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**STATEMENT BY**

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**DELIVERED AT THE**

**SEVENTH SESSION OF THE SENIOR OFFICIALS SPECIALIZED TECHNICAL  
COMMITTEE ON FINANCE MONETARY AFFAIRS ECONOMIC PLANNING AND  
INTEGRATION**

**HELD ON**

**3RD JULY 2024**

**TUNIS**

**TUNISIA**

I salute and greet you all.

I also welcome you to the Seventh ordinary session of the Specialized Technical Committee on Finance Monetary Affairs Economic Planning and Integration.

We are happy to have the Guest of Honour from the hosting Government to open our meeting. Through you, I would like to register our profound appreciation to the People and Government of the Republic of Tunisia for the warm welcome and hospitality accorded to us since our arrival. Equally important, we have a conducive environment for the conduct of our meetings. Kindly convey our deep gratitude.

We have a long agenda with complex issues before us.

We meet under the theme: **“Enhancing Macroeconomic and Sectoral Policies Coordination in Africa: Challenges, Opportunities and Policy Priorities for Inclusive Growth and Sustainable Development”**.

I will refer to this theme by saying that senior officials in public service are both policy advisors and policy implementers.

You are all in this category and this Specialized Technical Committee is among the policy organs of the African Union system.

As policy advisers, you are keenly aware of the policy challenges facing Africa. Some of the key ones are: poverty and inequality; historical dependency on the production and export of commodities as well as aid; global un-competitiveness; periodic debt crises (and we are in one them right now); small sizes of our economies; and, among others, climate change induced by human activity.

These challenges call for strategic focus on reforming and strengthening economic our economies, anchored equally, on strengthening of our economic management systems.

At the level of this Specialized Technical Committee, one can start by asking the question: are we all aware of the levels of poverty and inequality in our countries? How can we use the work of this Specialized Technical Committee to reduce poverty and inequality in our countries?

At the broad macroeconomic policy level, we can start by asking our inputs as policy advisors and policy implementers on the implementation of the Macroeconomic Convergence Criteria of the African Monetary Cooperation Program.

The key question here is how can we use the criteria to have strategic focus on reforming and strengthening our economies and economic management systems?

I know all of us are aware that the matters of macroeconomic convergence are in the last phase of the implementation of the Treaty Establishing the African Economic Community or Abuja Treaty.

I am, however, among of those who do not believe in the linear approach to economic integration, hence the push for implementation of the Macroeconomic Convergence Criteria adopted by the African Union Assembly of Heads of State and Government in 2022.

Furthermore, our permanent membership in the G20 demands policy harmonization to enable us speak with one amplified voice in this multilateral institution of global governance. The macroeconomy is a key component of promoting policy harmonization.

In addition to this, some Member States are advocating for settlements of part of their assessed contributions to the AU budgets in local currencies. This is an indicator of the need for a single African currency. In this respect, I call on you to recommend to the Ministers, endorsement of the Statutes of the African Monetary Institute, forerunner to the African Central Bank ,which will give us the single African currency.

At this stage, let us remind ourselves of the main provisions of the Macroeconomic Convergence Criteria.

These are that, each African country is expected to reach the following benchmarks: maximum threshold of 7 % inflation; overall fiscal deficit of 5% of

Gross Domestic Product; Less than 5% Central Bank credit to government; a minimum of three months import cover as a ratio of external reserves; and, government debt not exceeding 65% of each country's gross domestic product.

The question is: can you as policy advisers, challenge yourselves to embark on the reforms along these criteria to make our economies and economic management systems emerge collectively stronger?

The next point is positioning all African economies grow at rates of 7-10% sustained over a period of 40-50 years. The question to you as policy advisors and policy implementers is: can we embark on reforms to attain and sustain this strategic repositioning? You will come back to this issue and question when you get a status report on progress attained so far in drafting the strategic framework on key actions to achieve inclusive growth and sustainable development in Africa.

The next point in my brief statement is that the world we live in is undergoing fundamental climate change. This is induced by human activities in the areas of production, consumption and mobility among others.

It is not just a sectoral issue. It affects all segments of our common village we call earth.

The challenge was first recognized in a 1967 research study which, among others, provided estimates of global temperature rises, based on emissions of carbon dioxide. The results of the research were presented to the UN General Assembly in 1968 and followed up with at the Stockholm Conference on the Human Environment in June, 1972 where 122 Member States participated.

The challenge of climate change is getting worse, even after the December 2015 Paris Conference on Climate Change where 194 UN Member States agreed to cut greenhouse gases, the main driver of global warming and limit global temperature rises to 1.5C.

Last year, was recorded as the warmest year since 1850 when records on global temperature started. We experienced a global temperature rise of 1.35C.

The issue of climate change will become more important as the European Union and United States of America Carbon Border Adjustment Mechanism and Foreign Pollution Control Act come into effect.

As policy advisors and implementers, how do you position Africa to respond to these developments?

And within the area of climate change is the issue of carbon market trading. How do we resolve the current situation where African carbon sinks trade at US\$5 per ton while those of developed countries go at US\$100 per ton?

The best way of tackling a theme is asking questions and answering them.

I leave you with the task of providing answers to these questions as you render policy advice to the Ministers on how to address the theme before this session of the Specialized Technical Committee.

I will stop here and thank you for your kind attention.

