

**Opening Remarks
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**G20 COMPACT WITH AFRICA HIGH-LEVEL FORUM ON PRIVATE
SECTOR-LED DIVERSIFICATION AND GROWTH**

Addis Ababa, 17. Juli 2019, 9:00 Uhr

- Excellency Dr. Abebe Abebayehu, Investment Commissioner
dear Mr. Abebe Selassie, Director of the Africa Department at the
IMF
distinguished guests
- It is an honour to deliver opening remarks for this **high-level G20
Compact with Africa Forum on private sector-led diversification
and growth**.
- As the Ambassador of the Federal Republic of Germany to Ethiopia, I
am representing **Germany as co-chair of the G20 Africa Advisory
Group**. First of all, let me thank the Government of Ethiopia and the
International Monetary Fund for organizing this G20 High-Level
Forum here in Addis Ababa.
- I also would like to welcome representatives of other Compact with
Africa-governments as well as representatives from business and
development.
- The distinction of today's participants demonstrates that the Compact
with Africa delivers on one of its main purposes: it serves its African
partner countries as a platform and "**signaling device**" towards the
international business community.
- It brings together reform-minded African countries, international
organizations and bilateral partners from G20 countries and beyond
to coordinate country-specific reform agendas, support respective
policy measures and to "signal" reform progress and investment
opportunities to private investors.

- I therefore wish that the event today helps us to **sustain momentum**, identify further reform challenges and provide a forum for mutual learning.

Ladies and gentlemen where has the CwA come from and what has been achieved so far?

- The CwA was launched in 2017 under the **German G20 Presidency** as a central pillar to the G20 Africa Partnership. Just last month at their recent summit, G20 leaders have reiterated their continued support to the G20 Africa partnership, including the Compact with Africa (CwA). They have also called for strengthened bilateral engagement by G20 members and enhanced roles for the International Organizations involved.
- The initiative is **demand-driven and open to all African countries**. So far, twelve African countries have joined the initiative [Benin, Burkina Faso, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal, Togo and Tunisia] and even though only two years have passed, some significant progress can be noted:
 - First, Compact countries are significantly **outperforming global and regional growth projections**.
 - Second, they remain extremely **focused on continuing relevant business-related reforms** and many are moving up the ladder in terms of doing business indicators.
 - Third, analysis by the International Finance Corporation shows that 7 out of 12 Compact countries could sharply **increase inward cross-border investment** in 2018.
 - Fourth, at the **African Investment Forum** organized by AfDB in Johannesburg in November last year, a total of 38 billion USD of investment projects for Africa were initiated. Almost half of this volume, 18 billion USD went to Compact countries.

- **Looking ahead**, efforts need to be better coordinated.– African governments but also International Organizations and G20 partners have to **live up to their commitments**.
- **Better macro, business and financing frameworks** in the Compact countries are a prerequisite to attract private sector investment in the medium and longer term.
- Fostering **implementation on the ground** will be key for keeping the Compact with Africa's momentum.
- With its request for today's workshop, Ethiopia is effectively making use of the platform and support that can come from the G20 Compact with Africa for their homegrown reform agenda.

In Ethiopia, we currently witness another tangible result of the Compact with Africa: The governments of Germany and Ethiopia are currently negotiating a reform partnership: this describes a new quality of development cooperation between the two countries – including substantially increased funding - open to reform-oriented countries.

What's next?

- **Germany remains fully committed to the Compact with Africa**
 - through its co-chairmanship of the G20 Africa Advisory Group, where G20 and African partner countries meet regularly.
 - through targeted support like the new development investment fund (1 billion €) that will support Small and Medium sized Enterprises investing in Compact countries,
 - through reform partnership programmes with selected Compact countries and
 - contributions to multi-donor trust funds such as the IMF-run technical assistance centers AFRITACs or trusts at the World Bank Group to support implementation.
- In order to drive this initiative forward and strengthen the partnerships within the Compact with Africa framework, Germany will host

another high-level Compact with Africa meeting on 19 November of this year.

- However, the Compact is a **long-term initiative**. It is important to ensure that it translates into action on the ground. It requires time and steady efforts to build up a track record that strengthens investor confidence.
- Therefore, we call on all CwA partners from the African countries, the G20, their development finance institutions and the International Organisations to **reap synergies** and integrate the Compact into their development strategies to promote private sector-led growth in reform-minded African countries.
- The **International Organisations**, with their expertise and instruments, play an important role in this regard. With their strong footprint in the Compact countries, they show a strong willingness for contributing to the initiative's continuity and to work with Compact governments as well as with development partners to improve framework conditions in key sectors.
- This is what this workshop, jointly organized by IMF and the government of ETH, is about.
- Once again, let me thank the organizers for this timely high-level forum and wish you fruitful discussions!