

COMMUNIQUE OF THE MEETING OF THE COMMITTEE OF AFRICAN MINISTERS OF FINANCE AND PLANNING AND GOVERNORS OF CENTRAL BANKS (COMMITTEE OF TEN)

February 21st 2010, Cape Town

1. At the invitation of South Africa, we met on 21 February 2010 in Cape Town for our fourth meeting, under the auspices of the African Development Bank (AfDB), the Economic Commission for Africa and the African Union Commission.
2. Present at the meeting were the following countries and institutions: South Africa, Algeria, Botswana, Cameroon, Egypt, Kenya, Nigeria, Tanzania, and Central Bank of West African States (BCEAO) and Central Bank of Central African States (BEAC). The meeting was opened and chaired by Honorable Minister Pravin Gordhan, Minister of Finance of South Africa.
3. Our objectives were to: take stock of the impact of the crisis; consider measures to recovery and restore growth; review matters arising from the G20 work plan; assess financial issues arising from the Copenhagen Climate Change Summit; and to agree on the way forward.
4. We undertook an in-depth and comprehensive review of our various regions' economic performance and the outlook for 2010. We noted that while much of Africa has avoided the worst effects of the global recession, Africa faces significant risk ahead. The crisis has significantly undermined Africa's growth and set back efforts to reduce poverty. The meeting reiterated the determination to take measures which will consolidate the recovery of our economies. The resilience built by a decade of economic reforms has provided a sound foundation for recovery. We will continue to take measures that improve business confidence and raise domestic resource mobilisation, taking into account that our economies will recover with a lag.
5. We welcomed the G20 Pittsburgh commitments and urged that these be fully implemented. We remain concerned however that Africa is not adequately represented in the G20 and other international Forums where decisions which will impact our continent are made or formulated, and would like to see development challenges put much more firmly at the center of the agenda of reshaping the global economy.

6. We welcome the G20's framework for strong, sustainable and balanced growth, while recognising the fragility of the recovery and its sustainability. For global growth to be sustained, it must be balanced and shared. Africa has a contribution to make to this recovery as an additional pole of growth, provided attention is given to the drivers of growth, investing in human and physical capacity, developing the capacity to trade, regional economic integration, and convergence with the rest of the global economy. We realise that each country should develop its own growth strategy, coordinated on a regional basis. We agree that infrastructure including energy, IT and regional transport corridors create an opportunity to attract investment and stimulate growth. We will give this matter special attention and are looking for partnerships both public and private. In particular, we welcome the "Invest Africa" initiative to be convened by Egypt in 2011, aimed at attracting investment, especially for closing the infrastructure gap in Africa.

7. We will seek better cooperation with other developing countries to strengthen Africa's position. We believe that 2010 offers an opportunity for the G20 to establish a framework for inclusive global growth, developing new transformative partnerships to enhance African growth. We will seize the opportunity to discuss these ideas with South Korea and Canada as the current Chairs respectively of the G20 and the G8. We understand that Korea will include development in the agenda for the G20 Summit in November. We look forward to discussing these themes with the G20 Chairs.

8. We commended the African Development Bank for its timely, effective and efficient response to the crisis and we fully support the replenishment of its resources. We noted with appreciation the unanimous support given by African governors at their meeting in Tunis on February 12th 2010 for a 200% general capital increase. We call on the non-regional members of the Bank to join regional members in supporting the general capital increase. We believe a generous replenishment of the ADF will be important for low income countries and is complementary to a general capital increase. The Bank has demonstrated clearly that it has the capacity to deliver effectively a higher level of resources and to produce results.

9. We noted in particular that the revised banking and financial regulatory standards will have significant consequences for our banking sector through the additional compliance required. We have asked the African Development Bank to convene a meeting of African Central

Banks and regulators to discuss the key issues to feed our views into the consultative process before it closes in April.

10. We noted the outcome of the Copenhagen Summit. The continent has an enormous energy deficit and this severely limits growth and private sector development. While recognising the great importance of pursuing a lower carbon growth path, we are conscious of the higher costs this entails and feel that external support for this should not be at the expense of existing under-resourced development needs. We therefore welcome the intention expressed in Copenhagen to make additional resources available, including for adaptation and to reduce deforestation. Consistent with the African position at Copenhagen as expressed by Prime Minister Meles Zenawi, a significant part of these additional funds should be channeled through the African Development Bank.
11. We welcome the recent formation of the High Level Advisory Group, co-chaired by Prime Ministers Gordon Brown and Meles Zenawi, to mobilise new and innovative resources for climate change. We are pleased that the Group will be evenly balanced between developing and developed countries. We support Prime Minister Meles Zenawi. For our part African countries will build up institutional capacity, prepare National Action Plans, and develop and submit investment proposals.
12. We reaffirmed the crucial importance of our group's work, as mandated by Ministers of Finance and Central Bank Governors at the meeting in Tunis in November 2008. In order to make our work more effective in helping to shape African perspectives and to develop a collective position we agreed the following arrangements: we will meet formally twice a year, supplemented as required by informal meetings in the margins of other events. Our meetings will be prepared by our Deputies who will meet more frequently and who will establish specific task teams as needed. At our request, South Africa has agreed to Chair the Committee throughout 2010, supported by Egypt, as Vice Chair. We asked the African Development Bank to provide the Secretariat for the Committee, assisted by the ECA and AUC. We accepted the invitation to meet in Cairo, Egypt in September 2010.
13. We express our gratitude to the South African Government for its hospitality.