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Africa's financial self-reliance is not self-isolation, but a commitment to base development on own resources: Ministers of Finance.

With the sustained strain on economies and livelihoods due to the COVID-19 pandemic, and exacerbated by the Russia-Ukraine conflict, the African Union continues to engage among its Member States on ways to enhance the resilience of African economies to withstand such unprecedented events which have profoundly affected growth prospects of the continent, leaving little fiscal room for Member States to satisfy the needs of their population and meet their financial obligations to the Union.

At the just concluded African Union High Level meeting of the Committee of Fifteen Finance Ministers, also known as the F15, Amb. Ukur Yatani, Kenya's Cabinet Secretary, National Treasury and Planning, chairing the meeting on behalf of Mr. Tahir Ngulin, Chairperson of the F15 and Minister of Finance and Budget of the Republic of Chad, underlined the significance of efforts by the continent's leadership to reduce dependence on external resources; enhance predictability of revenues from Member States; and continue reforms towards greater accountability and transparency in the management of African Union resources.

He stated, "in this reform journey, this Committee of Fifteen Ministers of Finance has been accorded a salient role of participating in the preparation and oversight of the annual budget of the Union. This mandate provides us with the opportunity to contribute to the desire of AU Member States to achieve a financially autonomous and self-reliant African Union. I am happy that the F15 Committee has made useful input in this regard...However, a lot of work lies ahead of us to not only sustain the gains made so far, but also entrench the principles and culture necessary for efficient and

effective budget making and implementation in the Union.” Read the full statement [here](#).

On her part, the African Union Commission’s Deputy Chairperson, Dr. Monique Nsanzabaganwa, while acknowledging the devastating effects of the pandemic to African economies and worsened by the Russia-Ukraine conflict, underscored the urgency required across the continent’s development spectrum to intensify efforts to build economies that are more resilient to external shocks. Further, the Deputy Chairperson highlighted the need for more attention to be accorded to the financial sustainability of the African Union, to enable it to execute its mandate in the implementation of AU programs which directly speak to the building of resilient economies, which are also inclusive and sustainable, as enshrined in the goals and aspirations of Agenda 2063.

The Deputy Chairperson particularly underscored the importance and promise of the African Continental Free Trade Area, a flagship program of the AU Agenda 2063, to enhance value-chain systems in the critical sectors of agriculture, manufacturing, energy, and services, including its impetus for the rapid development of infrastructure and digital technologies that are deemed necessary in expediting and actualizing the continental quest for regional integration. Further, she recalled that the 0.2 levy on eligible imports, adopted by the Heads of State and Government in Kigali in 2016 also provides an avenue for Member States to mobilize the requisite financial resources required to implement the various AU development programs. The Deputy Chairperson also underlined the importance of enhanced engagements and consultations with the Regional Economic Communities in the context of the division of labour between the AU, Member States and RECs, stressing on the need to align national development plans with regional and continental development frameworks including the placement of existing RECs level partnerships and resource mobilization strategies with continental frameworks. Read the full statement [here](#).

H.E. Mrs. Nadia Fettah - Minister of Economy and Finance of the Government of the Kingdom of Morocco underscored the urgency to address the negative impact of the pandemic and the Russia- Ukraine conflict which continues to put considerable strain on the continent's food and energy security and reducing the fiscal maneuver of many countries. She stated, “for our continent, the cost of this situation calls on us to act quickly and collectively to deter the considerable setback to the progress in reducing poverty and inequality, making our economies even more vulnerable to external shocks in a volatile global environment.”

She further elaborated on the efforts by her government to support national and continental economic growth such as through more conducive legal frameworks that support trade and investment flows into the country, including the relaxation of exchange control regulations to strengthen Moroccan investments in Africa and the revitalization of bilateral joint commissions aimed at strengthening sectoral cooperation. Read the full statement [here](#).

While evaluating the progress on the implementation of the various commitments by the Policy Organs to ensure the African Union is adequately and sustainably financed and the resources managed in a prudent manner for the realization of the goals of [Agenda 2063](#), the ministers highlighted the need to accelerate the implementation the 0.2 percent levy on eligible imported goods. Among the recommendations made aimed at increasing the number of countries implementing the import levy mechanism, was the request to the African Union Commission to intensify support Member States to address the pending concerns of the alignment and harmonization of the levy mechanism with their national obligations under the various bilateral and multilateral

trading systems. As of June 2022, seventeen (17) member states are at various stages of implementing the 0.2% levy.

As part of the bounce-back strategies, the ministers of finance also deliberated on strategies to strengthen reforms at the national level that stimulate development friendly and quality foreign direct investments, particularly focused on simplified and stable tax systems, transparent and accountable administrative systems and processes, strong legal institutions, and skilled and affordable labour markets, underpinned by investments in digital technologies and infrastructures. Equally paramount for economic and social development of Africa was a commitment by the Ministers to reinforce measures to curb illicit financial flows (IFFs) that drain substantial financial resources from the continent.

The F15 further devoted to continue supporting Regional Development Finance Institutions, as they leverage their collective financial capacities to support the implementation of national and regional development plans, including their support to initiatives that build the resilience of Member States to shocks triggered by economic, social, and political challenges, and support to encourage the reallocation of Special Drawing Rights from developed to developing nations. These collaborative efforts across the public and private, domestic and international spheres, are deemed particularly important to close the development financing gaps in the critical areas of agriculture, health, education, infrastructure, research and development, and sustainable environment management among other sectors.

In conclusion, the ministers recommitted to foster more effective cooperation within and across their respective jurisdictions and intensify efforts to build economies that are more resilient to persisting and emerging economic and social challenges attributable to both internal and external factors.

The High-Level meeting adopted a communique which will inform a Declaration to be tabled before the African Union's Policy Organs for adoption, which will pave way for the implementation of the practical actions and recommendations therein.

Find out more on the meeting convened in Morocco on the 13th- 14th June 2022 [here](#).

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