

## KHARTOUM I DECLARATION

**Having** met in Khartoum, The Republic of Sudan, at our 2013 African Caucus, chaired by His Excellency Ali Mahmoud Mohamed AbdElrasoul, Chairman of the African Caucus of the IMF and the WBG, Minister of Finance and National Economy of Sudan;

**We, the African Governors of the World Bank Group and the International Monetary Fund,**

**Mindful** that Africa's growth and transformation are seriously challenged by inadequate physical infrastructure and infrastructure financing instruments;

**Considering** that without peace, stability, regional solutions and bold investments in key sectors - such as energy, transport, information communication technology and water - eradicating extreme poverty and boosting shared prosperity could be elusive goals;

**Aware** that the long term financial sustainability of IDA, bolstered by an ambitious IDA 17 replenishment, is vital to Africa's development needs and the realization of WBG's mandate and strategies in Africa ;

**Recognizing** the unique circumstances of African Lower Middle Income Countries (LMICs) which can neither benefit from IDA resources because of their MIC status nor can access the capital market due to lack of requisite creditworthiness and /or debt sustainability concerns;

**Noting** that structured bonds and other private flows present an alternative mix of financing sources for infrastructure investment, and that they cannot be substitutes for concessional financing;

**Cognizant** of the need for an appropriate IMF debt limits policy that is conducive to both debt sustainability and adequate financing of our infrastructure development agendas; and

**Stressing** that our concerns regarding the IMF quota and governance reforms still needs to be addressed, that our continent remains poorly represented in the high-level decision-making structures of the WBG and the IMF; and that recruitment and promotion of African nationals continue to fall short of the set targets;

## **AFTER EXTENSIVE DELIBERATIONS, REITERATE WITH A SENSE OF URGENCY, OUR CALL**

To **the World Bank Group** to:

- (i) Partner with other donors, in particular the African Development Bank (AfDB), to establish a *Single Infrastructure Project Preparation Facility for Africa* to support large-scale transformational infrastructure projects; contribute and mobilize sufficient resources, including IDA contributions, to adequately fund it;
- (ii) Step up in assisting national and regional institutions, in particularly, central banks , other financial institutions, and securities commissions, to undertake more capital market deepening programs to unleash private financing for transformative projects, along the lines of ongoing IFC's initiatives in Africa;
- (iii) Exercise flexibility by exploring modalities for expanding IBRD lending to IDA countries, for the purpose of structuring large-scale transformational projects with regional impact;
- (iv) To partner with the African middle-income countries (MICs) to develop innovative lending and knowledge instruments suitable to the needs of these countries;
- (v) Offer the guarantees and leverages needed to attract private sector investments and foster active public-private partnerships (PPPs); increase IFC's resources under its Special Initiative for Infrastructure and its "Infra Venture" program in Africa;
- (vi) Increase financial resources and mobilize additional contributions to support the development of infrastructure including energy, water and sanitation and agriculture development through the entire value chain;

To **the IMF** to:

- (i) Make sustained effort to encourage remaining countries to expeditiously submit their pledges on the gold sales windfall distribution to enhance Fund's concessional resources under the Poverty Reduction and Growth Trust (PRGT);
- (ii) Take note of our disappointment about halving access norms and limits under the IMF's concessional facilities when the Fourteenth General Review of Quotas enters into effect, and to modify this decision;
- (iii) Ensure that no PRGT-eligible country is worse off by taking the necessary steps to raise additional resources, including through bilateral contributions and continued non-reimbursement to the General Resources Account (GRA) of administrative expenses of the PRGT;

- (iv) Allow for more flexibility in setting debt limits for Low Income Countries under Fund-supported programs, based on country circumstances, and ensure that the ultimate goal of a new debt limits policy be to preserve debt sustainability;
- (v) Enhance Africa's voice and representation at the IMF Executive Board through a third chair for Sub-Saharan Africa; through quota shares that reflect our economic dynamism and underlying vulnerabilities; and through an upward revision of basic votes as part of the Fifteenth General Review of Quotas;

To *the two Bretton Woods Institutions* to:

- (i) Support Africa's industrialization by providing the necessary mitigating risk guarantees to promoting optimal use of the continent's abundant resources through investments in manufacturing and transformation of raw materials;
- (ii) Take concrete measures to achieve the set diversity objectives for Africans , at all levels of staff, in particular , senior managerial levels; and expand the pool of institutions from which their staff is recruited to include the top Universities and financial institutions in Africa;
- (iii) Undertake necessary steps to assist the remaining eligible countries - Somalia, South Sudan, Sudan and Zimbabwe - to address their debt arrears and gain full access to debt relief.

In closing, we, the African Governors, thank His Excellency Omar El Bashir, the Head of State of the Republic of Sudan for the directions provided. We express our gratitude to the Government and the People of the Republic of Sudan for the hospitality and support they accorded us throughout our stay in Khartoum.

Khartoum, August 22, 2013  
The African Caucus