



***AFRICAN DEVELOPMENT BANK GROUP***

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*Meeting of the Committee of Finance Ministers and Central Bank  
Governors*

**MESSAGES TO THE INTERNATIONAL COMMUNITY AND G20**

**Abuja, 14 July 2009**

The remainder of 2009 will see increased international attention to the impact of the financial and economic crisis, its impact, and the global response. Following the G8 Summit, attention will be focussed on the process leading up to the next G20 Leaders Summit in Pittsburgh on 26<sup>th</sup> September. But this will be followed quickly by the World Bank and IMF Annual Meetings in October and the Climate Change Conference in Copenhagen in December. There will also be other opportunities for African leaders, collectively and individually, to input key messages.

African perspectives and views must be heard. It is assumed that strong representations will continue to be made for adequate African participation in the policy development and dialogue on issues that will have a substantive impact on Africa. This paper is therefore intended to stimulate discussion by the Committee of the critical issues and relative priorities. On the basis of the discussion a submission might be prepared for the G20, as done before the London Summit. It is framed around the key issues of concern to Africa which we expect to be addressed by the G20.

## **Demand**

Developed countries repeatedly query the level and composition of demand from African countries, with a challenge to differentiate between that resulting directly from the crisis, and longer term structural requirements. This will be a fundamental criterion for any General Capital Increase.

What do members see as:

- The likely level of demand over the next couple of years arising from the crisis.
- To the extent that external resources will be sought, what are the priorities in terms of funding sources and products?

## **Resources**

Given competing demands for resources the G20 are urging closer cooperation between IFIs, whilst avoiding duplication. They may discuss the comparative advantage of the respective institutions, and seek to establish a shared approach to, or common criteria for the replenishment discussions.

- What do Members feel should be the basis for decisions? What are the respective advantages of the IFIs, and how important are questions of voice and representation?

There seems increasing recognition that the London Summit paid insufficient attention to the needs of LIC. MDBs are being asked to say how a GCI would benefit LIC.

- How can LIC most benefit from non-concessional resources, even on a temporary basis, and under what conditions?

Concessional resources are being consumed quickly by frontloading and fast tracking commitments.

- How important is early replenishment of ADF, and are there any strategic priorities that should be given greater attention (for example economic or regional integration)?

### **IMF Reform**

In addition to the pressure to agree how to augment the IMF's resources (for instance New Arrangements to Borrow), the issues raised in the "Manuel Report" relating to IMF governance (selection of Managing Director, quota redistribution and representation at the Board, relationship between the Board and Ministers/Capitals, may be discussed.

- What do Members see as the priority issues on which Africa should focus its attention?

### **Development**

It is possible that a couple of themes from the G8 will be carried forward into the G20 discussion. In particular proposals to give additional attention to food security and food production; and financial inclusion, ensuring that there is wider access to basic banking services.

- What do Members consider are the primary issues for Africa which warrant increased attention and resources?

### **Climate Change**

The perennial questions around climate change and climate finance remain, but will have greater urgency as Copenhagen approaches and with the changed US position. For Africa the key issues remain the extent to which new and additional resources may be available, and how far the needs of adaptation are addressed.

- How far will innovative financing, resources from the carbon market meet needs in Africa? To the extent that public resources are needed, what should be the basis for burden sharing?

### **Financial Regulation and Supervision**

This remains a highly technical area, but carries a risk that Africa will have to implement more complex provisions, and that regulatory regimes may have unintended consequences for financial flows to Africa.

- Would a separate meeting of African Central Banks and regulators to discuss the challenges and opportunities be helpful in developing an in-depth response?