AFRICAN DEVELOPMENT BANK CIVIL SOCIETY ENGAGEMENT

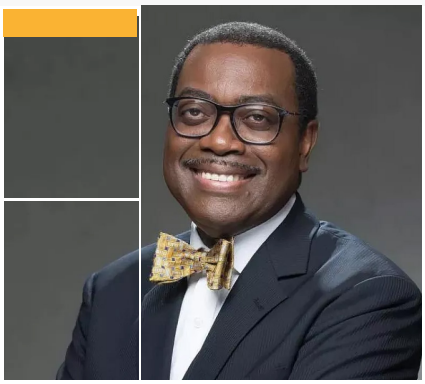
CSO
Civil Society
Société Civile

Newsletter

"Voice of Citizens in Africa" July 2024 | ISSUE 13



African citizens call for reform of the global financial architecture



> The global financial architecture needs to be more responsive, inclusive and accountable. It needs to be redesigned to better serve Africa's development needs and ensure sustainable economic growth „

Akinwumi Adesina

President of the African Development Bank Group

Paving the Path to Economic Transformation in Africa

Africa is experiencing economic growth, but the benefits are not reaching most Africans. This indicates a lack of transformation and is one of the biggest challenges we face as a continent in truly gaining economic independence and prosperity for our people.
Transformation has found itself firmly on the agenda of local, regional, and global discussions again over the past year, mostly due to the realization that in the face of shocks like COVID-19, our strong growth is not nearly enough to help us withstand shocks and recover. We need to go beyond. We need to transform.
Globally, there have been strong calls to overhaul the outdated global financial architecture, advocating for greater African representation and voice in global decision-making processes and fairer solutions to global economic challenges that disproportionately impact Africa, such as debt and climate.

Recent progress, such as the African Union gaining a seat at the G20 and steps towards rechanneling Special Drawing Rights to the AfDB, could significantly boost Africa's financial capacity. However, there is much more to do to bring much-needed resources to Africa to support our transformation.

There are several things that we can do now, as a continent, to drive our transformation without waiting for the Global Financial Architecture reform to kick in.

First: we have to work beyond our borders. African countries must collaborate to build regional value chains and centers of excellence, facilitating intra-African trade and regional integration. Ratifying and implementing the African Continental Free Trade Area (AfCFTA) protocols on free movement of skilled labor and goods across borders will create a competitive and resilient economic bloc.
Second: we must increase domestic revenue mobilization, curb illicit financial flows and leverage remittances. Regional financial institutions have been praised for their innovative approaches to maximizing limited resources. The formation of the Africa Club, for example, aims to enhance Africa's negotiating power on the global stage by pooling resources and expertise from various African financial institutions. Nevertheless, our national governments must insist on fairer taxes and ensure that money that should stay in Africa does not go abroad.

And finally: we have an opportunity to transform sectors that can be drivers of economic progress for individuals and countries. One such sector is the care economy – which has traditionally been informal, unregulated, and often exploitative, particularly towards women who have no other employment options. Transforming this sector into a formal industry with proper regulations, training, fair pay, and protections could create decent jobs and integrate workers into the formal economy, enhancing their economic contributions to their countries and generating more resources for their own families and communities.
It is my firm belief that we cannot just talk about transformation; we must track it. It will be critical for African institutions, organizations, and countries to adopt a common metric that shows us how we are doing and allow citizens to hold governments to account for progress. At the heart of our work at the African Center for Economic Transformation is the belief that Growth with DEPTH – Diversification, Export Competitiveness, Productivity, Technology, and Human Well-Being – is Africa's recipe for transformation.

We are working tirelessly with countries and institutions like the African Development Bank and African Union to ensure that we go beyond rhetoric, providing data and evidence in the African Transformation Index tracking countries' progress since 2000 and pointing toward the sectors that are most important in each country to drive transformation.
Countries like Tunisia, Morocco, and Mauritius for example have shown that diversification and export competitiveness can not only drive transformation but can also lead to greater resilience against global economic shocks.

It is my sincere hope that we can use Growth with DEPTH as a starting point to get us to a common agreement.

As civil society organizations and economic policy institutes, we have a critical role to play in providing the evidence, analysis and data for the advocacy needed to push this agenda forward. We look forward to working more closely with our African partners and with the African Development Bank to make Africa's transformation a reality.



Mavis Owusu-Gyamfi,

President and CEO, African Center for Economic Transformation (ACET)

Advocates for Equitable Global Financial Reform to Benefit Africa

The South African Institute of International Affairs(SAIIA)is an independent development and foreign policy think tank advancing a well-governed, peaceful, economically sustainable and globally engaged Africa. Our work spans foreign policy, governance, the environment, economic policy and social development. We use foresight, research, policy consultation and multi-stakeholder engagement to link local experiences with global debates. Our African-generated knowledge provides local and regional decision-makers with independent, evidence-based options for Africa's future development. SAIIA actively participates and coordinates a number of African and transnational networks such as the Network of Southern Think Tanks and the Think 20 African Standing Group.

The reform of the global financial architecture has been a call and policy recommendation made in various research outputs and policy engagements by SAIIA. This is in recognition that the status quo of global financing institutions is one that isn't equitable and fair.

A reform would be a catalyst for much needed financing to flow into the Africa region. How does this benefit African citizens? African countries would be better positioned to address their development imperatives, participate in debt servicing instruments without a negative rating by credit rating agencies, finance its green industrialisation and be on track to realise aspirations outlines in Agenda 2063.

SAIIA recently participated in a series of high-level discussions at the recent Spring Meetings of the World Bank and the International Monetary Fund (IMF), held from April 16-20 in Washington. The Institute's participation in these critical discussions reflects its ongoing commitment to advancing African interests in the global financial architecture and promoting sustainable solutions for development challenges.



Luanda Mpungose

South African Institute of International Affairs (SIIA)

Reforming Global Financial Architecture for Africa's Transformation: The Critical Role for Civil Society



Beth Dunford

Vice President for Agriculture, Human and Social Development, African Development Bank

Africa's journey to achieve its economic and social development potential requires more than just economic growth. True transformation means creating jobs and entrepreneurial opportunity, as well as social safety nets that help secure a sustainable future for the people of Africa. While national and regional efforts advance these goals, global reform is equally essential. We need a financial system that is fair and that positions Africa as a more attractive development and investment destination.

Civil society organizations are emerging as vital players in this transformation. The African Development Bank Group held a side event at our recent Annual Meetings with the theme, Engaging Civil Society in Shaping Africa's Transformation and the Reforms of the Global Financial Architecture. The side event showcased the power of collaboration between development institutions and civil society.

I was particularly struck by a moment during the side event's panel discussion with representatives from development, civil society and academic sectors. A young man in the audience, Mohammed Muse, contributed to the discussion with such enthusiasm and commitment that we invited him to the stage to join the panel as a youth representative. Muse, a peace and security expert with a number of Kenyan civil society organizations, reminded us that a diversity of civil society voices has a place in conversations about Africa's development. I'm proud to share that Muse told us he would become an ambassador for grassroots-level youth organization engagement. The Civil Society Engagement Division's side event emphasized placing civil society organizations at the forefront of the design and implementation of development work. By also including their voices in global financial architecture reform, we send a clear message: economic and social development must reflect the needs and aspirations of the people we serve.

Building on this momentum, I invite you to the African Development Bank Group's upcoming Civil Society Forum. The Forum will be a hybrid platform to continue the conversation between civil society representatives, Bank staff, international organizations and government decisionmakers that is exclusively dedicated to civil society priorities in Africa. Stay tuned for dates and registration details in future editions of this newsletter, or follow us online: @AfDB_Group on Instagram, LinkedIn and X (formerly Twitter) or @AfDBGroup on Facebook.

Sincerly

Reforming the Global Financial Architecture: A Necessity for Africa

Reforming the global financial architecture is critical for Africa's sustainable development. The current system, established in the 1940s for post-war Europe, is outdated and needs to be adapted to meet the needs of over 190 countries, including Africa. This reform is essential to ensure equitable representation and address systemic biases that hinder African nations.

Civil society organizations (CSOs) have been instrumental in advocating for these changes. A notable achievement was the African Union's inclusion in the G20. In 2022, during the Finance Ministers and Central Bank Governors meeting in Bali, CSOs and government representatives from Senegal made a compelling case for Africa's G20 membership, highlighting the continent's demographics, economic potential, and strategic importance. This advocacy led to President Biden's endorsement and the formal inclusion of the African Union in the G20.

The African Development Bank (AfDB) plays a significant role in this transformation. Despite liquidity constraints, the AfDB has pioneered innovative financial instruments, such as the $750 million issuance of hybrid capital, attracting over 270 investors. This innovation showcases the bank's leadership and its ability to unify Africa's voice on the global stage.

Addressing the slow progress in debt restructuring is another critical area. The common framework for debt restructuring has been sluggish, affecting countries like Zambia, Chad, Ethiopia, and Ghana. These delays have fostered negative market perceptions, complicating access to capital for neighboring countries. Streamlining debt restructuring processes and improving market perceptions through consistent advocacy at the multilateral level are essential steps forward.

The recent approval by the IMF to use Special Drawing Rights (SDRs) for purchasing hybrid capital instruments opens new avenues for development financing. However, the success of these initiatives depends on governments preparing high-quality projects that can effectively utilize these funds. Domestic resource mobilization and creating an enabling environment for private sector investments are crucial for scaling up from billions to trillions in development finance.

Africa's transformation is a collaborative effort. Governments, financial institutions, and civil society must work together. By leveraging innovative financial tools and advocating for systemic reforms, we can create a future where Africa thrives on the global stage. The African development bank remains committed to leading these efforts, ensuring that development reflects the needs and aspirations of the people we serve. With continued support and collaboration, we can achieve our shared vision of a transformed and prosperous Africa.



Hassatou DIOP N'SELE

Vice President for Finance and Chief Financial Officer, African Development Bank Group



Mohammed MUSE

Peace and Security Expert, Secretery General of Independent Continental Youth Advisory Council and Members of Kenya Coalition on youth peace and security

> "We, the young leaders at the heart of our communities, invite the African Development Bank to join us in building a brighter future. We possess the firsthand knowledge and passion to address the challenges facing our continent. By partnering directly with us, the Bank can tap into a wellspring of innovative ideas and solutions. Together, we can create lasting change and empower young people to be agents of transformation."

At the Heart of Change: African Communities Reshaping Global Finance



William Carew,
Head of Secretariat of the Economic, Social and Cultural Council of African Union (AU-ECOSOCC)

African citizens are increasingly demanding an inclusive reform of the global financial architecture to better address the continent's unique challenges and opportunities. This call to action emphasizes the necessity of placing African communities at the heart of global financial decision-making.

Including civil society in decision-making processes is essential because they bring practical, evidence-based solutions to the table. At a recent event, the importance of grassroots contributions to policymaking and the need for a more inclusive approach to governance were highlighted.

Historically, African citizens have felt disconnected from the decisions that impact their lives. Until the 1990s, the African Union (AU) lacked a formal mechanism for engaging civil society. This changed in 2002 with the adoption of the Constitutive Act, introducing the African Union Economic, Social, and Cultural Council (ECOSOCC). ECOSOCC was established to provide policy advice to the AU, reflecting the experiences and challenges faced by communities across the continent.

ECOSOCC bridges the gap between policymakers and the grassroots. «This group of people here are working at the community level. They are encountering challenges, they document best practices, they learn from their implementation,» explains the writer. By leveraging the insights and expertise of those directly involved in community development, ECOSOCC ensures that policies are grounded in reality.

Despite these advancements, much work remains. Surveys by Afrobarometer reveal a widespread perception that elections do not lead to meaningful improvements in people's lives. This disconnects between political elites and ordinary citizens underscores the need for more inclusive and responsive governance.

The call for reform extends beyond the African continent. The global financial architecture, established in the mid-20th century, no longer reflects the realities o f a world with over 190 nations. African countries, with their unique challenges and opportunities, require a system that is fair and equitable. Civil society organizations have been pivotal in advocating for these changes, achieving milestones such as the African Union's inclusion in the G20.

To truly transform Africa's economic future, it is imperative that citizens are at the heart of development efforts. This means more than just rhetorical commitments; it requires deliberate and intentional actions to ensure that citizens can take ownership of their development. Governments, financial institutions, and international bodies must work collaboratively with civil society to create an inclusive financial system that serves all.

As we celebrate ECOSOCC's 20th anniversary this year, it is fitting to reflect on its role in advocating for these inclusive reforms. The council's establishment two decades ago marked a significant step towards greater civic engagement in Africa. Its journey has been one of forging pathways for citizens to actively participate in shaping policies that affect their lives.

In conclusion, the call for an inclusive reform of the global financial architecture is a clarion call for justice and equity. By placing African citizens at the center of this transformation, we can build a future where the continent thrives on the global stage. The path ahead is challenging, but with collective effort and unwavering commitment, an inclusive and prosperous Africa is within reach.

Collaborative Efforts for Budget Transparency and Reform in Africa

The Collaborative Africa Budget Reform Initiative (CABRI) is driving a significant shift in how public finances are managed across the continent. As a network of budget officials within various Ministries of Finance, CABRI focuses on enhancing government systems to ensure more effective and inclusive decision-making processes.

One of the primary areas of improvement is transparency. While there is substantial pressure from donors to increase the transparency of budget systems, CABRI advocates for a more proactive approach. «At CABRI, we like to talk about active transparency,» explained Giselle a representative from CABRI. This concept goes beyond merely publishing budgets in accessible formats. Instead, it involves making data not only available but also actionable and responsive to the needs of civil society organizations (CSOs) and citizens.

For instance, traditional budget publications often come in formats that are not user-friendly, such as PDFs. Financial analysts, including those within government, frequently face the cumbersome task of converting these documents into more usable formats like Excel for analysis. Active transparency, as promoted by CABRI, aims to streamline this process, ensuring that data is readily accessible and useful for analysis and advocacy. It also supports parliament to scrutinize allocation decisions and hold the executive accountable for its expenditure.

This proactive transparency involves understanding what information CSOs require from the government to effectively advocate on behalf of citizens. It means not just making data available, but ensuring it is in a format that facilitates its use in policy-making and public discourse.

Building greater trust between civil society and governments is essential for this approach to succeed. CABRI emphasizes the importance of creating platforms that are not only more transparent but also responsive to the voices and needs of the people. This involves actively engaging with citizens and CSOs, listening to their concerns, and incorporating their feedback into the budgetary process.

Ultimately, this collaborative effort between CABRI, government officials, and civil society aims to enhance the governance and economic stability of African nations. By fostering an environment of active transparency and responsiveness, the initiative seeks to improve the effectiveness of domestic and external financing, ensuring it is used in ways that truly benefit the citizens of Africa.



Giselle HADLEY
Programme Manager of the Collaborative Africa Budget Reform Initiative (CABRI)



Ahmed Fathy,
Representative-North Africa Region and Youth Thematic - Youth Love Egypt Foundation

Empowering Youth and Protecting the Environment

The reform of the global financial architecture is a crucial opportunity to directly improve the lives of African citizens, particularly the youth. Historically, the existing financial architecture has often failed to meet the needs of young Africans, leaving them with limited access to the resources and opportunities necessary for economic growth and personal development. This transformation can not only strengthen African economies but also provide significant opportunities for young people to become key players in sustainable development.

One key barrier for young entrepreneurs is limited access to financing. A reformed system could improve this by providing easier access to credit and investment. This would enable young people to start and grow businesses, creating jobs and boosting local economies.

A well-designed reform of the global financial architecture would include training and skill development programs for young people. Initiatives such as YLE's «Climate Pioneers Academy» workshops highlight the importance of education and awareness. By equipping young people with the skills needed to navigate the modern economic and environmental landscape, these programs ensure that youth are prepared to become leaders and innovators.

Entrepreneurship is a powerful driver of economic growth. A reformed financial architecture can promote entrepreneurship by offering incentives, grants, and mentorship programs. YLE's Forse project, for example, has helped many young people in Upper Egypt find jobs and start their own ventures.

By integrating support mechanisms for young people into the global financial reform, we can create a more resilient African economy. Young people, with new skills and resources, can offer innovative solutions to challenges like climate change and food security.

The reform of the global financial architecture presents a unique opportunity to transform African economies. By addressing the shortcomings of the current system and supporting African youth, we can create a brighter future for our continent.

“During the Bank’s Annual Meetings, civil society organizations united in their call for a bold and inclusive reform of the Global Financial Architecture. Their voices echoed a resounding demand: We need a financial system that works for everyone, prioritizing equity, sustainability, and the well-being of all communities, to drive Africa’s transformation. We are ready to play our part”

Luther Yameogo
Principal Civil Society Organization Engagement Advocacy Officer, African Development Bank



CSO Event at the Bank Annual Meeting 2024

See more

African Citizen’s Voice in the Reform of the Global Financial Architecture

As the world undergoes an unprecedented period of economic transformation, it is imperative that African civil society takes a stand and influences the reform of the global financial architecture. This reform is not merely a matter for technocrats and policymakers; it directly affects the lives of African populations and our common future. Africa, with its dynamic youth, abundant resources, and growth potential, cannot afford to be sidelined in the discussions that will shape the global financial system. Remaining silent would be an abdication of our responsibility towards our communities and future generations. By speaking out, we can ensure that African interests are defended and that international financial policies reflect our specific realities and needs.

Global economic disparities are exacerbated by inequitable financial systems. By actively participating in the discussions, we can advocate for reforms that promote a fairer distribution of resources and economic opportunities. It is time to challenge the structures that perpetuate poverty and exclusion in our continent.

Global financial crises have devastating impacts on African economies. An inclusive and well-thought-out reform can strengthen the economic resilience of our countries, making them less vulnerable to external shocks and more capable of developing independently.
By actively participating in the ongoing discussions within the Bank, we assert our sovereignty and our right to determine our own economic future. It is an act of dignity and self-determination, demonstrating that Africa is not merely a passive recipient of global decisions but an active player in its own right.

Dear actors of civil society, we are delighted to listen to your voices. By participating in the debates, we can play a crucial role in building a fairer, more inclusive, and more resilient global financial system. Let us engage together in this reform, for the benefit of our people and our continent.



Zéneb Touré,
Manager, Civil Society and Community Engagement Division, African Development Bank Group

THE BANK AT 60

Six Decades of Driving Sustainable Economic Growth in Africa 1964-2024
Follow along our journey that began in #Sudan in 1964, where representatives of 25 African countries agreed on the vision of a Bank to drive economic development across Africa/



Read more

AFRICAN DEVELOPMENT BANK GROUP

CSO
Civil Society
Société Civile

Scan this code to register to Civil Society Organization Database

Civil Society Organization Database
https : // cso.afdb.org