - including hydro, natural gas, nuclear, solar, wind, and renewables—to achieve Affordable and Clean Energy (SDG 7) targets by 2030 through energy connectivity that builds on the four Africa's regional power pools (SAPP, EAPP, WAPP, CAPP) and systems to foster competitive markets that leverage economies of scale.



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- e. Providing technical Assistance and deepening tailored capacity-building to help African countries make their regulatory and legal landscape more business-friendly for competitive private sector investments in the energy sector on a large scale and reform their utilities so they are financially sound and efficient.
- f. Giving sufficient attention to mechanisms to provide the scale and quality of finance to support the “just” component of the just energy transition.
- g. Effectively integrating climate-resilient and adaptive measures in all development projects in Africa to mitigate the impacts of climate change on the environment and infrastructure in a manner that promotes the continent’s sustainable industrialization.

3- Leverage Partnerships with the MDBs, by:

- a. Ensuring that MDBs are operationally fit for purpose, operationally and financially, in a way that accelerates Africa’s sustainable development based on African countries’ priorities.
- b. Assuring timely implementation of the commitments announced by MDB heads.
- c. Ensuring the availability and access to adequate levels of concessional financing to support all countries, while considering country-specific constraints and fragility as eligibility criteria for access to concessional financing.
- d. Encouraging MDBs to continue to offer new innovative instruments, guarantees and modalities including blended finance to de-risk investments and support for project preparation facilities to crowd-in the private sector, including for Public Private Partnerships (PPPs).
- e. Emphasizing that MDBs play an important role in supporting development projects in Africa and strengthening their capital base. In this regard, we encourage utilization of voluntary SDR acquisition of hybrid capital to strengthen the payment ecosystem and intra-Africa trade.
- f. Fostering partnerships to fight cybersecurity threats, share knowledge and technologies and develop local skills in payment system management and product value chain, as well as in timely collection of reliable data on consumer behaviors for evidence-based policymaking.
- g. Supporting mentorship of fintech startups in enhancing Africa's payment ecosystem.
- h. Calling on MDBs to increase their collaboration with Africa’s institutions, particularly Africa’s Multilateral Financial Institutions and think tanks who can complement the work of MDBs. Promoting and incentivizing the use of regional windows

4- Reform the Global Financial Architecture



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- a. We call on the multilateral institutions to support the advancement of the reforms of International Financial Architecture including but not limited to capital increase and representation in a coordinated and consistent manner.
- b. Encouraging a comprehensive solution to the growing debt distress through immediate measures to address solvency and liquidity challenges to create fiscal space for countries to invest in SDGs. We also call for reforms of the sovereign debt architecture to make it inclusive and to prevent future debt crises.
- c. International tax convention/domestic resource mobilization; Committing to ensure fully inclusive and more effective international tax cooperation through the UN Framework Convention on Tax. This is critical for mobilizing domestic resources for investing in the SDGs.
- d. Member countries commit to engaging the credit rating agencies on the methodologies employed in the rating of our countries.
- e. Calling for accelerated reforms to remove policy-induced constraints on private investments.

Finally, noting that IDA is a major concessional source of development finance, particularly for Africa; and mindful that the highest share of IDA eligible countries are in sub-Saharan Africa and that in fiscal year 2023 nearly 75% of IDA'S financing went to Sub-Saharan African countries: We reiterate the call of our Heads of State to donor countries for an ambitious and robust IDA21 replenishment at a US\$120 billion target to combat persistent and emerging challenges such, as climate change, food insecurity, energy deficit, water, digital transformation, regional integration, and fragility.

In closing, the outcomes of our 2024 African Caucus deliberations will be summarized in our Memorandum to be delivered to the Heads of the BWIs, in October 2024, during the Annual Meetings of the IMF and the WBG, in Washington, USA.

The Governors of BWIs and all the participants of the 2024 African Caucus wholeheartedly thank His Excellency the President Bola Ahmed Tinubu, Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, the Governor of the Central Bank of Nigeria, Dr. Olayemi Cardoso, and all the authorities and people of the Federal Republic of Nigeria for the wonderful arrangements and exceptional hospitality.

“Vuk’uzenzele” - Just get up and do it!