

## **G20 Compact with Africa – Task Profiles of participating International Organisations**

Since its inception in 2017, the Compact with Africa (CwA) has seen strong political commitment of Compact country governments to create a business-enabling environment and attract private sector investments. Now it is time for advancing implementation of the initiative with all actors contributing based on their strengths and comparative advantages. While the G20 finance track steers the initiative and provides the platform for political dialogue, executed through the Africa Advisory Group (AAG) with strong impetus from the respective G20 presidency, implementation is carried out in and with Compact countries primarily by the three involved international organisations - the World Bank Group, the African Development Bank and the International Monetary Fund.

Joining forces between these three institutions within their given mandates shall enable the CwA to add value to African governments undertaking reform and reaching out to investors. To sharpen the understanding of the IOs' specific roles and contributions in implementing the CwA, the AAG requested suitable task profiles involving activities at headquarters as well as in Compact countries – with the World Bank Group as the leading institution. The task profiles presented below are therefore intended to address the strong wish from Compact countries and other stakeholders to coordinate and align multi- and bilateral support measures in order to ensure cohesion and maintain the momentum of the CwA.

### **World Bank Group (WBG) Task Profile**

Given its mandate in reform assistance and project financing as well as its large in-country presence, the WBG is proposed to play a key role throughout the further CwA implementation process by assisting the Compact countries in the overall coordination among bi- and multilateral development partners and engaging the private sector. This should include:

- **Core responsibilities in CwA implementation**  
Play a key role in implementing the CwA by establishing cohesion among participating International Organizations (IOs) and bilateral partners. Convene as co-leader together with a government representative the quarterly Compact Team meetings, ensuring integration of relevant development partners as well as the private sector.
- **Diagnostic work and promotion of private sector-led development**  
Operationalise lessons from Country Private Sector Diagnostics (CPSD) and sector deep dives in order to identify reform priorities for government action and obtain a thorough understanding of key constraints to increased levels of private

investment; integrate conclusions into country partnership frameworks and regional economic analyses.

- **Reporting and Monitoring**

Lead CwA monitoring process and biannual joint reporting to the AAG ahead of their meetings by closely collaborating with AfDB and IMF, bringing together structured diagnostics of all three IO's and jointly defining indicators for measuring the impact of the initiative. Reports are to be submitted one month ahead of AAG meetings.

- **Outreach**

Organize investor events focused on private sector development in CwA countries and business opportunities in sectors covered by the CPSD's, to be hosted in CwA-countries as well as G20 countries. Help developing the CwA to serve as a "brand" to guide investors to promising destinations and disseminate progress.

### **African Development Bank (AfDB) Task Profile**

Given its mandate to provide lending and technical advice, the AfDB is proposed to elevate its continental footprint throughout the further CwA implementation process, especially by assisting the Compact countries in identifying reform measures and regional good-practice to reduce investment bottlenecks as well as compiling a project pipeline. This should include:

- **Core responsibilities in CwA implementation**

Propel effective implementation of the CwA, especially by developing strong relationships with the private sector and development finance institutions (DFIs) as part of a collective effort to mobilize investment; participate actively in Compact Teams and develop project pipeline to be advanced and marketed, inter alia, at the Africa Investment Forum (AIF).

- **Diagnostic work and promotion of private sector-led development**

Contribute to analytical diagnostics, incl. via Country Diagnostic Notes, to enhance understanding of key constraints to increased levels of private investment, and incorporate into Country Strategy Papers (CSPs) and regional analyses.

- **Reporting and Monitoring**

Inform CwA monitoring by structured diagnostic and support defining indicators for impact measurement, and contribute to biannual joint reporting (with WBG, IMF) to AAG.

- **Outreach**

Use AIF as key investor outreach tool and exchange format for regional peer-learning. Help developing the CwA to serve as a “brand” to guide investors to promising destinations and disseminate progress.

### **International Monetary Fund (IMF) Task Profile**

Given its mandate to assist member countries in achieving and maintaining macroeconomic and financial stability, the IMF supports the CwA implementation process primarily through its engagement with CwA countries on the first (“macroeconomic”) pillar of the initiative, while also bringing its specialist expertise to bear in specific areas of relevance to private sector development such as strengthening governance and corporate taxation. Specifically:

- **Core responsibilities in CwA implementation**

Advise Compact country governments on macroeconomic and financial sector reform priorities, including on trade-offs between investment scaling-up and public debt sustainability, and feed resulting lessons into Compact Team work.

- **Diagnostic work and support for Capacity Development**

Analyze fiscal and financial issues, such as national tax systems, and advise on any adjustments needed to facilitate private investment in a targeted cost-effective manner. Support capacity development on issues within the IMF’s areas of expertise of key importance for supporting the Compact, such as public investment and debt management. Collaborate with WBG in promoting domestic financial sector development, consistent with the well-established division of labor between the WBG and the IMF.

- **Reporting and Monitoring**

The IMF will take the lead on monitoring and reporting on macroeconomic developments in Compact countries and contribute (in cooperation with the WBG and AfDB) to the monitoring and reporting of financial developments in the context of the biannual joint reporting (with WBG, AfDB) to the AAG.

- **Outreach and Peer-Learning**

Help raise the profile of the CwA by covering substantive developments relating to the Compact in country staff reports and, as feasible, Regional Economic Outlooks. Regional Technical Assistance Centers (METAC, AFRITACs, ATI) can provide a vehicle to support peer-learning opportunities and dedicated workshops on specialized topic.