Communiqué of the Eighth Meeting of the Committee of Ten of the African Ministers of Finance and Central Bank Governors
10 April 2014, Washington, D.C., USA

1. We members of the Committee of Ten (C10) Finance Ministers and Central Bank Governors met on 10 April, 2014, in Washington, D.C., USA. The meeting was chaired by Honorable Minister of Finance of the United Republic of Tanzania, Ms. Saada Mkuya Salum. It was jointly organized by the African Development Bank (AfDB), the UN Economic Commission for Africa (UNECA), and the African Union Commission (AUC). Today’s meeting was preceded by that of the Deputies on 9 April 2014.

2. The following countries and institutions participated in the meeting: Botswana, Cameroon, Egypt, Kenya, South Africa, United Republic of Tanzania, African Union Commission (AUC), Central Bank of West African States (BCEAO), Central Bank of Central African States (BEAC), the African Development Bank (AfDB), and the UN Economic Commission for Africa (UNECA).

3. We appraised the work of the C10 and reviewed the recent global economic developments and their impact on Africa. We also discussed matters arising from the G20 work plan, the progress on the Africa 2063 Framework document and the Common Africa position on the post-2015 Development Agenda.

4. Given the persistent risks in the global economy and the impacts on our countries, we agree that the role of the C10 remains pertinent. Its objectives and areas of advocacy will evolve with the changing global issues affecting African countries, including those discussed at the G20. Given the need to elevate Africa’s voice in global policy making and formulation, the C10 role will have to be reevaluated periodically on a strategic basis to build international backing for an additional seat for Africa at the G20 forum and another chair at the IMF Board, but not at the expense of other developing and emerging market countries.

5. We note that growth in Africa fell to 3.7 percent in 2013 from 6.8 percent in 2012. The main reasons were tightening global financing, less dynamic emerging markets, and unfavorable commodity prices. Political and social unrest also adversely affected some countries. Sub-Saharan Africa grew by 4.7 percent in 2013 and by 6.5 percent when South Africa is excluded. We expect Africa’s growth to rebound to 4.8 percent in 2014 and 5.7 percent in 2015, led by robust domestic demand, resilient FDI inflows, and favorable commodity prices.

6. As part of Africa’s strategy to strengthen resilience, we urge countries to rebuild their macroeconomic and social buffers that were depleted during the global financial and economic crisis. We note that high, sustained and inclusive growth in African countries will require increased investments in infrastructure and sustained progress in raising supply potential. Investing in human capital development, including ensuring gender equality and social protection will be crucial.
7. We recognize that while adapting to fundamentals will be required, there is need to guard against risks of disorderly adjustment. Our central banks will need to ensure effective exchange rate volatility management as well as appropriate fiscal/monetary shock absorbers.

8. We highlight that a drop in growth in the Eurozone and the BRICs could drive down output growth in African economies, with metal/mineral exporters and fragile and post-conflict states most affected. We urge G20 to intensify efforts to address underlying structural problems to bring the global economy back on a sustainable and high growth trajectory from a low-growth trap. We recognize that risks from a tightening of global financial conditions could lead to a rise in risk premiums and lower FDI inflows to Africa. Therefore, as capital inflows weaken or reverse, central banks will have to rely on their credibility and active communication to convince markets of their focus on stable inflation and orderly markets, with a monetary policy response that is appropriate to the cyclical position. This will help to mitigate flight to quality and the associated increases in risk premia. Some countries may also be able to access central bank foreign exchange swap lines to help cope with market turbulence.

9. We urge international and regional policy coordination and cooperation under the G20 and C10 to ensure orderly tapering and that cross-border policy spillovers are appropriately internalized. Regionally, preparing the economic environment and appropriate incentives for tapering will also be important.

10. We take note of the evolving nature of the G20 work program, and, in particular, the new emerging development agenda, to be implemented under the St. Petersburg Development Outlook. This agenda focusing on infrastructure, domestic resource mobilization, food security and trade, is fundamental to Africa’s long-term economic development. We are therefore resolved that an effective C10 should engage much more strategically and substantively with the work program of the G20 with the objective of influencing the global economic and development agenda.

11. We welcome the preparation of the “African Agenda 2063” which aims at attaining a prosperous, self-driven, integrated and united Africa at peace with itself. As a people-centered and driven process, the initiative would contribute to and help co-ordinate the various efforts aimed at improving the prosperity of African economies and people. Therefore, we call upon African countries consistent contribution and support to the process and implementation of the Agenda 2063. We also welcome the creation by the AfDB of the Africa50 Fund for infrastructure development.

12. The next meeting will be held in Yaoundé at the end of September 2014, with Cameroon as Chair.