

AFRICAN UNION

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ASSEMBLY OF THE AFRICAN UNION

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**DECISIONS, DECLARATIONS, MESSAGE OF
CONGRATULATIONS AND MOTION**



ADDIS ABABA DECLARATION ON THE INTERNATIONAL FINANCIAL CRISIS

PREAMBLE

WE, African Heads of State and Government, meeting on 3 February 2009 in Addis Ababa, Ethiopia have considered the unfolding of the current international financial crisis and its economic and social implications for our countries;

CONSCIOUS of the fact that the current international financial crisis will continue to slow down global demand for basic commodities, reduce the volume of capital flows, both public and private, towards Africa, and affect the competitiveness of our economies;

CONCERNED over the fact that the development and scope of this crisis continue to slow down economic growth, further worsen our balance of payments situation, aggravate our budget deficits and turn round our efforts to achieve the Millennium Development Goals (MDGs);

COMMENDING the various initiatives being taken worldwide and in Africa to mitigate the contagious effects of the crisis and contain its impacts;

REFERRING to the content of the final Communiqué issued by the Extraordinary Conference of Ministers of Economy and Finance and Governors of Central Banks held on 12 November 2008 in Tunis, Tunisia;

REFERRING to the content of the final Communiqué issued by the meeting of the Committee of Ten, held on 16 January 2008 in Cape Town, South Africa;

RECALLING the commitments of our States to promote the development and integration of African economies, notably through the establishment of three financial institutions, namely the African Monetary Fund, the African Central Bank and the African Investment Bank, which will monitor and coordinate African responses to future crises;

DECLARE AS FOLLOWS:

1. **RECOGNIZE** the need to strengthen all efforts aimed at mobilizing additional resources and **UNDERScore** the necessity to pursue the sound regulation of the African financial system and step up financial supervision;
2. **ENCOURAGE** the strengthening of measures taken by our Governments, regional and continental organizations as well as international institutions to notably enhance the mobilization of domestic resources and stabilize our finances to prevent a deep slowdown and economic upheavals;
3. **CALL FOR** equally vigorous, flexible and innovative action to be taken to address the threats posed by the current crisis to growth and Africa's development;

4. **EXPRESS** our satisfaction with the fruitful cooperation between the African Union Commission, the United Nations Economic Commission for Africa and the African Development Bank in Africa's mobilization against the current financial crisis, and call for the continued mutual exchange of information and ideas on the situation;
5. **SUPPORT** the Communiqué issued by the G20 on 15 November 2008 appealing to the international financial institutions to play an anti-cyclical role in support of the public and private sectors, transcending their traditional role of stimulators of economic growth;
6. **COMMEND** the African Development Bank for the responses proposed through the Emergency Liquidity Facility (ELF), the Trade Financing Initiative (TFI) and other innovative programmes to help African countries in mitigating the effects of the crisis;
7. **INVITE** the shareholders of the African Development Bank to consider as a priority increasing the capital of the Bank so that it can further step up its support to our countries, while respecting their diversity and according to their needs;
8. **REAFFIRM** our commitment to the integration of African stock exchanges which can help to boost efficiency in the mobilization of domestic resources;
9. **REMAIN FERVENTLY CONVINCED** that, through voluntary policies, we can mitigate the worst effects of the crisis and defend our priorities and concerns within the scope of the ongoing global dialogue which aims to reform the international monetary and financial system;
10. **CONVINCED** of Africa's role in the resolution of the crisis, **DEPLORE** the fact that Africa was totally marginalised in the deliberations which led to the establishment of the current international financial system, giving rise to a situation that encouraged the present financial crisis
11. **EXPRESS** our gratitude to South Africa as a member of G20 for having clearly expressed Africa's opinions during the G20 process;
12. **REITERATE** our call for an in-depth reform of the global financial system, based on an inclusive approach which fully integrates, in all legitimacy, the voice of Africa;
13. **REAFFIRM** that Africa must be fully represented in deliberations on the financial crisis while calling for the G20 framework to be revised to include all the Member States of the United Nations System. In the meantime, the African Union should have a seat at the G20;

14. **RECOGNIZE** the need to speed up the economic integration of the Continent to highlight the enormous resilience potential of the African Continent by giving concrete expression to political and economic integration;
15. **INVITE** the African Union Commission, in collaboration with the Regional Economic Communities, the African Union Member States and all the other stakeholders to quickly finalise the Minimum Integration Programme and diligently carry out its concerted implementation with the aim of integrating our continent politically and economically;
16. **INVITE** the African Union Commission to fast track and quickly finalise the preparatory work for the establishment of the African Investment Bank, the African Monetary Fund and the African Central Bank;
17. **INVITE** the African Union Commission to put in place an appropriate multilateral monitoring system for the continent, geared towards providing coherent statistical information on the macroeconomic and financial development of African Union Member States and Regional Economic Communities, with a view to establishing the African Central Bank leading up to the creation of a single African currency.
18. **CALL** for a real voice to be given to Africa in the reform of the international financial institutions aimed at better management of economic shocks and ensuring predictability of resource flows and the effectiveness of aid;
19. **UNDERLINE** the need for improvement of the effectiveness of aid to Africa including by removing outdated conditionalities on aid and ensuring objectivity and transparency in the determination of criteria for resource flows from international financial institutions to Africa;
20. **UNDERLINE FURTHER** that the current global financial crisis should not be used as an excuse to cut development assistance to Africa and insists that developed countries ought to give no less attention to the needs of African countries than they have given to their financial institutions that have encountered crisis;
21. **RECALL** that the international negotiations on climate change are expected to be held under the auspices of the United Nations;
22. **EMPHASIZE** that the Global carbon trading mechanisms that are expected to emerge from international negotiations on climate change should give Africa an opportunity to demand and get compensation for the damage to its economy caused by global warming and underlines in this regard the fact

that despite Africa contributing virtually nothing to global warming has been one of the primary victims of its consequences;

23. **CONVINCED** that Africa needs to be represented by one delegation which is empowered to negotiate on behalf of all Member States, with the mandate to ensure that resource flow to Africa is not reduced, **MANDATE** the African Union Commission to work out modalities of such representation and report thereon to the next Summit;
24. **UNDERLINE FURTHER** that the current fall in consumer demand, particularly in developed countries, resulting in job losses do not result in protectionism that would exclude products, particularly from Africa and the developing world;
25. **REAFFIRM** that the Doha Development Round be completed to ensure that the developing countries have access to the markets of the developed world.

