DRAFT COMMUNIQUE OF THE GROUP OF FIFTEEN (F15) MINISTERS OF FINANCE OF THE AFRICA UNION ON FINANCING AFRICA’S ECONOMIC RESILIENCE IN TURBULENT TIMES

WE, the African Union F15 Ministers of Finance at a High-Level Ministerial Dinner hosted by the African Development Bank (“AfDB” or “Bank”) Group President, Dr. Akinwumi A. Adesina under the theme "Financing Africa's Economic Resilience in Turbulent Times" on 21 April 2022 on the sidelines of the Spring Meetings of the IMF and the World Bank taking place in Washington, D.C. USA:

1. Commend the African Development Bank Group (Bank Group) President, Dr. Akinwumi A. Adesina;

2. Further commend the very strong collaboration between the Bank Group and the African Union Commission in ensuring the implementation of the African Union’s “Agenda 2063 – The Africa We Want” through the instrumentality of the Bank Group’s High-5 priorities;

3. Cognizant of the unprecedented climate shocks facing the African continent including the recent floods in KwaZulu Natal, express our condolences to the Government and people of the Republic of South Africa on the loss of life and properties;

4. Emphasize the enormous challenges posed by the persistence of the COVID-19 pandemic, the repercussions of the Russian war in Ukraine, and the severe disruptions to the development trajectories on the continent. Also take note of the looming food crisis, rising energy prices, skyrocketing inflation eroding consumer buying power, and the prevalence of insecurity on the continent;

5. Welcome the Bank Group’s plan for a $1.5 billion African Food Crisis Response Emergency Plan to support regional member
countries to produce food rapidly and mitigate the impacts of the war in Ukraine on food security and food price inflation in Africa. We call for development partners to join this Africa-led and Africa-owned effort to mitigate the current food crisis;

6. Congratulate the African Development Fund (ADF) on its 50th Anniversary, commend the achievements to date, thank the State Participants and Donors for their contributions to ADF since inception and count on their continued support;

7. Call for a substantial and transformative 16th ADF Replenishment and for the ADF to be allowed to go to the market to leverage its equity and raise additional resources to offer at affordable rates to Africa’s low-income countries, in line with the decision of the African Union Heads of State and Government adopted in February 2022.

8. Further urge wealthy economies to re-channel a portion of their Special Drawing Rights (SDRs) for Africa through the African Development Bank a prescribed holder of SDR that can leverage the resources 3 to 4 times. The resources will be used to meet the development needs of African countries, including their food insecurity and climate change, and also finance and capitalize African public development Banks;

9. Support the African Development Bank and the African Union in the design of the Security-Indexed Investment Bonds to raise resources on global capital markets to support African countries, tackle the root causes of conflicts, repair damaged infrastructure in conflict affected areas, improve access to basic services, and upgrade social infrastructure;

10. Also support the work streams that will lead to the establishment of the African Financial Stability Mechanism to support African countries experiencing temporary balance of payment
misalignment, help prevent illiquidity-driven defaults by offering financing at advantageous terms to illiquid countries at risk of debt distress, offering a platform for orderly debt restructuring and foster sustainable policies, including the development of domestic financial markets to mitigate against future debt accumulation; and

11. Agree to remain seized with the subject matters covered in this Communique.

Signed: Hon. Tahir Hamid Nguilin
Chairperson of the Group of Fifteen (F15) - Ministers of Finance of the African Union and the Minister of Finance and Budget of the Republic of Chad