

AFRICAN UNION

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Addis Ababa, Ethiopia

P. O. Box 3243

Telephone: 5517 700

Fax: 5517844

Website: [www.au.int](http://www.au.int)

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## STATEMENT

BY

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**Albert M. Muchanga**

**Commissioner for Economic Development, Trade, Tourism, Industry  
and Minerals**

**African Union Commission**

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Delivered at the

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**African Financing Stability Mechanism (AFSM)**

**&**

**Public Service Delivery Index (PSDI)**

**Continental Consultations**

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**27<sup>th</sup> November 2024**

**Abuja, Nigeria**

**Honourable Olayemi Michael Cardoso, Governor of the Central Bank of Nigeria, our gracious host;**

**Professor Kevin Chika Urama, Vice President & Chief Economist of the African Development Bank Group;**

**Dr. Abdul Kamara, Director General, African Development Bank Group, Nigeria Country Office;**

**Distinguished Experts of the African Union Member States;**

**Representatives of Pan-African institutions, Regional Economic Communities and International Organizations;**

**Ladies and Gentlemen.**

I greet each and every one of you.

I also welcome you to the continental level consultations on the African Financial Stability Mechanism and Public Service Delivery Index.

I furthermore convey greetings from His Excellency Dr. Moussa Faki Mahamat, Chairperson of the African Union Commission.

He wishes us success in our consultations.

It would be amiss not to express gratitude to our gracious host, the Governor of the Central Bank of Nigeria, Honourable Olayemi Michael Cardoso and the team.

We are most grateful. It will be a treasured experience.

I also record appreciation through Professor Kevin Chika Urama, Vice President and Chief Economist to the African Development Bank, for the financial and strategic support for these consultations.

Let me start my substantive remarks with the Public Service Delivery Index.

Among the greatest demands in the world today are leadership and management competencies.

And they are also among the greatest deficiencies.

Just one example.

Africans pay taxes, they must get value for money. They mostly do not.

If we get governance right, Africa will grow and prosper in an environment of enduring unity, peace and stability.

It is in this context that I welcome the Public Service Delivery Index for Africa.

In so doing, let me stress that transparent and effective public service delivery are the heartbeat of inclusive growth and sustainable development.

The Public Service Delivery Index for Africa offers a comprehensive measure of governance efficiency, transparency, and accountability.

All these, let me stress, are parameters essential in driving transformative socio-economic outcomes.

By enhancing public service delivery, we not only improve the quality of life for our citizens but also reinforce trust in public institutions.

With trust comes support to the managers of our public services.

These will in turn create a conducive environment for sustainable investments, innovation, productivity and competitiveness.

Against this background, I call on all governments across our continent to embrace the Public Service Delivery Index for Africa and use it a critical measure of their performance in the service of ordinary Africans.

Let me now turn to the African Financial Stability Mechanism.

We have been on this issue for a long time.

It is time to decide, do the right thing and move forward.

I, therefore, call on these consultations to agree on the legal, membership and capital structures of the African Financial Stability Mechanism so that we recommend for its operationalization to the higher policy organs.

In so saying, let me reiterate that the African Financial Stability Mechanism represents a bold and transformative step toward the creation of a robust African financial architecture.

With global financial systems proving inadequate in addressing Africa's unique challenges, the African Financial Stability Mechanism offers a homegrown solution that aligns with the continent's aspirations for autonomy and resilience.

In an era marked by escalating debt levels, inflationary pressures, and economic vulnerabilities, the African Financial Stability Mechanism emerges as a beacon of hope.

It is designed to provide immediate and effective debt refinancing support, stabilize financial markets, and ensure constant access to funding for our Member States, even in turbulent times.

This mechanism is therefore not merely a financial tool.

It is a lifeline for nations seeking to safeguard their growth and development trajectories against the never-ending external shocks.

Its objectives resonate deeply with our collective goals:

- Ensuring our Member States can access financial resources during periods of volatility;
- Reducing borrowing costs by leveraging a higher-rated financial vehicle;
- Transitioning from limited bilateral funding to expansive public markets;
- Contributing to correcting the perception of Africa being a high risk investment destination; and,
- Contributing to orderly debt restructuring by establishing frameworks that prevent economic disruptions associated with debt distress.

The African Union and the African Development Bank stand united in their commitment to operationalizing this mechanism whose study was approved by the Assembly of African Union Heads of State and Government.

Together, we will ensure the African Financial Stability Mechanism becomes a cornerstone of Africa's economic progress and sovereignty.

I will end here and wish ourselves success.

I thank you all for your kind attention.