

REMARKS BY THE PRESIDENT OF THE REPUBLIC OF GHANA,
NANA ADDO DANKWA AKUFO-ADDO,
AT THE 6TH MID-YEAR COORDINATION MEETING BETWEEN THE
AFRICAN UNION, THE REGIONAL ECONOMIC COMMUNITIES
AND THE REGIONAL MECHANISMS IN ACCRA, GHANA ON
SUNDAY, 21ST JULY 2024.

It is my great pleasure to welcome you all to Accra, Ghana's vibrant capital, and to the **6th Mid-Year Coordination Meeting of the African Union**. As we say in Ghana, "akwaaba", our word of welcome. You are amongst a people who pride themselves on their sense of hospitality. I hope that, by the end of your brief stay, you will agree with this claim.

The AU's mid-year Coordination Meetings over the past six (6) years, involving Members of the Bureau of the Union, the Heads of the Regional Economic Communities, the Heads of the Regional Mechanisms and the AU Commission, are mainly focused on our continental integration agenda, building on and reviewing the progress made so far in implementing our continental integration initiatives. Today's meeting will, thus, provide an opportunity for us to assess our progress so far, address challenges confronting us, strengthen coordination, and drive our economic growth and development.

I must, perforce, stress that, on the sidelines of this Summit, we have, earlier this morning, commemorated the fiftieth (50th) anniversary of the establishment of the Arab Bank for Economic Development in Africa (BADEA), a celebration which reflects the enduring legacy of Arab-African collaboration, and the shared vision for a thriving future. Indeed, the Bank has made extensive contributions to financing infrastructure projects, boosting trade, and supporting socio-economic development initiatives across Africa. Continued and enhanced partnerships with BADEA are key to advance further Africa's development goals.

Excellencies, the need for innovative financing and the establishment of African Union Financial Institutions to support the Second Decade of Agenda 2063 are of the utmost necessity. The findings from evaluation of the first decade of Agenda 2063 underscore the critical need to consolidate fragmented financial instruments for development. Currently, our financial landscape is scattered with numerous institutions and initiatives operating in silos. This fragmentation leads to inefficiencies, duplication of efforts and suboptimal utilisation of resources. I, therefore,

call for consolidation, and implore our AU institutions to provide technical and strategic recommendations as to how this can be done.

By consolidating our development funding instruments, we can create a more cohesive and effective financial framework that ensures resources are allocated where they are most needed. This consolidation will not only streamline our efforts, but will also improve our capacity to mobilise domestic and external resources efficiently. It will enable us to scale up our investments in key areas such as education, infrastructure, healthcare, and technology, driving comprehensive and sustainable development across the continent.

Central to the realisation of this vision is the establishment of the three (3) African Financial Institutions: the African Central Bank, the African Investment Bank, and the African Monetary Fund. The creation of these institutions is vital to achieving the financial stability and economic integration necessary for the successful implementation of Agenda 2063.

The African Central Bank will harmonize monetary policies and ensure currency stability across the continent, mitigating the risks associated with exchange rate volatility and creating a predictable economic environment that fosters investor confidence and facilitates intra-African trade. A stable and unified monetary policy will reduce transaction costs and increase the efficiency of our financial systems. Concurrently, the African Investment Bank will be instrumental in mobilizing and allocating resources for large-scale developmental projects, providing the financial backbone for key infrastructure and development initiatives, and accelerating progress towards the high aspirations of Agenda 2063. It will serve as a catalyst for investments in infrastructure, technology, and human capital, which are fundamental to transforming the socio-economic landscape of Africa. Additionally, the African Monetary Fund will provide financial assistance to Member States facing balance-of-payments issues and economic shocks, boosting monetary cooperation and stability among African nations. By reducing dependency on external financial institutions and promoting sound fiscal and monetary policies, the African Monetary Fund will support macroeconomic stability and entrench financial sovereignty across the continent.

The consolidation of our financial instruments, under these institutions, will strengthen our position in the global financial system. It will enable us to negotiate from a position of strength and unity, leveraging our

collective resources and capacities to achieve our developmental goals. By integrating our financial systems, we will not only create a more robust and resilient African economy, but also improve the quality of life for our people through improved access to essential services and opportunities.

Excellencies, the establishment of these financial institutions is **not merely an administrative exercise; it is a bold and visionary step towards a united, prosperous, and self-reliant Africa**. It will be a testament to our collective resolve to take control of our financial destiny and build a future that reflects the true potential of our continent. The political will, commitment of our governments and the African Union Commission are essential in driving this agenda forward. We must ensure that the legal frameworks and the requisite financial resources are in place to support the establishment and functioning of these institutions. The consolidation of our financial instruments is crucial for leveraging domestic resources more effectively. It allows for better coordination of development projects, and ensures that funds are directed towards the most impactful areas. This approach reduces redundancies and augments the efficiency of our financial systems, ensuring that every dollar spent contributes maximally to our developmental goals.

The establishment of the African Financial Institutions will help finance the implementation of our continental strategies such as the African Continental Free Trade Area (AfCFTA) Agreement, the Continental Education Strategy for Africa, Programme for Infrastructure Development in Africa etc. The financial stability and resources provided by the African Financial Institutions will enable us to invest in the pillars of these continental strategies and programmes to prepare our youth particularly for the challenges of the 21st century.

At this gathering, we must address the pressing security issues in Sudan, the rampant terrorism in the Sahel, the ongoing struggles in the Horn of Africa, and the continuing conflict in the Democratic Republic of Congo, and make appropriate recommendations for the 2025 Summit of the Union. These regions are plagued by conflict, instability, and violence that hinder their development and pose a threat to the broader continental security. The Summit should focus on formulating comprehensive strategies to enhance regional security cooperation, strengthen counter-terrorism efforts, and support conflict resolution initiatives. By fostering collaborative frameworks, the African Union can leverage collective resources and expertise to address these challenges effectively, ensuring

sustainable peace and stability across the continent. The establishment of robust mechanisms for intelligence sharing, capacity building for local security forces, and the mobilization of international support will be fundamental in tackling these multifaceted security issues.

Excellencies, illicit financial flows continue to pose a great challenge to our continent's development. The findings of the Mbeki Commission on Illicit Financial Flows from Africa, as far back as 2011, have shed light on the alarming scale at which resources are being illicitly siphoned out of our economies. Despite the recommendations and the call to action, we have struggled to curb effectively these flows. The persistence of illicit financial flows undermines our ability to finance development projects, weakens governance structures, and perpetuates inequality. It is imperative that we intensify our efforts to implement the Commission's recommendations, strengthen our legal and regulatory frameworks, and enhance international cooperation to combat these illicit activities. By reclaiming these lost resources, we can bolster our development financing, and ensure that the wealth generated within Africa remains within Africa to benefit our people.

Another crucial proposal I would like to highlight is the initiative, made by Ghana at the last AU Summit, for African countries to deposit thirty percent (30%) of their sovereign reserves into African multinational banks, instead of allowing these resources to lie passively in foreign banks, often at negative interest rates. This initiative aims to heighten our self-reliance, and reinforce the capacity of African financial institutions. By retaining a sizeable portion of our reserves within the continent, we can enhance the stability and liquidity of our financial systems, providing a stronger foundation for economic growth. This approach will also empower our banks to support large-scale developmental projects, and create a more resilient financial ecosystem that is less dependent on external financial institutions. I am hopeful that the AU Commission will complete soon its evaluation of the proposal, so that action can be taken on it as quickly as possible.

In light of the ongoing discussions on global tax reforms, I wish to draw your attention to the recent proposal by the Organisation for Economic Co-operation and Development (OECD) for a ten percent (10%) tax on multinational companies operating in the localities of their operations. This proposal seeks to ensure that these corporations contribute fairly to the economies where they generate their profits. For Africa, this could

represent a substantial increase in tax revenues, which can be directed towards critical development initiatives. It is essential that we, as a continent, support collectively this proposal, and work towards its implementation, ensuring that multinational companies pay their fair share and that the benefits of their operations are equitably distributed to foster inclusive growth and development.

The issue of reparations for the historical injustices of slavery, colonization, and exploitation remains a moral and economic imperative. The legacy of these injustices continues to manifest in economic disparities and social inequalities across our continent. Reparations are not merely about financial compensation, they are also about acknowledging the historical wrongs, and fostering a process of healing and reconciliation. We must, together, advocate for reparations as a means to address these historical injustices, and invest in the future of our continent. We should propose that the next AU Summit takes appropriate measures to formalise and advance our demand, and establish the institutional arrangements that will enable us achieve our goal.

I also want to bring attention to the Brazzaville Declaration on Forests, a critical document that underscores our commitment to sustainable forest management and conservation, which has emanated from the recent Summit on Afforestation and Reforestation that was held recently on 5th July 2024 in Brazzaville, capital of the Republic of Congo, under the chairmanship of His Excellency President Denis Sassou Nguesso. This Declaration is intended to be an indication of our dedication to preserving our natural heritage and combating climate change. I propose that we adopt the Brazzaville Declaration as the Common African Position on Afforestation and Reforestation at next year's AU Summit. By doing so, we reaffirm our commitment to environmental sustainability, and demonstrate our leadership in global environmental governance. The implementation of this Declaration will play a vital role in protecting our forests, promoting biodiversity and ensuring sustainable livelihoods for our communities.

Finally, Your Excellencies, I will like to stress the need for domestic resource mobilization.

The successful implementation of Agenda 2063 hinges significantly on our ability to be **in-ward looking on resource mobilization. Domestic**

Resource Mobilization is essential for reducing our dependency on external aid and ensuring the sustainability of our development initiatives. By harnessing our internal financial resources, we can create a more stable and predictable funding environment for our long-term goals. This approach not only fosters self-reliance but also strengthens our economic sovereignty, enabling us to chart our own course towards sustainable development.

We need a multifaceted strategy that includes improving tax collection systems, curbing illicit financial flows, and leveraging public-private partnerships. Enhancing the efficiency and capacity of our tax administrations will ensure that we can capture a larger share of domestic revenues, which can then be reinvested into important sectors such as education, healthcare, and infrastructure. Additionally, by addressing illicit financial flows and capital flight, we can prevent the loss of valuable resources that are vital for our development efforts. Public-private partnerships also present a viable mechanism for mobilizing additional resources by attracting private sector investment into public projects, thereby amplifying our development impact.

When we rely primarily on domestic resources, we are more accountable to our citizens, fostering greater transparency and inclusiveness in our development processes. This alignment strengthens the social contract between governments and their citizens, promoting public trust and participation in governance. By prioritizing this approach, we can ensure that the implementation of Agenda 2063 is driven by African solutions for African challenges, paving the way for a future where our continent thrives through its own efforts and ingenuity.

In conclusion, Your Excellencies, we have been given the responsibility to develop our Union Financial Institutions which is more than 10 years ago. We are less than 60 Member States that form the Union, yet we are delaying the task given to us by a population which is approximated to be 1.4 billion people.

Your Excellencies, what this means is that we have an awesome responsibility to ensure that our integration agenda encapsulated in the Agenda 2063 becomes a reality. Indeed, we have a rendez-vous with history, and we must produce the best possible legacies as leaders on the Continent for the Africa Union to meet the aspirations of our people.

It is my prayer that God will endow us with the wisdom to be able to gather the best vision, programs and policies, the humility to be able to listen to everybody and siphon off right policies from wrong policies and the tenacity to do what is right and good for the people of Africa. If we are able to do this, then, some day, when the high court of history sits in judgment and asks all of us what we did with the opportunity that was entrusted to us to change the direction and history and future of the people of Africa. I hope we will be able to say that we did our maximum best for Africa as a result of our involvement in this process of developing our Union Financial Institutions.

I thank you all for your attention and look forward to our collective progress for the **Africa We Want.**