



UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL
ECONOMIC COMMISSION FOR AFRICA

Thirtieth meeting of the Committee of Experts

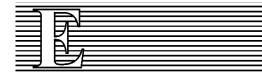


AFRICAN UNION
COMMISSION

Sixth meeting of the Committee of Experts

**Meeting of the Committee of Experts of the 4th Joint Annual
Meetings of the AU Conference of Ministers of Economy and
Finance and ECA Conference of African Ministers of Finance,
Planning and Economic Development**

*Addis Ababa, Ethiopia
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**ESTABLISHMENT OF FINANCIAL INSTITUTIONS:
ACHIEVEMENTS**

1. There has been notable progress recorded in the process of establishing the three financial institutions mentioned in Article 19 of the Constitutive Act of the African Union. This progress came about through the joint efforts of the Commission and the Member States designated to host these institutions: Libya, for the African Investment Bank; Cameroon, for the African Monetary Fund; and Nigeria, for the African Central Bank.

African Investment Bank

2. Following the adoption by Heads of State and Government, the Protocol and Statute of that Bank were submitted to Member States for signature and ratification. Africa's massive financial needs underline the urgent nature of these ratifications. The African Investment Bank (AIB), like the other financial institutions provided for in the Constitutive Act, will significantly reduce the financing constraints faced by most African countries.

3. It is important to recall for the benefit of all Member States that current AU provisions stipulate that a minimum of fifteen countries should ratify the abovementioned instruments for the AIB to be effectively established. To date, only fifteen countries have signed these texts and one ratified them. If the fifteen ratifications were obtained and subscriptions to AIB capital quickly paid up, the Bank will see the light of day in the near future.

International Monetary Fund

4. The team of consultants submitted proposals on the various basic texts of this financial institution to the Commission at the end of 2010. These documents were examined at a meeting of independent experts and presented to the Extraordinary Conference of Ministers of Economy and Finance held in Yaounde, Cameroon, in December 2010. The Conference deemed it necessary to enhance the quality and content of these texts, as well as to request the opinion of ministers of justice, before they are re-examined.

5. The texts elaborated are the Protocol, Statutes and Annexes which determine the Fund's capital, its structure, member country voting rights and the institution's strategic development framework. These documents should be submitted to the Assembly of Heads of State and Government for consideration and adoption at the January/February 2011 Summit.

African Central Bank

6. Concerning the African Central Bank, following the signing of the agreement to set up the Steering Committee and the designation by Nigerian authorities of the Central Bank of Nigeria as national body responsible for implementing this continental project, this country's authorities and the Commission proceeded to officially open the offices of this Committee.

7. The premises and equipment provided the Commission by the Government of Nigeria have made it possible to proceed with the recruitment of part of the staff of the

Committee (2 employees were recruited and are already in Abuja). However, it should be noted that negotiations are under way with the Association of African Central Banks (AACB) to complement the number of experts. Similarly, the authorities of the host country, Nigeria, through the Central Bank of Nigeria, made a grant of 500,000 dollars to assist with the realization of this project. Part of this amount (200,000 dollars) will be allocated to the joint strategy and the rest (300,000 dollars) to the functioning of the Steering Committee.

8. With regard to the work programme of the Steering Committee, that should take more time. The adoption of a common currency constitutes a more delicate challenge, as it is likely to touch on a symbol of State sovereignty. For this reason, experts will initially provide the Commission with theoretical and practical clarifications on the best way forward for achieving a common African currency. The Commission would like to seize this occasion to express its gratitude to the authorities of Nigeria for the technical and financial support they have provided for the functioning of the Steering Committee of the African Central Bank.