



**The Brookings Institution
Africa Growth Initiative
*Foresight Africa Podcast***

**“How the World Bank is advancing shared prosperity and jobs in Africa
amid global economic uncertainty”**

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Guest:

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Episode Summary:

During the World Bank/IMF Spring Meetings in Washington, D.C., Foresight Africa host Landry Signé caught up with Axel van Trotsenburg, senior managing director of the World Bank, who spoke about how to mobilize the private sector to help create more jobs for African youth in the coming years, while also addressing the debt distress crisis many African governments face.

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SIGNÉ: Hello, I am Landry Signé, senior fellow in the Global Economy and Development Program and the Africa Growth Initiative at the Brookings Institution.

Welcome to *Foresight Africa* podcast where I engage with distinguished leaders in policy, business, academia, and civil society who share their unique insights and innovative solutions to Africa's most complex development challenges, while highlighting the continent's opportunities to advance impactful engagement between Africa, the United States, and the global community.

You can learn more about this show and our work at Brookings dot edu slash Foresight Africa Podcast.

Today, I welcome Dr. Axel van Trotsenburg, senior managing director at the World Bank responsible for development policy and partnerships. In his role, Dr. Axel oversees the Bank's partnerships, including with the United Nations, international financial institutions, and bilateral partners, and co-chairs the replenishment of the International Development Association. Prior to this, Dr. Axel oversaw the Bank's global operation, with a footprint spanning more than 140 offices and was responsible for delivering the World Bank's lending and financial support, averaging about 70 billion U.S. dollars per year.

This podcast episode was recorded at the World Bank headquarters during the 2025 Spring Meetings of the International Monetary Fund and World Bank Group as leaders converged to solve some of the most complex global economic challenges. This on-site recording environment explains some of the background noises.

Thank you so much for joining us today, Dr. Axel.

VAN TROTSENBURG: Thanks for having me.

SIGNÉ: Axel, you have had one of the most extraordinary and impactful careers at the World Bank. What initially drew you to international relations, economics, and how has your work evolved to shape global financial systems and advance development outcomes over time.

[3:19]

VAN TROTSENBURG: Well, I've always been motivated about development economics, development in itself. And the World Bank was for me always the premier organization, which after now 37 years I believe, it is true. And the other motivator is you need to be passionate about this. And we would need to see that we, as an international community, can affect change. We can actually make a difference with developing countries.

And over time, I would say, what has always kept me going is that you need to keep the sharp focus on on the countries themselves. Learn from them, listen what is happening, what are their challenges, and how the international community can complement their efforts to improve the lives of people in these countries.

And I have seen that with the World Bank, you can make an enormous difference if you keep the initiative, listen so that you understand their problems, and then drive change.

SIGNÉ: Insightful. The 2025 IMF/World Bank Spring Meetings have chosen job creation as the central theme. With the many complexities facing the global economy today, why was this theme selected and how can the World Bank support countries, including those in Africa, in creating jobs and addressing employment challenges?

[5:07]

VAN TROTSENBURG: So the problem can be best summarized when considering that over the next 10-15 years, about 1.2 billion young people in emerging markets will enter the workforce. Yet it is expected that maybe only a third of them will find regular jobs. That leaves an enormous gap that is unacceptable and is an economic loss because they are the future, they can make the changes. And particularly Africa is affected of this challenge. So I think to really make it much more visible that this job problem affects so many people, young people, should be a cause for concern, but also a need to consider the options what you can do.

So this was part also of the discussions here at the Spring Meetings where we considered different aspects. They range from the regulatory—how governments can improve its policies to incentivize job creation—to concrete investments that are complementary and necessary. I'm thinking here for example on the education agenda from pre-K to lifelong learning. As well as to see how we can mobilize much more also the private sector, because after all most jobs are created by the private sector.

And so this is something that needs to be promoted, and not only in terms of awareness building, but also channel this into the willingness to act. And here clearly the World Bank has emphasized we are ready, we're ready to act, and we are ready to act in concert with governments but also importantly with the private sector.

SIGNÉ: Fantastic! The current upheaval within global trade has left many across Africa concerned about the effects it will have on their economies. What guidance has the World Bank provided to assist African nations to weather these waters and create sustainable economic models that are less affected by changes to the trade landscape?

[7:51]

VAN TROTSENBURG: Well, we have seen this in a broader context. Africa is, in general, affected by many trends that can be economic developments, it can be financial developments, it can trade development, but you have also seen what COVID can do. So there are multiple challenges that affect the continent, so you need to take a broad-based approach how one can reduce vulnerabilities in the African economies.

And we have been working on this, that is making these economies far more resilient against shocks. And that involves from macroeconomic policies to debt policies to trade policy, financial policies. But also what can you do in terms of infrastructure?

What can you do in terms in terms of human capital development? In all these areas we're not only working in an advisory role but also in an important financial role.

And particularly with these challenges African countries have been challenged to attract enough capital. Certainly here at the World Bank we have been hypersensitive for this and have been assuring that the disbursements that we are providing to African countries are positive. Meaning the disbursement exceeding the repayments. And that is certainly something in difficult time, a challenge that we pose to all creditors to ensure that Africa can continue to receive positive net flows.

Not enough with that. We also think it should be in a concessional form, meaning below market rates so that actually they are not getting into further debt distress that some are already. So that is includes, for example, in the World Bank case, also grant financing.

So we feel you need a long-term commitment, long-term financing, long-term dialogue, and that is the reason why the bank is in all, present in all African countries to work closely with the government, with the private sector, with the civil society to make change happen and make countries more resilient but also promote growth and job opportunities.

SIGNÉ: Powerful! With the 2030 Sustainable Development Goals fast approaching, and the development financing gap widening, how is the World Bank responding? And what short-, medium-, or long-term strategies are advancing to help countries manage these deficits and stay on track toward achieving their development goals?

[10:50]

VAN TROTSENBURG: Essentially, two words, "stay engaged." The World Bank has not been withdrawing from its commitment to be proactive, help African countries face the many challenges they have, and provide the necessary financing. Our criticism is that many are withdrawing from Africa or from low-income countries. And that is a problem because Africa needs to attract the necessary capital.

We have never done that. We have stayed involved in it. In fact, we have increased our exposure and also the importance of Africa within our portfolio. Think of this: in 2000, only 15% of our total commitments, that was at that time of barely \$3 billion, went to Africa. Today you are talking about 40-45% of our total commitments going to Africa and we're talking amounts in the order of depending on the year between 30 and 35 billion dollars. That is why we believe in Africa, we believe in the cooperation, and we believe that we have to provide the right package of support. That means we need to provide advisory service, good studies that can actually help in the design of new projects, but also how one can embrace future policies, as well as with a financing package that is affecting people, be it in the country, but it also has a wider effect on Africa's development, for example in the trade area.

SIGNÉ: Insightful! You are a key leader and architect of the Heavily Indebted Poor Countries initiative [HIPC], the largest and the most comprehensive debt relief program for poor countries, and you have remained engaged with the initiative throughout your career. Twenty African countries are in or at risk of debt distress. What steps is the World Bank taking to assist countries in addressing this debt

burden and how does the newly passed replenishment of the International Development Association Fund help achieve these goals?

[13:27]

VAN TROTSENBURG: So, indeed, I have directed the HIPC initiative that was running from the mid-1990s, and most countries got relief and effective relief through the first years of the 2000s. Although lately in a couple of years also countries like Somalia as well as Sudan got debt relief packages. And that was good news.

What has concerned us is that over time, there has been a renewed contracting of debt and have created debt distress in quite a few countries. There is of course a complete change of the creditor landscape. While previously official creditors from the Paris Club Meeting from OECD countries dominated, the credit landscape now are non-Paris Club creditors. They range from China, India, to the Gulf states. And then there are also a lot of debt is owed to euro bond holders and commercial creditors.

This is complicating debt restructuring processes. And that is something that needs to be resolved. The G20 created the Common Framework to help implement restructuring processes as well as we created with the IMF and the G20 presidency the Global Sovereign Debt Roundtable to promote debate on how we can actually best help these countries. Now, those things need to [be] pursued. We believe we should also be faster in this and so that countries can benefit quicker the debt relief that they deserve.

What we also think is where countries and creditors can help themselves is that we need far greater transparency. The Bank usually announces what kinds of financing we provide, what are the terms, and that they are easily accessible so that there is total transparency. We would like that kind of experience also replicated by all creditors so that actually we know in real time what is happening with the debt situation of an individual country. Not only the foreign debt, but also the domestic debt because domestic debt in many African countries have become very important. In many countries they are representing even the majority of the debt issue.

What the Bank itself can do, we did that after the HIPC initiative, that we said if countries, again, face a difficult debt situation, we have an automatic mechanism where we provide *ex ante* debt relief by by softening the terms. And that includes grant terms. So if a country is in complete debt distress we are providing a country then with grant terms in our financing. A good example is for example Zambia that has faced a very difficult a difficult debt situation where we then provided grant financing in order to relieve the country from all the pressures, be it from the budget side but also economy-wide and so that more money can be directed to necessary investments in infrastructure, physical as well as human.

SIGNÉ: The World Bank has increasingly relied on foresight tools like scenario planning to anticipate long-term development challenges and opportunities. How does this approach shape the Bank's strategic decisions and improve the impact of its lending and assistance, particularly when it comes to poverty reductions in regions like Africa, and in the face of global trends such as global health challenges,

geopolitical competitions, global environmental issues, food insecurity, and technological disruption?

[18:00]

VAN TROTSENBURG: Well, for the World Bank to be effective, you need to work in close partnership with them. You can no longer solve this alone; a single agency like the World Bank cannot do that. We can only do it together on the basis of the programs designed by the countries themselves. And then in cooperation with other partners, that can be other multilateral partners, it can be with bilateral, it can be private partners.

So therefore, we're working closely with UN agencies, particularly in fragile states where we are working very closely, for example, with UNHCR [United Nations High Commissioner for Refugees] or with UNICEF [United Nations Children's Fund] to coordinate our support in fragile states and where these agencies sometimes can help us implement much much better our and their programs.

Secondly, we are of course also working with the other multilateral development banks because that provides an opportunity to complement each other in the financing of these countries. So sometimes we coordinated in such a way that we finance primary education, and the other agency or other bank is doing secondary education. So it's a matter of coordination between these multilateral development banks. Similarly, it is important that when the IMF has programs, that we coordinate their macro framework with our investment strategy.

And then finally, it's clearly with the bilateral donors we have a close cooperation agreement, and then very importantly the private sector that works in the countries but where we can also have good understandings on how we can best work together.

It helps in this in this context that the World Bank Group has the advantage of having not only two public sector-oriented organizations like IBRD [International Bank for Reconstruction and Development] and IDA [International Development Association], but we have also two private sector organizations—IFC [International Finance Corporation], MIGA [Multilateral Investment Guarantee Agency]—where we can rely on that they also work closely with the private sector and see how we can complement our support, be it from the public, be it from the private sector can have maximum effect.

SIGNÉ: I really like how you have connected the actions of the World Bank with the one of other organizations which anticipates some of the other points I wanted you to elaborate on, including how you are partnering with such global institutions like the International Monetary Fund to achieve better outcomes for all the countries which are in or at risk of debt distress.

[21:18]

VAN TROTSENBURG: Well, we partner that partly very operationally. That can be certainly with the IMF, with whom we have partnered for many, many decades. Here, we coordinate particularly also program design, financing. For example, the HIPC

initiative, we would have joint documents to provide not only the debt sustainability analysis but then also the the program that had to be supported.

Today we do, for example, debt sustainability together with the IMF in the low-income countries. We do that also in with multilateral development banks where we have very close and operational relationship. With, with others, we also work on, for example, on knowledge, where we do that together, and and then define how we can leverage this other expertise to maximum effect. So there are different forms of this.

Clearly, what is most important is is, of course, the continuing dialogue with the government we try to help, is namely how we can provide relevant analysis, relevant policy options for them, and how we can respond quickly to questions they may have and how can we bring a comparative view to the table. Meaning we work globally so we could actually on the basis of our experience, of our operational experience, tell also government what worked and what was more challenging.

So there are these different types, and we have always to be open to adjust as new situations arise because the organizing principle is effectiveness, and relevance, and timeliness.

SIGNÉ: Fabulous! I always like to end each interview by asking the guests two questions. First, building on your work and experience, what is one piece of advice you would give to African or global policymakers to ensure the best outcomes on the continent? And second, given your incredibly successful career and impact, what advice would you give to youth hoping to follow in your footsteps?

[24:01]

VAN TROTSENBURG: Well, it's very simple. I think you need to stay ambitious. There are large challenges in this world that require that you stay bold, that you stay committed to improving the lives of others. We can do it. These many problems are man-made, so we can also solve it through man-made solutions. This requires commitment, drive, and ambition.

And I think that finally should be complemented with a good dose of passion, because without passion and without belief that you can change, you cannot do anything. And I believe that people need to be far more motivated, that you have a can-do attitude, that you can transform a continent, that you can create a prosperous Africa for everyone. That is within our reach if we put the will to it, if we put the commitment to it.

And I'm always saying that requires that we all work together for a cause. And I call that the cause of development. So any successor, I would like that somebody never, ever forgets that we are working for a cause and not for opportunistic reasons.

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SIGNÉ: Incredibly powerful! Thank you so much for joining me today.

VAN TROTSENBURG: Pleasure, thank you.

SIGNÉ: I am Landry Signé, and this has been *Foresight Africa*. Thank you, listeners, for joining me today.

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