

**Communiqué of the Seventh Meeting of the Committee of Ten
African Ministers of Finance and Central Bank Governors
18 April 2013, Washington, D.C., USA**

1. We members of the Committee of Ten (C10) Finance Ministers and Central Bank Governors met on 18 April, 2013 in Washington, D.C., USA. The meeting was chaired by Honorable Governor of the Central Bank of Algeria, Mr. Mohamed Laksaci. It was jointly organized by the African Development Bank (AfDB), the Economic Commission for Africa (ECA), and the African Union Commission (AUC). Today's meeting was preceded by that of the Deputies on 17 April 2013.
2. The following countries and institutions participated in the meeting: Algeria, Botswana, Cameroon, Egypt, Kenya, Nigeria, South Africa, Tanzania, Central Bank of West African States (BCEAO), Central Bank of Central African States (BEAC), Economic Commission for Africa (ECA), and the African Development Bank (AfDB).
3. Our objective was to review matters arising from the G20 work plan with a view to agreeing on the way forward. To do this, we took stock of the impact of the recent global economic developments on Africa.
4. We note that real GDP growth in Africa in 2012 was robust at 6.6 percent, primarily due to relatively high commodity prices, increased export volumes, increasing diversification into services, resilient domestic demand and improved macro-economic management. However, Africa faces significant risks ahead given falling terms of trade, foreign aid, external demand, and portfolio inflows.
5. We highlight that a further deterioration in the terms of trade and foreign aid flows from advanced economies to Africa could drive down output growth by about 1.4 percentage points. The effect of such a slowdown is a little more in the case of conflict-affected countries.
6. We expect OECD countries to intensify efforts to address their underlying structural problems, and the G20 to contribute towards bringing the global economy back on a sustainable and high growth trajectory.
7. We urge African countries to start rebuilding the fiscal, monetary and social policy buffers that were consumed during the 2008/2009 global financial and economic crisis, so as to reduce vulnerability to external shocks while still being able to respond forcefully to falling ODA, decline in export demand from the Euro Area, and persistent fiscal uncertainty in the US.
8. Policy responses to the global economic slowdown and loss of competitiveness will also need to focus on critical structural reforms, increased mobilization of domestic revenues, improved public financial management, closing of the huge infrastructure gap, using their abundant natural resources for structural transformation, and developing non-traditional sources of finance and markets.

9. African countries should build the necessary institutional and technological capacity and mobilize the necessary investment for diversification. This is necessary in fostering Africa's economic transformation to promote inclusiveness, minimize inequality, optimize Africa's natural resources, reduce poverty and create employment.
10. In particular, we strongly call for robust replenishment of the 13th African Development Fund, consistent with Africa's needs at this time. The African Development Fund has played a major role in economic integration, infrastructure development and support to conflict-affected countries.
11. We underline the need to scale-up intra-African trade and South-South economic cooperation. African countries should take appropriate measures to reverse the current meager intra-African trade of just 11 percent compared to 61 percent in the Asia Pacific. This has become even more urgent in the context of the sluggish global growth and weak demand among the world's advanced economies.
12. We expect the G20 countries to fulfill their funding commitments to approved projects, including the enhancement of transparency and sustainability in project implementation. Immediate and concrete collective actions on the part of the G20 are required in implementing the 2011 Cannes Leaders' Declaration on reducing the average cost of transferring remittances to developing countries, especially those to Africa.
13. With regard to infrastructure financing, Africa should focus on: improving project preparation facilities' effectiveness; building low income countries' capacity to improve their legal and institutional frameworks; encouraging public-private partnerships and transformative regional infrastructure projects; enhancing leveraging rather than lending resources; and supporting innovations in project financing instruments and modalities.
14. In order to ensure full implementation of commitments, the C10 expects the G20 to develop and implement a follow-up, tracking and enforcement mechanism for commitments and action plans.
15. The next meeting is tentatively scheduled for Dar es Salaam at the end of October 2013, with Tanzania as Chair.