

## **GABORONE DECLARATION**

Having met in Gaborone, the Republic of Botswana, at our 2017 African Caucus Meeting on August 3-4, hosted and chaired by Honourable Ontefetse Kenneth MATAMBO, Minister of Finance and Economic Development of the Republic of Botswana and Chairman of the African Caucus of the International Monetary Fund (IMF) and the World Bank Group (WBG);

**We**, African Governors of the IMF and WBG, discussed economic transformation and job creation, with a focus on Agriculture and Agribusiness in Africa, in an integrated and holistic approach.

### **1. AGRICULTURE POLICY FOUNDATIONS: REFORMS AND AGENDA**

**Recognizing** the need for sustained political will and the importance of standards and practices to continue structural transformation and diversification of African economies;

**Aware** that Africa remains the most undercapitalized region, with public spending in agriculture below its required level for inclusive growth; and public investments that are largely insufficient to transform the sector and allow it to increase its contribution to GDP; and

**Observing** that the current approach to move from subsistence to commercial agriculture has proven inadequate and often unsuitable for agriculture growth and for food security;

- **We**, African Governors commit to enhancing the volume of investments and efficiency of expenditure in support of transforming agriculture and agro-processing.
- **We** urge the Bretton Woods Institutions, in accordance with their respective mandates, to enhance their role and review their financing instruments so as to facilitate the transformation of the agriculture sector in Africa; while enabling policy frameworks conducive to de-risking investments and attracting private investors in agro-based manufacturing; improving marketing and exports; and promoting international trade of agriculture products.
- **We** also call on the Bretton Woods Institutions to continue supporting our countries in capacity building, particularly in negotiating contractual arrangements and “win-win” Public Private Partnerships (PPPs) and using innovative financial instruments to support rural transformation through agriculture.
- **We** equally invite the Bretton Woods Institutions to support our efforts to invest in skills, both technical and managerial; and enhance capacity for agricultural entrepreneurship and technology acquisition, use and transfer.

- **We** commit to enhancing South-South cooperation and foster learning and knowledge sharing from best practices elsewhere.

## **2. AGRICULTURAL TECHNOLOGIES, PRIVATE SECTOR PARTICIPATION, VALUE CHAINS, AND SUSTAINABLE JOB CREATION FOR YOUTH AND WOMEN**

**Working** to strengthen agricultural production across the whole value chain, from input supply, production, post-harvest handling, to processing and marketing;

- **We**, African Governors, call on the World Bank Group to develop and implement plans in support of Africa's agriculture transformation agenda, with a particular focus on strengthening ICTs to facilitate access to finance, technologies, land acquisition and markets, at affordable cost to smallholder farmers.
- **We** also call on the WBG to support our efforts towards a coordinated regional initiative to strengthen agricultural education, skills, science and technology; especially targeting agricultural academic institutions across Africa to make them centres of excellence for agriculture transformation on the continent.
- **We** further call on the Bretton Woods Institutions to assist us in enhancing ongoing efforts and in sustaining progress towards gender equality, women empowerment, and rural electrification, in particular.
- **We** recognize the urgency of value chains to facilitate penetration into regional and international markets.
- **We** also call on the World Bank Group to support our efforts in strengthening agribusiness regulatory environment to improve private sector participation.

## **3. AGRICULTURE INFRASTRUCTURE FINANCING AND FINANCIAL INCLUSION**

**Noting** that agriculture infrastructure financing and financial inclusion are crucial for boosting productivity in agribusiness;

- **We**, African Governors, welcome the historic IDA18 replenishment, of which about 60 percent of the resources have been allocated to Sub-Saharan Africa. In this context, we also welcome the scale-up in the policy package for IDA, as reflected by the doubling of resources for Fragile and Conflict-affected States (FCS) and greater focus on economic transformation and job creation. We look forward to the Bretton Woods Institutions'

support commensurate with Africa's needs to help unlock commercial and long term financing for agriculture in Africa and improve our capacities for domestic revenue mobilization linked to this sector.

- **We** look forward to the 2018 review of the IMF Facilities for Low Income Countries to ensure that these instruments adequately respond to the actual or potential balance of payments needs faced by our countries.
- **We** request the Bretton Woods Institutions to support our efforts in creating an enabling environment for financial innovation, deepening and inclusion by increasing capital access to agro-dealers and farmers; promoting financial services technologies; putting in place the required regulatory frameworks to foster financial stability to ensure food nutrition, security, availability, affordability, and accessibility.
- **We** reiterate the urgency to address our concerns relating to illicit financial flows and domestic resource mobilization; and call on the Bretton Woods Institutions to engage with our governments in curbing these flows, recovering the assets, and enhancing domestic revenue mobilization in support of our national transformation agenda.
- **We** call on the WBG to enhance access to concessional financing through IDA, including through its Private Sector Window (PSW) to facilitate agriculture financing.
- **We** also call upon the Bretton Woods Institutions to exercise flexibility in accessing debt relief and Highly Indebted Poor Countries facilities for countries in arrears.

#### 4. QUOTA, VOICE AND DIVERSITY

**Acknowledging** commendable progress in reaching the diversity targets of 12.5 percent for nationals from Sub-Saharan Africa and the Caribbean;

- **We**, African Governors, welcome the World Bank's commitment to raise this target to 15 percent in FY18; and anticipate that this new target will be reached or exceeded within the timeframe set. We urge IFC and MIGA Managements to follow suite and take the necessary steps to meet their diversity targets of nationals from Sub-Saharan and North Africa Regions.
- **We** exhort the IMF to enhance the representation of nationals from Sub-Sahara and North Africa regions.
- **We** request that the WBG and the IMF take deliberate steps to build a pipeline of Africans at mid to senior management levels to ensure that there is an adequate pool of Africans both at the technical and managerial levels.

## **ACKNOWLEDGEMENT**

- **We**, African Governors, thank His Excellency the President, Lt. General Dr. Seretse Khama Ian Khama; the Government and People of the Republic of Botswana, for their hospitality and support throughout our deliberations and stay in Botswana.
- We thank His Honour, the Vice President Mr. Mokgweetsi Eric Keabetswe Masisi for the official opening of the 2017 Meeting of the Caucus of the African Governors of the International Monetary Fund and the World Bank Group.
- **We** acknowledge the continued participation of Republic of Haiti as an Observer in the African Caucus meetings.
- **We** welcome the announcement by the Minister of Investment and International Cooperation of Egypt and First Vice-Chair of the African Caucus, Honourable Sahar Nasr, that the Arab Republic of Egypt will host the African Caucus Meeting in August 2018.

**Gaborone, August 4, 2017**

**The Caucus of the African Governors of the International Monetary Fund and the World Bank Group**