



THIRD AFRICAN UNION SPECIALIZED TECHNICAL COMMITTEE ON FINANCE, MONETARY AFFAIRS, ECONOMIC PLANNING AND INTEGRATION

**7-8 MARCH 2019
YAOUNDE, CAMEROON**

DRAFT DECLARATION

Preamble

We, the Ministers of Finance, Economic Planning and Integration and Central Bank Governors of African Union (AU) Member States, meeting on the occasion of the third African Union Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration in Yaoundé, Cameroon from 7 to 8 March 2019;

Recalling Decision Assembly/AU/Dec.227(XII), reconfiguring the Specialized Technical Committees (STCs) and Decision Assembly/AU/Dec.365(XVII) requesting the Commission to operationalize the STCs from January 2013 and to abolish sectoral Ministerial Conferences;

Recognizing the need for Africa to undertake deep structural reforms to successfully diversify its economy, both vertically and horizontally in order to generate decent, productive employment for its young population, and to stem the flow of migration of African youths towards the developed world;

Aware of the potential role that structural transformation can play in fostering rapid inclusive, resilient and sustainable socio-economic development leading to minimizing income and wealth disparities and eradicating poverty;

Reasserting the pivotal role of the African Union financial institutions in creating a conducive environment for the development of vibrant and modern African financial systems to mobilize domestic resources and intra-Africa foreign direct investment to finance Africa's structural economic transformative agenda, including Agenda 2063 and its flagship projects such as the African Continental Free Trade Area (ACFTA), African High Speed Train, a commodities strategy, etc.

COMMENDING the progress made in the negotiations of the African Continental Free Trade Area (AfCFTA), which led to the successful signing of the Agreement in March 2018 at the AU Extra Ordinary Summit in Kigali, Rwanda

RECOGNIZING the potential role that the Agreement will play towards promoting Africa's Integration Agenda;

Welcoming the ongoing development on the Status of Africa Population Report: A Common African Position on Population, as recommended by the meeting held in Accra, Ghana, from 2 to 5 October 2018 by the working group of the Specialized Technical Committee on Health, Population and Drug Control;

Taking note and adopting the Report and Recommendations of the Experts' Meeting held from 4 to 6 March 2019, in Yaoundé, Cameroon;

HEREBY AGREE TO:

I. Public policies for productive transformation

(i) **Encourage** Member States, with the support of the African Union Commission (AUC) and the African Capacity Building Foundation (ACBF) to accelerate the development of skills in diverse and relevant areas at the local, national, continental and international levels in order to increase the productivity, innovation capacity and competitiveness of the industrial and agro-industrial sector in Africa;

(ii) **Request** the AUC to undertake an assessment of productive transformation in Africa and set up a platform for sharing experiences on successful productive transformation strategies implemented within and outside the Continent in order to capitalize on past experiences and to identify successful industrial clusters in countries;

(iii) **Further request** the AUC, RECs and Member States to work together to promote the entrepreneurial spirit and entrepreneurship through access to financial services to skills development, and affordable energy to enhance Africa's productive capacities;

(iv) **Invite** Member States to improve the effectiveness of existing legal, regulatory, and institutional frameworks through improved governance in support of public policies for productive transformation;

(v) **Call upon** Member States and international financial institutions to promote cross-border investments for developing regional projects in the areas of energy, trans-boundary waters, information and communication technology, as well as value chains and trade; and

(vi) **Urge** Member States to improve the coherence of their public policies for effective productive transformation by harmonizing their fiscal, industrial and trade policies and aligning them with regional and continental initiatives.

II. Status of Regional Integration

- (i) **Request** the AUC to work closely with RECs, to explore effective mechanisms for rationalizing the activities of RECs;
- (ii) **Urge** Member States to take the necessary measures to fully implement the Protocol on Free Movement of Persons and the Single African Air Transport Market;
- (iii) **Request** the AUC to produce a bi-annual Regional Integration Bulletin and an Annual Regional Integration report;
- (iv) **Further request** the AUC to organize a meeting of Experts from Member States and RECs to review and internalize the proposed African Multidimensional Regional Integration Index before it is utilized as a monitoring and evaluation tool for assessing regional integration in Africa;
- (v) **Encourage** Member states and RECs to nominate specific focal points in charge of integration and produce statistical information with a view to update the Multidimensional Regional Integration Index annually; and
- (vi) **Request** the AUC and RECs to set up an awareness mechanism to sensitize Member States and citizens including women and youth, on integration issues through an annual integration forum that will include professionals, academics, women, private sector, diaspora and other African stakeholders.

III. African Union Financial Institutions

- (i) **Request** the AUC to develop a strategy on how to accelerate the signature and ratification of legal instruments of the African financial institutions to be presented to the Fourth STC on Finance, Monetary Affairs, Economic Planning, and Integration; and
- (ii) **Further request** the AUC and the AACB to work together to revise the timelines for the establishment of the African Central Bank (ACB) using the AACB report on the refinement of the convergence criteria of the African Monetary Cooperation Programme as the reference document.

IV. Refinement of the convergence criteria of the African Monetary Cooperation Programme (AMCP) and proposal of a monitoring framework and a peer review mechanism for macroeconomic convergence

- (i) **Endorse** the report on the refinement of the convergence criteria and the timelines for the establishment of the African Central Bank;

- (ii) **Further endorse** the report on the monitoring framework and peer review mechanism;
- (iii) **Request** that the peer reviews be undertaken jointly by the AUC and the Association of African Central Bank (AACB) Secretariat; and
- (iv) **Further request** the AUC to ensure that the AACB convergence programme is aligned with that of the RECs, include GDP per capita as second criteria, and that the AACB and AUC work together to provide the necessary support to Member States for them to comply with the set convergence criteria.

V. Role of capital markets in mobilizing domestic resources in Africa

- (i) **Request** the AUC, in collaboration with African Stock Exchange Association (ASEA), to raise awareness encouraging Member States to set up national and regional stock exchanges including the development of vibrant bond markets, and to fast-track the establishment of the Pan-African Stock Exchange.

VI. African Peer Review Mechanism (APRM) support to Member States in the field of rating agencies

- (i) Request the APRM and AUC to develop a concrete proposal on the support to Member States on International Credit Rating Agencies (ICRAs), and carry out a feasibility study on the creation of an African credit rating Agency to be presented to the Fourth STC on Finance, Monetary Affairs, Economic Planning, and Integration; and
- (ii) **Further request** the AUC to submit the proposal on the theme of the 2021 AU summit to the Ministerial Committee on Agenda 2063, which is mandated to consider Annual Themes.

VII. Agenda 2063 first ten-year implementation plan M&E

- (i) **Request** the AUC in collaboration with RECs and Member States to enhance capacity in Monitoring and Evaluation at national, regional and continental levels;
- (ii) **Further request** the AUC to establish measures to enforce joint roll out activities and ensure active engagement and participation of all task team members;
- (iii) **Also request** the AUC and NEPAD to prepare the biannual continental performance report;
- (iv) **Endorse** the Integrated M&E Architecture to guide the monitoring, evaluation, and reporting processes at national, regional, and continental levels.

VIII. Statistical Development in Africa:

- (i) **Request** the AUC to establish an effective coordination mechanism at national, regional, continental levels, in line with the international statistical system with definitions of roles and responsibilities of all stakeholders;
- (ii) **Urge** Member States to align and adhere to new areas of statistical development such as big data, data revolution, and Statistical Data and Metadata eXchange (SDMX);
- (iii) **Request** the AUC, AfDB, UNECA, ACBF, RECs, and Member States to mobilize adequate and sustainable resources to the activities of statistics, and **invite** Member States to implement the AU Heads of State and Government Assembly decision to allocate 0.15% of their national budgets to statistics; and
- (iv) **Request** the AUC in collaboration with RECs and partners to develop a strategy for dissemination, communication and visibility of statistical data at continental level.

IX. Status and progress on the Financing of the Union

- (i) Request the AUC to find a mechanism for sharing documents of the F15 Committee with other Ministers of Finance of all the AU Member States.

X. The African Continental Free Trade Area (AfCFTA)

- (i) **Invite** Member States to undertake the necessary processes required to accelerate the ratification of the Agreement of the AfCFTA;
- (ii) **Request** the AUC in collaboration with Afreximbank and the AACB to support the development of the Pan African Digital Payment and Settlement System;
- (iii) **Encourage** Member states to continue supporting the processes of the AfCFTA at the National, Regional and Continental levels by allocating adequate resources as may be required;
- (iv) **Call upon** Member States to support and actively follow Phase II of the negotiations of the AfCFTA on investments, competition policy and intellectual property rights;
- (v) **Request** the AUC in collaboration with the UNECA to provide technical support to Member states in the development of National AfCFTA Strategies;

(vi) **Further request** the AUC to continue strengthening advocacy work on the AfCFTA in order to encourage the remaining Member States to sign and ratify the Agreement.

XI. Transformative and Innovative Disaster Risk Management and Financing: African Risk Capacity (ARC) Agency

(i) **Take Note** of the Annual Report of the African Risk Capacity.

Done in Yaoundé, Cameroon on 8 March 2019