



## **Communiqué of the Meeting of African Ministers of Finance and Planning and Governors of Central Banks**

**November 12, 2008**

1. We, the African Ministers of Finance and Planning and Governors of Central Banks met in Tunis under the Co-Chairmanship of Dr. Donald Kaberuka, President of the African Development Bank Group (ADB), Mr. Jean Ping, Chairperson of the African Union Commission and Mr. Abdoulie Janneh, Executive Secretary of the Economic Commission for Africa (ECA). The meeting was called to discuss the global financial crisis and to consider options for mitigating its likely impact on African economies. In addition, the meeting discussed the implications of the crisis for the international financial architecture and how to deal with new and ongoing initiatives from an African perspective.
2. We note that this crisis could not have come at a worse time for the African continent; it constitutes a major setback at a time when African economies were turning the corner. It is undermining the significant progress made over the last ten (10) years and, further exacerbates the impact of the recent sharp increase in food prices and volatility in the oil markets. Climate change will also impose additional costs on African economies. Together, these will particularly impact on the millions of poor in Africa; we are facing a human as well as financial crisis. We are therefore gravely concerned that the prospects for reducing poverty and attaining the Millennium Development Goals will be reduced.
3. It is clear that a global crisis demands a global response. We commend actions taken by the G8 Group of countries to restore financial stability and confidence in the markets, to unfreeze credit and money markets, to ensure access to liquidity, and to recapitalize and support important financial institutions and to boost demand. We welcome the new instruments put in place by the International Financial Institutions (IFIs), and the steps taken to provide urgent support to the emerging market countries. We call upon them to be ready to provide appropriate support, in an expeditious and flexible manner, to African countries in case of contagion.
4. We believe that the global slowdown will diminish trade opportunities, access to finance, migrant remittances and Foreign Direct Investment (FDI). Whilst noting that the first round effects have been relatively limited to deterioration in exchange rates and in stock markets, we are deeply concerned at the adverse medium to long-term effects on our economies. We note that this will dampen

- our growth prospects and call upon the developed countries to take appropriate measures to support continued growth in Africa.
5. We agreed, in light of the continuing financial and commodity market volatility, to deepen economic reforms in the full conviction that such reforms have served African countries well, yielded strong macroeconomic stability, fostered growth and resilience to external shocks. We agree to strengthen the regulation and oversight of our financial institutions and to focus on risk management. We will continue harmonization as appropriate of prudent fiscal and monetary policies. We also agreed to strengthen reserves management strategies designed to minimize losses at times of financial crises. We will continue our efforts to improve our structures of governance and accountability.
  6. We are fully cognizant that African exports are still dominated by commodities and minerals. We note that the demand and prices for them are already being depressed by the wholly unprecedented loss of consumer confidence in the major economies. Consequently, we reaffirm the importance of economic diversification; we will continue to implement policies to that end, as well as take necessary actions for the judicious use of export and fiscal revenues and with recognition of the need for sound management of external debt. We agree to intensify our efforts to promote regional integration.
  7. We commit to more effective mobilization of domestic revenues and deepening of African capital markets for a more robust mobilization of local savings and financial integration. We further request the ADB to intensify its capital markets programmes. In this regard, we look forward to the forthcoming joint AU/ECA Conference of Ministers of Finance and Planning on this theme.
  8. We noted the financing pipeline of the ADB for the period 2008-2012 and the five operational focus areas of infrastructure, governance, private sector, agriculture and higher education, technology and vocational training. In view of the crisis, we encouraged ADB in collaboration with other IFIs, to maintain its central focus on this growth agenda while further examining potential to expand financing activities under its various windows to affected countries.
  9. We urge for the successful conclusion of the Doha Round in light of the spillover of the financial crisis to trade. This will stimulate the world economy and enhance opportunities for the poor, particularly in Africa. We call on all countries to refrain from protectionist tendencies. In light of the financial crisis, the Round should pay particular attention to sequencing of reforms in financial services. We will take steps to improve the supply capacity of African economies' through enhancing competitiveness, building infrastructure, and promoting greater economic integration within Africa.
  10. We recognize the progress made in providing debt relief to Africa, and the credible efforts made to respect the commitments made in successive G8 and EU

Summits, and in the Millennium Summit, to increase aid to Africa. We urge that in spite of the financial crisis and the challenges that it engenders, the commitments be kept and equal attention be given to improving the quality of aid consistent with the principles agreed in the Paris Declaration and the Accra Call to Action and we pledge to play our part in this area. We call upon the forthcoming Financing for Development Conference in Doha from 29 November to 2 December 2008 to endorse these issues and reconfirm the sustained commitment of the international community to development.

11. We welcome the forthcoming G20 meeting in Washington to consider issues of the international financial architecture and governance. We look forward to a time bound process and plan of action that is inclusive. We ask South Africa to convey our views. However, that cannot be a substitute for enhanced African participation in order to ensure its voice is heard and its interests are taken into account. Only in this way can the process be transparent and solutions proposed be truly global. This crisis has demonstrated how interlinked we all are; developed countries, emerging economies, low income countries. A new global accord must be inclusive and reflect the interests of all in negotiations and decision-making. We call for a “new multilateralism” that fully reflects current realities and ensures the proper representation of all countries.
12. We welcome the assurance given by the European Union through the current Presidency (France) that it will maintain its commitments to increase aid. We commend the President of the World Bank for his commitment to increase support to Africa.
13. We welcome the improved collaboration between the continental and regional institutions in Africa, the ADB, the AUC and ECA and welcome the initiative of this meeting. We thank the President of the ADB for the initiative and for hosting us in Tunis. We commit to another extraordinary session in case of radical changed circumstances in the global situation.
14. We call on the ADB, AUC and ECA to continue to emphasize the growth agenda, strengthen their respective work on infrastructure, regional integration, aid for trade and the private sector. We call on the ADB to further deepen its analysis of the impact of the crisis, develop a program of action including instruments and facilities to assist African countries in collaboration with other IFIs.
15. We underscore that the Bretton Wood Institutions must be comprehensively reformed so that they can more adequately reflect changing economic realities in the global economy and be more responsive to future challenges. Emerging and developing economies should have greater voice and representation in these institutions. We welcome the progress made this year in reforming the IMF. We also note the first step in the ongoing process of reform of the World Bank Group, which is to be followed by a wider share realignment. We emphasise our commitment to further reforms of the Bretton Woods Institutions in order to

increase their legitimacy and effectiveness. Such reforms should also take into account the interest of the poorest countries and reflect their distinct mandates. We call for reforms that promote sound regulation, transparency and accountability to be implemented without delay in order ensure a sound financial system that promotes global growth.

16. We hereby agree to constitute a Committee of Ministers and Governors to prepare proposals for our consideration on all aspects related to voice and representation of Africa within the International Financial Architecture and request ADB, AUC and ECA to provide the necessary technical support to the committee.
17. We will bring this communiqué to the attention of our Heads of State at their next Summit, and to the attention of the development partners.