


**DIRECTORATE OF INFORMATION AND COMMUNICATION**
**NOTE TO EDITORS**
**29<sup>th</sup> March 2019**
**UPDATE ON THE MINISTERIAL MEETING ON FINANCE, MONETARY AFFAIRS, ECONOMIC PLANNING & INTEGRATION**

The Ministers of Finance, Economic Planning and Integration and Central Bank Governors of African Union (AU) Member States, attended the 3<sup>rd</sup> AU Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration in Yaoundé, Cameroon from 7 to 8 March 2019.

Several outcomes were agreed to in key areas including:

**1. African Union Financial Institutions**

- AUC to develop a strategy for accelerating the signature and ratification of legal instruments of the African Financial Institutions\*\* to be presented to the 4<sup>th</sup> STC on Finance, Monetary Affairs, Economic Planning, and Integration
- AUC and the Association of African Central Banks (AACB) to work together to revise the timelines for the establishment of the African Central Bank using the AACB report on the refinement of the convergence criteria of the African Monetary Cooperation Programme as the reference document

*\*\*Proposed African Financial Institutions are the African Central Bank, the African Investment Bank and African Monetary Fund*

**2. African Monetary Cooperation Programme (AMCP) - Convergence Criteria**

- Endorsed the report on the refinement of the convergence criteria and the timelines for the establishment of the African Central Bank and the report on the monitoring framework and peer review mechanism;
- AUC to ensure that the AACB convergence programme is aligned with that of the RECs, including GDP per capita as a second criteria, and both institutions to work together to provide the necessary support to Member States for them to comply with the set convergence criteria

**3. Role of capital markets in mobilizing domestic resources in Africa**

- 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

**4. International Credit Rating Agencies**

- African Peer Review Mechanism (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

## **5. The African Continental Free Trade Area (AfCFTA)**

- Member States to undertake the necessary processes required to accelerate the ratification of the Agreement of the AfCFTA
- AUC in collaboration with Afreximbank and the AACB to support the development of the Pan African Digital Payment and Settlement System;
- Member States to support and actively follow Phase II of the negotiations of the AfCFTA on investments, competition policy and intellectual property rights
- AUC in collaboration with the UNECA to provide technical support to Member states in the development of National AfCFTA Strategies

## **6. Regional Integration**

- Member States to take the necessary measures to fully implement the Protocol on Free Movement of Persons and the Single African Air Transport Market
- AU Commission (AUC) to produce a bi-annual Regional Integration Bulletin and an Annual Regional Integration report
- Sensitisation of African citizens on integration issues through an annual integration forum that will include professionals, academics, women, private sector, diaspora and other African stakeholders

## **7. Public policies for productive transformation**

- a. Improving the effectiveness of existing legal, regulatory, and institutional frameworks through improved governance in support of public policies for productive transformation;
- b. Improving the coherence of public policies for effective productive transformation by harmonising fiscal, industrial and trade policies and aligning them with regional and continental initiatives
- c. Accelerating 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
- d. 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;
- e. Working 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

- f. Assessing productive transformation in Africa and setting 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

## **8. Statistical Development in Africa**

- a. 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)
- b. 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

The ministers also deliberated and recognised 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; and 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