

STATEMENT

BY

Her Excellency, Dr. Monique Nsanzabaganwa

Deputy Chairperson of the African Union Commission

RETREAT OF THE COMMITTEE OF FIFTEEN MINISTERS OF FINANCE (F15)

*“Beyond COVID-19 pandemic and the Russia-Ukraine Conflict:
Enhancing the Resilience of African Economies and Financial
Sustainability of the African Union”.*

Rabat, Morocco

13 June 2022

Honourable Mrs. Nadia Fettah - Minister of Economy and Finance of the Government of the Kingdom of Morocco

Honourable Ministers of Finance present and the Distinguished Representatives of the Ministries of Finance - Heading the Respective Delegations,

Her Excellency Dr. Vera Songwe, Under Secretary General and Executive Secretary of the United Nations Economic Commission for Africa,

His Excellency, Mr. Wamkele Mene, Secretary General of the AfCFTA Secretariat,

Excellency, Dr. Donald Kaberuka, the AU High Representative on Financing the African Union and the Peace Fund,

Excellency Vice Presidents of the African Development Bank,

Excellency Ambassadors, Chairpersons of the relevant Ministerial and PRC Subcommittees and Ministerial Committees at Ambassadorial level

Esteemed Experts of the F15,

Director General of the African Union Commission,

Deputy Chiefs of Staff in the Cabinets of the Chairperson and Deputy Chairperson respectively

Distinguished guests,

Commission Staff,

Ladies and Gentlemen

It is a pleasure to have you all here, in person and virtually, at this Annual Retreat of the F15 held in Rabat, Morocco.

I wish to first and foremost express, on behalf of the Chairperson of the African Union Commission, H.E. Moussa Faki Mahamat, our profound gratitude to the Government of the Kingdom of Morocco, for graciously hosting this annual Annual Retreat of the F15.

Indeed, the warm hospitality extended to us, including this elegant venue, provides a very conducive environment to engage in pertinent discussions on financing the African Union including discussions that speak directly to enhancing the capacity of AU Member States to fulfil their obligations to the Union in the face of multiple economic and social challenges such as the COVID-19 pandemic and the recent Russia-Ukraine Conflict.

Honourable Ministers, Excellencies, Ladies and Gentlemen,

Indeed, the subject of building the resilience of African economies must not be understated.

Recent events within a two-year time frame have reminded us that Africa itself must take the necessary actions to build its own capacity and strengthen its resilience against external shocks that have laid bare our arguably deeper vulnerabilities when compared to other continents.

While we ponder on these realities, we are called upon to look inwards - to our collective strengths as African nations - the resilience of our people - the steadfastness of our leadership - and the unwavering determination by us all to see that Africa continues to prevail in the face of disproportionate impacts from the various economic and social challenges of a hyper-globalized world.

For us in the development sphere, we are called upon to re-examine our common but differentiated responsibilities as we recommend innovative bounce-back strategies in the various sectors of our economies.

Excellencies,

While on this subject, however, it would be remiss of me if I do not expressly acknowledge that our economies have specifically endured a severe ravaging that has disrupted our development agenda and more directly, our livelihoods.

While we are encouraged to learn from the AfDB's recently released 2022 African Economic Outlook - that Africa's gross domestic product grew by an estimated 6.9% in 2021 – on a steady recovery path following a pandemic-induced contraction of 1.6% in 2020 - by the same report, we are also alerted that the ensuing Russia-Ukraine conflict is threatening to decelerate growth due to inflationary pressures amongst other factors!

I should therefore reiterate that the onus is upon us to intensify efforts to build economies that are more resilient to external shocks as concerns food insecurity, severe price distortions in the commodity markets and disruptions in the supply chain of petroleum products and fertilizers.

Excellencies, Ladies and Gentlemen,

Importantly also, is the question of the financial sustainability of the African Union, which must be equally accorded its rightful attention in the various policy dialogue spaces.

We at the Commission are not numb to the immense financial challenges faced by Member States at the national level.

But frankly, we are also hard pressed to expedite the implementation of AU programs which directly speak to the building of resilience that I have alluded to.

Therefore, it is incumbent upon us all to ensure that, despite the unprecedented challenges, the Union remains undeterred in its quest for inclusive and sustainable development as enshrined in both the 2030 Agenda for Sustainable Development and the Africa Union's own Agenda 2063.

This would also encompass the enhanced engagements and consultations with the RECs as we intensify steps towards clear parameters of division of labour and alignment of national development plans with regional and continental development frameworks, including the placement of existing RECs level partnerships and resource mobilization strategies with continental frameworks.

Excellencies, Ladies and Gentlemen,

That is why the theme of this Retreat of the African Union Committee of Fifteen Ministers of Finance, also known as the F15, is particularly important.

The F15, representing the wider voice of the Ministers of Finance across the Union, has a unique and rather delicate task of sharpening the discussions by also providing recommendations on the fundamental concern of the financial sustainability of the African Union.

While at it, we also recognize the special role played by the United Nations Economic Commission for Africa and the African Development Bank, among other pan-African institutions whose synergistic collaboration with the African Union remains an imperative in addressing these issues.

Excellencies, Ladies and Gentlemen,

Allow me to give a specific mention to two continental initiatives that speak directly to the subject at hand:

The AfCFTA, a flagship program of the AU Agenda 2063 provides a particular promise of enhanced value-chain systems in the critical sectors of agriculture, manufacturing, energy, and services. Not to mention the impetus for a rapid development of infrastructure and digital technologies which are also necessary in expediting and actualizing our quest for regional integration.

On the other hand, 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 our various development programs.

Excellencies, Ladies and Gentlemen,

These are examples that attest to the foresightedness of our leadership and the continent at large in our quest for self-sufficiency and self-reliance.

We are only therefore required to advance the discussions as we delve into other innovative ways and means of actualizing the aspirations and goals of our development agendas!

Lastly, Excellencies, Ladies and Gentlemen

Without over-emphasizing the interconnectedness of peace, security and development, I wish to underscore the importance of the revitalized Peace Fund, and commend efforts thus far by Member States to see that it is adequately financed and operational.

As the Commission, we remain fully committed to support its governing structures throughout the policy planning and implementation spectrum including enhanced coordination and cooperation so that the needed resources are deployed in an adequate and timely manner.

Broadly, I wish to mention that at the Commission, we continue to implement budget and financial reforms aimed at attaining the highest fiduciary, transparency, and accountability standards in the utilization of the financial resources availed to us by Member States.

Accordingly, we remain committed to strengthen and deepen our engagements with the F15 and the relevant PRC Subcommittees responsible for administrative, budget and financial matters.

Once again, I thank you all for the continued support to the African Union and wish you fruitful discussions.