
Chairs' Conclusions

Africa Advisory Group Video Conference

16 May 2022

- 1 The global community is facing a multitude of common challenges. Major global risks arising from conflicts, including the war in Ukraine, are causing global economic damage and contributing to a significant slowdown in global growth. It is also fuelling a rapid increase in commodity prices, poses a threat to global food security and places the greatest burden on the poorest. Conflicts are adding to the economic repercussions of the ongoing pandemic and hampering the post-pandemic recovery.
- 2 The member countries of the G20 Compact with Africa (CwA) are feeling the full force of this double crisis. In light of these global developments, it is important to emphasise the importance of this multilateral and multi-stakeholder initiative in dealing with these challenges. The ongoing efforts of the CwA members to promote private-sector development and increase investment activities will help foster economic recovery and boost economic resilience.
- 3 We welcome the Monitoring Report prepared by the World Bank Group in collaboration with the African Development Bank and the International Monetary Fund. We note that economic activity in CwA countries rebounded in 2021, with an average GDP growth of 4.6%. Despite the headwinds from global economic developments, average economic growth in CwA countries is expected to reach 4.9% in 2022. Compact countries are benefitting from their national efforts to strengthen macroeconomic fundamentals and their national supportive policies since the start of the pandemic. Yet there are differences in the speed of the recovery among the countries, with some being severely hit by the surge in food and energy prices.
- 4 We acknowledge the African countries' efforts and their commitment to implementing the African Continental Free Trade Area (AfCFTA). In light of the current economic challenges stemming from the ongoing pandemic and the war in Ukraine, we appreciate this unique opportunity to boost economic growth and resilience of African countries. The AfCFTA can be a catalyst for a faster economic recovery. Successful regional integration is helping to foster private-sector development and investment activities in African countries.
- 5 We remain committed to working on further strengthening the CwA in order to increase its effectiveness and harness the full potential of this initiative. In this regard, we appreciate the work done by the World Bank Group, the African Development Bank and the International Monetary Fund on the three deliverables agreed upon in the last AAG meeting in October 2021. We also appreciate the presentation of their comprehensive proposals in this AAG meeting.
 - We thank the WBG for its proposals to strengthen currently existing instruments and to update the CwA toolkit which now includes 130 programmes from seven

institutions. This will help the CwA countries to mobilise and coordinate the support of the development partners.

- We thank the AfDB for its proposals for possible ways and modalities to link the CwA to initiatives with a particular focus on the promotion of SMEs and entrepreneurship development. This will be conducive to promoting private-sector development through targeted support of SMEs and the fostering of entrepreneurship and innovation.
 - We thank the IMF for developing a proposal for a selective and cautious enlargement process of the CwA, including the formalisation of the admission procedure and the definition of relevant criteria.
- 6 We appreciate the broad involvement of the stakeholders of the CwA in discussing the presented reform proposals by the international organisations. We welcome the reaffirmed overall commitment to the CwA and the shared interest of the stakeholders to develop this initiative further. We also note a shared interest in reinforcing the Compact Teams and supporting SMEs and entrepreneurship activities, as well as an acknowledgement of the relevance of the regional market.
 - 7 We invite all CwA stakeholders to provide their assessment and suggestions on the proposed reforms by the end of August. We are particularly grateful for proposals by the Compact countries themselves, drawing on the experiences of their CwA work and their need to foster private-sector development. We will take up the proposals by the CwA stakeholders in order to identify concrete projects to strengthen the Compact and to implement the next steps during our autumn session.
 - 8 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 for our ongoing efforts.
 - 9 The Africa Advisory Group is scheduled to reconvene in autumn 2022; the format and exact date will be communicated in due time.