YAOUNDE DECLARATION

Having convened on August 6, 2020, in a virtual format meeting chaired by the H.E. Alamine Ousmane Mey, Minister of the Economy, Planning and Regional Development of the Republic of Cameroon, under the very high and distinguished Patronage of His Excellency Paul BIYA, President of the Republic of Cameroon,

We, African Governors of the IMF and WBG, held discussions on the theme “Protecting Africa’s Human Capital in the Face of COVID-19: Saving Lives, Preserving Well-being, and Safeguarding Productivity and Jobs.” As complement to our collective efforts in our respective countries, we seek firm commitment and additional support from the IMF and WBG in the following areas:

I. Enhancing External Assistance and Aid Effectiveness During the COVID-19 Pandemic

We welcome IMF temporarily increasing the annual access limits under the Poverty Reduction and Growth Trust (PRGT) resources, offering debt relief under the Catastrophe Containment and Relief Trust (CCRT) and creation of a short-term liquidity line to help countries mitigate the devastating impact of the pandemic. We also appreciate the WBG’s Multi-phase Programmatic Approach (MPA) to fast-track disbursements and the frontloading of IDA19 resources. We commend both institutions for spearheading the G20’s debt service suspension initiative (DSSI), with focus to create a budget space for the poorest countries.

Recognizing that with a prolonged pandemic, a more aggressive package of liquidity support is needed,

- We, African Governors, urge the IMF and WBG to be bolder in boosting countries’ capacities and financial resources to contain the crisis and address its economic fallout. We stress the importance of support to countries under longer-term engagement instruments.

- We ask the WBG to provide enough resources to all client countries in need, including small states, fragile and conflict states and those with non-accrual status or facing multiple shocks. We ask the IMF to explore creative ways to provide emergency assistance to countries with unsustainable debt levels and to extend debt relief to a larger pool of countries, while mobilizing additional resources for its CCRT.

- We urge the IMF to consider replenishment of the PRGT resource envelope as one of its most urgent priorities and to make the case for a general reallocation of unused SDRs, in advance of a decision on a new round of SDR allocation to countries with greater liquidity needs, among other avenues. We request the IMF to move forward with completion of the 16th General Review of Quotas, due by end 2023.

- We urge the WBG and IMF to closely coordinate in implementing the new debt policies, to ensure harmonization and avoid overburdening countries with distinct lists of requirements.

II. Scaling Up Service Delivery: Health, Education, Water and Social Protection
The support provided thus far will expedite countries’ emergency efforts to prevent, detect and respond to the health challenges posed by the COVID-19 pandemic, while strengthening national systems for public health preparedness and enhancing education, water systems and social safety nets.

**Building** on this strong start, we,

- Urge the WBG, especially IFC, to continue supporting the private sector, including by enhancing domestic production of medical equipment, while helping address nutrition and food insecurity. We ask the WBG to help countries get urgent medical and food supplies in a speedy manner.

- Request the WBG to help our countries swiftly expand and improve targeting of cash transfers and other social programs. We also ask the WBG to expedite the delivery of the Strategic Preparedness Response Program under the MPA and ensure delivery of resources to refugees under the IDA Refugee and Host Community Window.

- Encourage the WBG to help build institutional capacity to implement COVID-19 related projects, while improving data management, monitoring, coordination and sharing of lessons learned.

- Urge the WBG to enhance coordination with UN agencies, particularly the World Health Organization, as well as with other multilateral development banks and bilateral donors, to provide needed support to our countries.

**III. Reinforcing Macro-Fiscal Policies and Governance**

Our countries are deploying all tools at their disposal to minimize the economic and humanitarian impact of the crisis. Besides the public health containment measures, we have adopted counter-cyclical policies, despite the constraint of limited fiscal space and the worsening global financial environment.

**Working** to reinforce effective macro-fiscal approaches, we,

- Call on the WBG and IMF to continue offering streamlined procedures to access their lending, and assistance on institutional policy developments, public debt management, and capacity development, to strengthen our macro-fiscal frameworks and governance and improve domestic resource mobilization. This is critical both during and after the pandemic for strong, sustained and inclusive recovery.

Urge the institutions to boost their capacity to meet our members’ needs through tailored policy advice and financing. We call on the IMF to review its capital flow measures and macroprudential policy approaches to provide tailored advice to its members.

- Recommend that the IMF consider PRGT-eligible countries’ efforts to balance debt sustainability objectives with the need for financing for development, to avoid protracted bilateral negotiations under the G20 initiative. We ask the IMF to consider revising its 35-percent grant element threshold, against the backdrop of declining concessional development assistance.

- Urge the IMF and WBG to help countries leverage technology to provide services. Whether through revenue mobilization, expenditure rationalization or greater spending efficiency, digitalization has become indispensable. The IMF and WBG should extend their policy advice on Fintech initiatives, including by operationalizing Bali Fintech Agenda, and help expand the use of digital technology.
IV. Strengthening Markets, the Private Sector and Jobs

Millions of jobs have been lost across Africa, further constraining the continent’s economic transformation and job creation. Economic recovery will depend largely on the private sector, and we applaud the WBG for tapping the Private Sector Window and IDA18 allotment in the pandemic response. However, a more diversified, private sector-led economy will require reforms to improve the business environment, address infrastructure gaps, enhance access to finance and promote SMEs.

Acknowledging that enhanced mechanisms through the private sector will be needed, we, therefore,

- Urge the WBG, particularly IFC and MIGA, to continue supporting the private sector, notably to enhance domestic production of medical equipment, including test kits and personal protective equipment, while helping address nutrition and food insecurity.

- Urge the WBG to leverage the Africa Continental Free Trade Agreement and support its implementation, while fostering synergies with other organizations, including the African Development Bank, and other initiatives such as the Compact with Africa.

- Ask the WBG to help build institutional capacity and provide technical assistance to structure and manage public-private partnership transactions in Africa, while ensuring fiscal and debt sustainability. We also ask it to promote regional integration, including through value chains.

- Encourage IFC to scale up advisory and financing support to help our countries improve the business climate and de-risk investments for greater private sector participation. We urge IFC to assist African countries with project preparation, institution building and capital markets development.

Urge IFC to extend its blended finance instruments, venture capital, equity funds, and funding lines to mitigate risks and expand investment to SMEs in Africa.

V. Enhancing Africa’s Representation, Voice, and Diversity in the IMF and WBG

For the IMF, recruiting staff from diverse regions improves the quality and effectiveness of policies and helps lead by example. Benchmarks are useful, not only for accountability, but more importantly, to ensure that the IMF’s culture is inclusive and as diverse as its membership. Progress on the 2020 benchmarks has been uneven, with some now unachievable. Considering that the pandemic may reverse gains, more needs to be done to achieve better outcomes.

Recognizing that the IMF will still fall short of agreed benchmarks in 2025 without a change in strategy, we,

- Call for enhanced efforts and suggest that the IMF raise some benchmarks, including new ones, and consider adopting diversity guidelines.

- Continue to call for an increase in the share of staff from under-represented regions through a more proactive approach and stronger commitment at all levels. It is critical that more focused efforts towards meeting the benchmarks for these regions be pursued.

- Call for corrective measures to address the lack of progress towards some of the benchmarks. Specifically, we support diverting more of the diversity effort towards filling the gap for underrepresented regions, where there is accumulated evidence of the diversity challenge.
- Encourage that the focus of the IMF’s diversity remains based on gender and geography, while other characteristics may be considered once we achieve these two.

- Urge the IMF to take up and act on the longstanding request for a third a chair for SSA.

**Acknowledging** and commending the WBG management for meeting the target on diversity in 2019 and urging the Bank to continue working towards an approach that would bring more inclusion and diversity for staff of African descent, we reiterate our call for further progress to:

- Increase the staff complement from Sub-Saharan Africa, and address concerns about subregions and countries that are extremely under-represented.

- Address the “missing middle” by maintaining a strong pipeline of young and other professionals as well as staff at mid to senior management levels who are of African descent, to at least maintain the diversity of these groups across all cadres of the WBG.

- Strengthen performance management reviews to ensure more transparency and fairness.

- Enhance accountability, maintain transparent recruitment processes and recognize the diversity of teams as business drivers for the institution.

**Acknowledgment**

*We, African Governors,* thank *Ms. Kristalina GEORGIEVA,* Managing Director of the International Monetary Fund, and *Mr. David MALPASS,* President of the World Bank Group, for the timely support provided by both IMF and WBG through rapid and flexible use of their existing facilities and instruments.

We particularly thank *His Excellency Joseph Dion Ngute,* Prime Minister, Head of Government of Cameroon for his availability and his opening speech of the 2020 Caucus of African governors of the IMF and the World Bank Group. We congratulate *His Excellency Alamine Ousmane Mey,* Minister of the Economy, Planning and Regional Development of the Republic of Cameroon, and his team for the coordination and excellent conduct of this virtual Caucus Meeting.

We express our gratitude to *His Excellency Paul BIYA,* President of the Republic of Cameroon, for having kindly placed this event under his very high and distinguished patronage.

**Done in Yaoundé, Cameroon on August 6, 2020**

On behalf of the African Governors,

*Alamine Ousmane Mey*

Chair of the 2020 African Caucus,
Minister of the Economy, Planning and Regional Development of the Republic of Cameroon.