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**Speech Delivered at the 35<sup>th</sup> Ordinary Session of the Association of African  
Central Banks Governors**

**by**

**Dr. Maxwell M. Mkwezalamba**

**Commissioner for Economic Affairs**

**African Union**

**12<sup>th</sup> August, 2011**

**Your Excellency Ngwazi Prof. Bingu wa Mutharika, President of the Republic of Malawi**

**Your Lordship the Chief Justice**

**Honourable Ministers and Deputy Ministers of the Republic of Malawi**

**Dr. Perks Ligoya, Governor of the Reserve Bank of Malawi and In-Coming Chairperson of the Association of African Central Banks (AACB)**

**Governor Jean-Baptiste Compaore, representing the Banque Centrale des Etats de l'Afrique de l'Ouest**

**Honourable Governors and Deputy Governors**

**Your Excellencies Ambassadors and Members of the Diplomatic Corps**

**Representatives of Regional and International Organizations**

**Senior Officials of the Government of Malawi and Reserve Bank of Malawi**

**The Executive Secretary of the AACB**

**Members of the Press**

**Distinguished Invited Guests, Ladies and Gentlemen,**

On behalf of H.E. Dr. Jean Ping, Chairperson of the African Union Commission, and indeed on my own behalf, I wish to thank H.E. Ngwazi Prof. Bingu wa Mutharika, President of the Republic of Malawi, his Government and the people of Malawi for the warm reception and hospitality accorded to all the delegations to this 35<sup>th</sup> Ordinary Meeting of the Assembly of Governors of the Association of African Central Banks taking place in this beautiful city of Lilongwe in Malawi, the Warm Heart of Africa, the country everyone calls home.

I also take the opportunity to commend the Malawi Authorities for the excellent arrangements made and excellent facilities provided to ensure that the 35<sup>th</sup> Meeting of the Association of African Central Bank Governors is a great success. By hosting this important meeting of Governors of African Central Banks, Malawi is clearly demonstrating her unwavering

commitment to the realization of the African Union vision of an “integrated, prosperous and peaceful Africa”. This does not come as a surprise given that H.E. Ngwazi Prof. Bingu wa Mutharika, President of the Republic of Malawi, has in his various capacities, including as Chairperson of the African Union in 2010, been in the fore-front in championing integration in Africa.

The Chairperson of the African Union Commission, H.E. Dr. Jean Ping, would have liked to be in your midst today. However, owing to other pressing commitments, he designated me to represent him. He, nonetheless, sends his fraternal greetings, congratulates Malawi for hosting the AACB meeting, wishes the meeting great success, and looks forward to its conclusions.

**Your Excellency**

**Honourable Governors**

**Distinguished Ladies and Gentlemen**

Please allow me to thank and commend the AACB for working in close collaboration with the African Union Commission in advancing the realization Africa’s integration agenda, particularly through efforts in work leading to the establishment of the African Central Bank, one of the three pan-African financial institutions to be established by the African Union as per Article 19 of its Constitutive Act. I wish to salute you all Governors for having made this possible, mainly when I recall that the earlier stages of our collaboration were rather difficult ones. Today, it is satisfying that the AUC is an active participant in meetings of the AACB, including those of its Bureau; the Joint AUC-AACB Technical Committee on the establishment of the African Central Bank is in place; and that we will soon have a Joint AUC-AACB Study Group/Task Team to prepare our Joint Strategy on the establishment of the African Central Bank.

It is my sincere hope that the AACB can also become a more active participant in meetings of the African Union, in particular the Joint Annual Meetings of the Conference of African Union (AU) Ministers of Economy and Finance and Economic Commission for Africa (ECA) Conference of Ministers of Finance, Planning and Economic Development. We believe this will be helpful in ensuring that Governors of African Central Banks and Ministers of Finance meet to discuss issues of mutual interest, including those to do with coordination of budgetary and

monetary policies in Africa, which generated intense discussions during the AACB Symposium of yesterday on *“The Impact of International Financial Crisis on Monetary Unions: The Challenges of Coordinating Budgetary and Monetary Policies in Africa”*.

I must admit that your discussions have always been rich, constructive and informing, and have become even more important in the aftermath of the recent worst global financial and economic crisis and the current debt crises in Europe and the United States of America. On behalf of the Chairperson of the African Union Commission, I wish to underscore the AUC’s full support for the AACB Symposia and its readiness and willingness to ensure that the conclusions and recommendations requiring decisions of African Union Heads of State and Government are brought to their attention. I further wish to invite the AACB to consider presenting the conclusions and recommendations of the just concluded Symposium to the next Joint Annual Meetings of the AU Conference of Ministers of Economy and Finance and ECA Conference of Ministers of Finance, Planning and Economic Development to take place in March 2010.

**Your Excellency**

**Honourable Governors**

**Distinguished Ladies and Gentlemen**

Please allow me to apprise you of developments regarding the African financial institutions, particularly the African Central Bank (ACB). I am pleased to report that important milestones on the establishment of the African Central Bank have been reached following months of endless delays. The Association of African Central Banks (AACB) has now identified its Experts to work on developing the Joint AUC-AACB Strategy on the establishment of the ACB and transmitted their names to the African Union Commission for recruitment.

As you may be aware, two members of the Commission’s team started background work on the establishment of the African Central Bank in Abuja in June last year. Regrettably, one of the Experts tendered his resignation owing to personal reasons and has since left Abuja. However, I am glad to inform you that the Commission is already finalizing recruitment of the rest of its team. We expect the Joint AUC-AACB Task Team to commence its work in September 2011. It is now critical that after the delays we have experienced, we quickly move towards preparation

of the Joint Strategy so that we begin implementing its recommendations. I am confident that the Experts that have been selected to carry out this mammoth task will do a great job.

I will fail in my duties if I do not mention that the Government of the Federal Republic of Nigeria has put at the disposal of the Task Team all the necessary amenities, including well-furnished office accommodation, to ensure the smooth execution of their duties. Through the Central Bank of Nigeria, it has also provided funds for the payment of salaries for AACB designated Experts in 2011. Allow me, therefore, to take this opportunity to extend our sincere gratitude to the Government of the Federal Republic of Nigeria and the Governor of the Central Bank of Nigeria, Mr. Sanusi Lamido Sanusi, for the unwavering support to the Task Team, even before it is fully in place.

Concerning the other two financial institutions, I wish to inform you that some progress has been registered. For the African Investment Bank focus continues to be on ensuring that we obtain at least the minimum number of signatures and ratifications in order for the Protocol including its Statutes to enter into force. So far, we have obtained fifteen (15) signatures and one (1) ratification. May I take this opportunity, therefore, to commend all those African Union Member States that have signed and ratified the Protocol and invite those that are yet to sign and ratify to take necessary measures to do so. In this regard, I call upon you Honourable Governors to support the work of the African Union Commission in advocating for the signing and ratification of the Protocol and Statutes of the African Investment Bank in your countries in order to ensure early establishment of this important Bank.

Regarding the African Monetary Fund, the African Union Assembly of January/February 2011 adopted its Protocol. On the other hand, its Statutes are yet to be finalized and adopted. It is expected that the next Joint Annual Meetings of the African Union Conference of Ministers of Economy and Finance and Economic Commission for Africa Conference of Ministers of Finance, Planning and Economic Development scheduled for end March 2012 will consider and recommend them for adoption to the June/July 2012 African Union Assembly of Heads of State and Government to be held in Malawi. Given the close linkage between the African Monetary Fund and the African Central Bank in ensuring financial and monetary stability, your support is also needed in the process of creating the Fund.

**Your Excellency**

**Honourable Governors**

**Distinguished Guests, Ladies and Gentlemen**

In conclusion, please allow me to once again thank H.E. Ngwazi Professor Bingu wa Mutharika, the Government and the People of Malawi for hosting this 35<sup>th</sup> Meeting of the Assembly of the Association of African Central Bank Governors and making available for the success of the meetings these excellent facilities.

With these remarks, I wish the 35<sup>th</sup> Meeting of the Assembly of the Association of African Central Banks taking place here in Lilongwe, Malawi, fruitful and successful deliberations. May the recommendations of your meeting go a long way in contributing to accelerating Africa's integration.

I thank you for your kind attention.

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