

“Governance and Accountability in Africa: Progress and Road Ahead”

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A very good morning to all. On behalf of the IMF and its Africa Training Institute, I welcome you to this conference, jointly organized with the African Union Commission.

Let me start by thanking Governor Moses Pelaelo and the Botswanan authorities for hosting this forum and for their generous hospitality.

It’s especially appropriate that we are gathered in Botswana for this conference. Botswana has an excellent story; its trajectory—from one of the world’s poorest economies, to now an upper middle-income country—is a testament to your prudent macroeconomic management, strong governance, and good institutions. I am confident Botswana can leverage this strong foundation by continuing to uphold the highest standards of governance.

The issue of good governance and transparency is more than just about wasted money – it is about the erosion of a social contract and the corrosion of the government’s ability to grow the economy in a way that benefits all citizens.

Of course, corruption has long been an issue. But today, as we face multiple crises at once – the COVID-19 pandemic, the war in Ukraine, and the ongoing challenges of climate change and the security situation in the Sahel – the need for good governance has only become more urgent.

These multiple crises have made it very clear that countries that have strong economic institutions could respond more effectively to these challenges and better prepare for a resilient recovery – and that is true across any level of development. We also recognize that addressing corruption is an international issue, given the role of professions that enable corruption and jurisdictions that provide safe harbor for the proceeds of corruption.

So today, I’d like to talk about three things. First: how we, at the IMF, are stepping up our engagement with the region on governance and anti-corruption issues. Second, some of the success stories we are seeing across Africa. And finally, what are the key elements of good governance and accountability that stand out in these examples – and that the region as a whole must focus on to truly seize Africa’s potential.

Let me begin with the IMF’s increasing emphasis on this issue.

The Fund’s enhanced framework on governance and corruption, approved in 2018, builds on lessons we learned in over 20 years. Our efforts focus on reducing vulnerabilities to corruption by strengthening governance in six core state functions: central bank governance, financial sector governance, fiscal governance, market regulation, rule of law, and anti-money laundering.

In our policy dialogue with member countries, we look at the strength of their anticorruption framework—especially whether it is aligned with the specific issues confronting a country—and work with them on policy options to strengthen governance and anticorruption frameworks. But we go beyond policy advice. At the request of country authorities, we also provide technical assistance and training to policymakers in this area.

Much of this effort is coordinated by the IMF’s network of 17 capacity development centers around the world. In fact, we have six such centers in Africa—including the Africa Training Institute—that work closely with countries and development partners to help develop and implement comprehensive governance reform strategies in areas from fiscal management and central banking and support capacity building programs in anticorruption and rule of law.

The IMF also adapted and stepped up this work in response to the Covid crisis. When the pandemic first hit, the IMF took immediate steps to help member countries save lives and livelihoods. Our message was: “spend what you must, but keep the receipts,” - - prioritize urgent financing while preserving accountability and transparency.

We set out a few parameters:

First, countries receiving IMF emergency financing must commit to transparency and accountability safeguards. This included publishing COVID-19 related procurement contracts—including beneficial ownership of companies, conducting and publishing audits, and detailed reporting on COVID spending.

Second, in cases of severe governance weaknesses, we worked with authorities to ensure remedies would be taken.

And finally, for countries receiving emergency assistance that have, or have sought, multi-year IMF financing arrangements, we continue to closely engage with them on longer-term structural governance and corruption matters. We also engage with non-state actors, which can often provide valuable insights into governance issues.

These efforts are vital for Africa – especially as the continent looks to the future.

We know that the big economic opportunity before us is Africa's demographic dividend. To earn that dividend, however, we need to meet the aspirations of the new generation. A critical element to doing that is ensuring that public resources are used effectively and contribute to shared and lasting prosperity of the people.

And Africa's leaders are stepping up to this challenge – with some ranking even higher than many developed economies in the area of governance.

We saw it in Rwanda as it adopted more advanced institutions to rebuild from a devastating conflict.

We saw it in Seychelles as it undertook comprehensive economic and institutional reforms to decisively tackle its 2008 debt crisis.

And here in Botswana, we saw the development of a good policy framework to prudently manage the wealth from mining resources.

Today these countries lead the region in sound governance, but many others are also taking decisive steps.

We have seen good fiscal governance reforms in countries such as Gambia, and Senegal.

Botswana, Zimbabwe, Mauritius, and Ghana have enacted anti-money laundering frameworks.

So, what lessons can the region learn from these examples?

First: the most successful countries in this area have a **high level of political commitment to good governance and transparency**. You can see that in a number of ways. How their budgets are formulated and presented – they have open access about proposed policy actions. The independence of their central banks from political pressures. Their commitment to declaring the assets of key public officials.

Their resolve to publishing timely audits and following up on findings to hold organizations and individuals accountable.

A second important element we see: **respect for the rule of law and property rights**. When foreign investors invest in a country, they do so, knowing that the government will respect the contracts, and property rights will be enforced.

A significant priority—and **an important third element** many of these countries bring—is **ensuring efficiency, transparency and public oversight of such investments**. In a book that the IMF recently launched on good governance in Sub-Saharan Africa, my colleagues point to studies that tell us that when there is not enough government

oversight on the public procurement process, the cost of the projects tends to be higher.

We see a massive need to increase public investment in Africa across infrastructure, health and education -- in a way that is more efficient and transparent.

Fourth, **access to information**. When we speak to civil society organizations, this is one of the areas they emphasize, so citizens can be informed and can hold their governments accountable for their actions.

And finally, **innovation and technology**, which we believe can play a big role in helping government deliver on these priorities. In fact, we saw countries rapidly adapt to the pandemic with innovations that helped governments across the continent serve their people more transparently and effectively.

For instance, Sierra Leone launched online applications to improve the government's ability to track quarantine periods and other services like food delivery.

Togo used technology to identify and validate the needy, and mobile money to deliver direct cash transfers to them. And South Africa used chatbots to reduce the spread of false information on COVID-19.

These are just a few examples that show us why it is essential for policymakers to expand the use of technology to improve the efficiency of government processes – and also enable greater transparency. Integrating new technology into areas like financial management, procurement, or monitoring of natural resource management can revolutionize how government works. It can also transform relations between government, private sector, and civil society – reducing unnecessary interactions, and enabling more dynamic and inclusive forms of oversight and monitoring.

Let me close by saying that improving governance and accountability in Africa is not only possible; but it is actually happening – as you heard from my many examples. Of course, we have miles to go in our efforts. And it is a long process that requires strong political will and consistent efforts over time.

As each of our member countries move in that direction, I want to reinforce that the IMF is firmly committed to being a trusted partner in your efforts. This conference is a stepping stone in the effort toward what is perhaps one of the most critical issues of our times.

I would love to hear your thoughts during the conference. Thank you.