

Common African Position on the World Bank Group Evolution

We African Governors, having met during the African Caucus in Sal, Cabo Verde, and having considered among others, Africa's interest in the WBG Evolution process and support to addressing global challenges, emphasize the following:

1. On the Vision/Mission:

- We welcome the provisional vision and mission of the WBG that is intended to galvanize increased WBG support toward addressing global and regional challenges. We emphasize that the mission should be underpinned by the WBG's "Twin Goals" of ending extreme poverty by 2030 and boosting shared prosperity for the poorest 40 % and the Sustainable Development Goals (SDGs) while reflecting the urgency to deliver on its development mandate.
- We expect the evolution process to deliver a more agile institution, responding effectively and with enhanced financial capability to address the needs of all clients. In this regard, we welcome the recognition by global leaders during the Summit on the New Global Financing Pact in Paris that, "In a world where climate-related disasters are more frequent, we need global safety nets to protect the most vulnerable and provide them with adequate financial resources when they need them most" and encourage the WBG to support this cause.
- We expect the commitment to address global and regional challenges to be anchored on the country strategies of client countries, a product of a consultative process based on country ownership, and fully aligned with client countries' development priorities.

2. On Global Public Goods:

Africa is moving backward in its efforts to end hunger, food insecurity, and malnutrition. Reaching the SDG2 – zero hunger – targets by 2030 is becoming more challenging each year. Also, Energy is a critical component of the WBG's commitment to the Paris Agreement, SDG13 (combating climate change), and SDG7 (improving access to affordable and clean energy). In this regard,

- We applaud the Bretton Woods Institutions (BWIs) for leading on climate finance and support that the WBG should play a bigger role in investing in global public goods (GPGs). Therefore, in addition to climate change, pandemic preparedness, and response, as well as fragility and conflict, we call on the WBG to include and affirm food security, water and affordable energy access as GPGs, with human capital development and digital transformation, as cross-cutting priorities.
- The agreed list of GPGs and Global Challenges (GCs) should all benefit from the allocation of additional concessional resources and collective action and must facilitate growth, job creation, and economic transformation since SDG achievement will only be possible with sustained growth. We also call on the WBG to adopt an unbiased approach to GPGs, recognizing that all require universal and equal attention and balanced levels of financing as they are intertwined and mutually reinforcing.

3. On the Operating Model:

- Recognizing the importance of country ownership of the development process, we underscore the need to strengthen the country-driven approach and ensure WBG-supported country programs are anchored on countries' development strategies which should be systematically reflected in Country Partnership Frameworks (CPFs).

- We support the review of Advisory Services and Analytics (ASAs) to synthesize and sequence all diagnostics and identify those that meet the specific needs of client countries and should form the main pillars of the CPFs. Any Core ASAs should strengthen clients' understanding of the interlinkages between domestic priorities and regional and global challenges.
- We urge that the Evolution process should aim to enhance the efficiency and agility of WBG processes and operations, improve project and program design and results framework, as well as ensure the quality of outcomes and sustainability of impacts.
- We exhort the WBG to translate into effective action the One-WBG and the Cascade approaches to deliver a coordinated response to client needs and guide GPG-related investments while facilitating increased private-sector participation in addressing regional and global challenges.
- We call on the WBG to foster adaptability and flexibility in response to shocks, conflicts, and diverse contexts; strengthen partnerships; and leverage synergies with the private sector, Multilateral Development Banks (MDBs) and international and regional development organizations, to maximize the effectiveness and impact of development finance in addressing global challenges.

4. On the Financial Model:

Adding a GPG mandate to the WBG's twin goals and awareness of the threat posed by the multiple and overlapping crises to hard-won development gains inevitably requires the mobilization of additional resources, expanded and innovative financial instruments and balance sheet optimization options. In this regard:

- We urge the WBG to evolve and adapt its countercyclical role to emerging needs, shifting toward more catalytic financial instruments to help countries mobilize more GPG finance from both public and private sources.
- We emphasize that the evolution process must be backed by a higher ambition and a stronger capacity by the WBG to deliver additional concessional resources commensurate to the development challenges that developing countries are facing.
- We urge the WBG and development partners to provide equal emphasis to the needs of IDA countries, whose main source of external development financing is the IDA window. Shareholders' support is needed to enhance IDA's short-term and medium-term financial capacity to fill the gap left by the crisis-response financing made available by the WBG in the last two years.
- We encourage the WBG to meet or exceed the Private Capital Mobilization (PCM) targets and optimize its Balance Sheet to increase its lending capacity and reinforce concessionality while avoiding trade-offs and high cost of lending.
- We stress that additional concessionality should not come at the expense of the least developing countries. We also call on the WBG to scale up support for countries, including putting IDA's equity to better use and ensuring IDA's long-term financial sustainability for increased lending capacity.
- We underscore that the concessionality framework to address climate change should prioritize adaptation investments critical for the most vulnerable; and that climate finance should focus more on adaptation and resilience building, as well as recovery from the damage already evident from climate change.
- It is important to note that, IDA beneficiaries' tight fiscal condition is partly a reflection of

large debt servicing expenditures. We, therefore, exhort the WBG to increase advocacy for a comprehensive framework of debt resolution and support the holistic approach to public finance. This entails assisting client countries' efforts towards domestic resource mobilization, curbing illicit financial flows (IFFs), recovering lost assets, and enhancing public investment management.

5. On the WBG Public Consultation:

- We appeal to the WBG to enhance the voice and participation of its African member countries throughout the Evolution process.