

**ASSOCIATION OF AFRICAN CENTRAL BANKS (AACB)****ORDINARY MEETING OF THE BUREAU***(Dakar, Senegal, 27 February 2013)***LIST OF DECISIONS**

The Bureau of the Association of African Central Banks (AACB) met on 27th February, 2013 in Dakar, Senegal, at the headquarters of the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO). The meeting was attended by all the Central Banks Members of the Bureau and the African Union Commission (AUC).

The meeting commenced with welcome remarks delivered respectively by Mr. Tiémoko Meyliet Kone, Governor, BCEAO, Dr. Maxwell Mkwezalamba, Commissioner for Economic Affairs, AUC, and Mr. Mohammed Laksaci, Governor, Banque d'Algérie and Chairman of the AACB.

After consideration of the items on the agenda of the meeting, the Bureau:

1. Decided, pending the insertion of comments from its Members, to adopt the report of the Governors Symposium that took place on 29th August 2012 in Algiers, Algeria;
2. Adopted the report of the 36th Ordinary Meeting of the AACB Assembly of Governors that took place on 30th August, 2012 in Algiers, Algeria;
3. Commended the Study Group working on the strategy for the creation of the African Central Bank (ACB). The Bureau asked the Study Group to review the study, with the involvement of all the Experts, taking into account the following comments:
 - i) Considering that political commitment will ultimately be the decisive factor in the establishment of the ACB, the study should provide deeper insights to African Heads of State on the practical prerequisites and challenges of monetary integration with the view of advising the Heads of State of the practical challenges of proceeding with the creation of a single currency and a common African Central Bank. It should also delineate the conditions for instituting a single African currency, including market unification and macro-economic convergence, as well as provide practical recommendations for the fulfilment of these preconditions. The Bureau observed in this regard that some critical prerequisites have not yet been met;
 - ii) Deeper integration at the level of Regional Economic Communities (RECs) is one of the pillars of the creation of the single continental currency. Therefore, the roadmap for the establishment of monetary union should take into account the progress made towards integration in the respective AACB Sub-regions and individual countries, and analyse whether it is appropriate to use the calendar provided by the Abuja Treaty. In that regard, monetary integration should be envisaged over the long term,

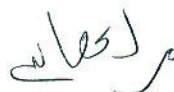
- considering the economic fundamentals in the respective countries. The study should also proffer solutions to address the multiple membership of countries in Sub-regions;
- iii) Individual countries and RECs should continue to work intensively at improving convergence criteria and integration agenda at regional levels to maximize benefits of integration. As far as Central Banks are concerned, they should start considering the implementation of issues directly falling within their jurisdiction;
 - iv) The Establishment of Regional Monetary Institutes in the Sub-regions where they do not exist is a relevant proposal. The creation of an African Monetary Institute (AMI) as an arm of, and within the African Union Commission (AUC) is noted. This is a decision of the AUC. The AMI would serve, among other things, as an organ for coordinating the activities of Regional Monetary Institutes and RECs, and monitoring the macroeconomic convergence criteria of the African Monetary Cooperation Programme (AMCP) developed by the AACB, and redefine the roadmap, strategy and timeline for the establishment of the single currency, based on the economic fundamentals of the sub-regions and individuals countries. But the timeline for the creation of the AMI should take account of the AU's decision-making process;
 - v) The Study Group should fully integrate the comments of the Sub-regions, revise Chapter 4 of the study using recent data and review the section on the Arab Maghreb Union (AMU) and other relevant experiences around the world, such as the Southern Africa Common Monetary Area (CMA);
 - vi) The study should include accurate updates on recent developments in the RECs, existing monetary institutes, studies conducted by the AUC, and efforts towards integration such as the creation of Pan-African institutions. The bibliography of the study should reflect the Africa Union's text references and documents quoted in the study;
 - vii) The study should include an analysis of the costs and benefits of economic and monetary integration. It should underline the relevant lessons learned from the economic crisis in the European Union, such as debt crisis management, fiscal union as well as the need to harmonize banking supervision and regulation;
 - viii) The AACB Southern Africa Sub-region shall resubmit its comments on the revised study report to the AACB Secretariat for integration in the report by the Study Group.
- 4. Agreed also that a meeting of the Joint Committee be held in June 2013 to re-examine the new versions of the main report and the strategy for the establishment of the ACB. These new versions should be available in English and French not later than 15th April, 2013;
 - 5. Considered the reports of the Sub-regions on the implementation of the AMCP in 2012 and noted that most countries still faced difficulty in meeting the primary convergence criteria, particularly those on overall public deficit and inflation, as a result of the persisting global economic slowdown. The Bureau, therefore, encouraged the Sub-regions to maintain coordinated reform efforts in order to consolidate economic and social gains and ensure sustainable economic convergence in Africa;
 - 6. Approved the terms of reference for the 2013 Continental Seminar on the theme "The Role of Central Banks in Promoting Sustainable Economic Growth in Africa" which will be held in Maseru, Lesotho;
 - 7. Considered the report on the inaugural meeting of the Community of African Banking Supervisors (CABS). The Bureau recommended that CABS should operate under the supervision of AACB on a flexible structure comprising the Heads of Banking Supervision

Directorates/Departments of Central Banks and report to the Assembly of Governors. CABS should hold its meetings on the margins of AACB meetings and adopt this structure at its next meeting. The AACB Secretariat will provide secretarial services to CABS and is expected to follow up on the implementation of these decisions;

8. Reviewed contributions to the AACB's budget for year 2013 and commended the effort exhibited by member Central Banks in meeting their obligations to the AACB;
9. Expressed appreciation for the Executive Secretariat's efforts to secure the payment of arrears by the Central Bank of Somalia;
10. Commended the AACB Chairman's efforts towards encouraging the Bank of Eritrea and Central Bank of South Sudan to become members of the Association;
11. Took note of the status of the acceptance of the amended Statutes and urged members of the Bureau to encourage Central Banks that have not yet signed to speed up the acceptance of the Statutes to permit implementation;
12. Authorised the AACB Secretariat, after consideration of the concept note submitted to the Bureau, to include in the AACB's budget for 2014 the Executive Secretary's participation in the meetings of the Common Market for Eastern and Southern Africa (COMESA) and the African Development Bank (AfDB) Group;
13. Selected the sub-themes of the 2013 Governors Symposium and also suggested that institutions with particular interest in financial inclusion be invited to this forum for the purposes of sharing and learning from one another. These sub-themes are as follows:
 - Financial inclusion in Africa, Monetary Policy and Financial Stability: Country Experiences;
 - Financial Inclusion and Sustainable Development: the Role of Micro-Finance Institutions and other Non-banking Financial Institutions;
 - Enhancing Financial Inclusion through Information and Communication Technology: Opportunities and Challenges for Monetary Policy.
14. Approved the dates of the annual meetings in Mauritius as follows:
 - 19 – 20 August 2013: Meeting of the Technical Committee;
 - 21 August 2013: Meeting of the Bureau;
 - 22 August 2013: Governors Symposium;
 - 23 August 2013: Meeting of the Assembly of Governors.

At the end of the proceedings, the Bureau expressed its deep gratitude and sincere appreciation to the Governor of BCEAO as well as to the President, Government and people of Senegal for their warm and generous hospitality that contributed to the success of the meeting.

Dakar, 27 February, 2013



Mr. Mohammed Laksaci
Chairman of the AACB
Governor of the Banque d'Algérie