
Chairs' Conclusions

Africa Advisory Group Video Conference

8 December 2022

- 1 We, members of the G20 Africa Advisory Group (AAG), met on 8 December 2022. The meeting underscored the challenging macroeconomic outlook for recovery in Africa: Russia's war of aggression against Ukraine and the ongoing COVID-19 pandemic led to significant economic disruptions and contributed to a broad-based global economic slowdown. In light of these common challenges, our multilateral dialogue is more important than ever.
- 2 We met two months after G7 finance ministers met with the finance ministers of the 12 member countries of the G20 Compact with Africa (CwA), together with applicant countries of the G20 Common Framework and key donor and creditor countries, in Washington, D.C. This was the first time that a ministerial meeting of this group of countries had taken place. This important meeting accentuates the benefits of our continued political dialogue and economic collaboration.
- 3 We highly appreciate the extensive feedback and valuable suggestions for strengthening the CwA which we received from the Compact partners prior to the AAG meeting. We are pleased that the AAG members adopted a reform package to strengthen the CwA, based on the feedback by the Compact partners and on work by the World Bank, the IMF and the African Development Bank (AfDB). In detail, the reform package includes:
 - With regard to the formalisation of the admission procedure, it was decided to keep membership limited to reform-oriented countries, but allow for selective enlargement according to a formalised process. Countries interested in joining the Compact should first consult with the local representatives of the World Bank, the IMF and AfDB to discuss the initiative's objectives and the current status and outlook of its reforms. The assessment of the suitability of the country should be primarily based on its reform matrix. Based on that, Co-Chairs will evaluate the country's membership potential and will present the case at the next AAG meeting for decision.
 - With regard to enhancing technical assistance to Compact countries, it was decided to strengthen Compact Teams, peer-to-peer learning and investment

promotion. We therefore call upon stakeholders from member governments and multilateral institutions to revitalise regular Compact Team meetings to assess the progress of reform implementation and report back to CwA partners at the AAG meetings. Furthermore, it was decided to utilise the Compact countries' experiences and success stories by further institutionalising peer-to-peer learning. We are asking the African Center for Economic Transformation (ACET) to continue and strengthen its successful work with partners in this respect.

- It was decided to enhance understanding of entrepreneurial activities in Compact countries in order to identify concrete and country-specific policy recommendations. Therefore, we call upon the AfDB, the International Finance Corporation (IFC) and the World Bank to conduct such an analysis. This should identify potential areas for collaboration with entrepreneurship initiatives, such as the Alliance for Entrepreneurship, and should identify areas for policy reforms which can be included in the countries' reform matrices.

- 4 We thank the World Bank Group for the Monitoring Report, prepared in collaboration with the African Development Bank and the International Monetary Fund. We note from the report and very much welcome the fact that CwA countries are faring better than their peers in dealing with today's formidable global challenges. CwA members are benefitting from their national efforts to strengthen macroeconomic and microeconomic fundamentals and from their national supportive policies since the start of the initiative. They will benefit further from continuing this reform trajectory and engaging with international partners to intensify trade and investment links.
- 5 While economic reforms carried out by African Compact members remain key to attracting investment and boosting prosperity, we explicitly call upon our G20 partners to strengthen their engagement. This should include investment promotion for Compact countries, namely by enhancing public-private dialogue, and also the promotion of joint funding, including adequately resourced multi-donor trust funds which will facilitate reform implementation in Compact countries.
- 6 We thank all partners for their ongoing commitment to and support for the CwA initiative. In particular, we appreciate the Indonesian G20 presidency's support in 2022 and look forward to the Indian G20 presidency in this regard.
- 7 The G20 Africa Advisory Group is scheduled to reconvene in spring 2023; the format and exact date will be communicated in due time.