



ORDINARY MEETING OF THE BUREAU OF THE ASSOCIATION OF AFRICAN CENTRAL BANKS (AACB)

(Dakar, Senegal, the 13th of February 2020)

LIST OF DECISIONS

The Bureau of the Association of African Central Banks (AACB) held its first ordinary meeting of the year, on the 13th of February 2020, in Dakar, Senegal, at the Headquarters of the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO).

The meeting, attended by eleven (11) member central banks of the Bureau and the African Union Commission (AUC), was chaired by Hon. RWANGOMBWA John, Chairperson of the AACB, and Governor of the National Bank of Rwanda.

The opening ceremony was addressed by Prof. Victor Harison, Commissioner for Economic Affairs of the AUC, and the AACB Chairperson delivered the opening speech.

The Bureau meeting reviewed, inter alia, the implementation of the decisions made by the Assembly of Governors at its 42nd ordinary meeting, held on the 1st of August 2019 in Kigali, Rwanda. In this respect, the Bureau:

1. Noted the adoption of the report of the Symposium that was submitted to member central banks for comments, which were in turn incorporated in the final document. The Bureau urged the AACB Executive Secretary that going forward, he should initial and sign final reports before sending them to member central banks. Furthermore, the Bureau requested that final reports of the Symposium should summarize the main issues and recommendations of the Symposium instead of verbatim reporting;
2. Took note of the adoption of the report of the 42nd Ordinary meeting of the Assembly of Governors that also incorporated the comments from member central banks. The Bureau directed the Executive Secretary to ensure that the final reports are initialed and signed before being circulated to member central banks;
3. Noted the status of implementation of the decisions taken by the Assembly of Governors on the 1st of August 2019, in Kigali, and commended the AACB Secretariat for the implementation rate of 85%;
4. Urged the AACB Secretariat to circulate the draft Statutes and proposed structure of the African Monetary Institute (AMI) to member Central Banks for comments. The comments collected by the AACB Secretariat should be harmonized and sent to the AUC for incorporation in the documents. In order to review the documents, the AUC was requested

to convene a meeting by end of June 2020, in which experts from the AACB central banks that are members of the Bureau, the Central Bank of Nigeria (the authors of the documents) and the AACB Secretariat will also participate. The revised documents emanating from the meeting will then be submitted to the AACB Assembly of Governors for approval during its session in August 2020 and tabled at the meeting of the AU Specialized Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning and Integration, in March 2021;

5. Requested the AUC to withdraw the draft Statutes and the document proposing the structure of the AMI from the agenda of the STC meeting in March 2020. During that meeting the AUC would only inform the participants that work is in progress;
6. Took note of the results achieved in the implementation of the African Monetary Cooperation Program (AMCP) and encouraged Member States to pursue efforts aimed at enhancing countries' performances to strengthen the monetary and economic integration process on the continent. The Bureau also urged countries that are not on the convergence path to continue/initiate structural reforms aimed at accelerating the transformation of their economies with a view to strengthen their resilience to exogenous shocks. To this end, the Bureau encouraged member central banks to promote strong communication with the fiscal authorities in order to increase the ownership and the performances towards achieving the convergence criteria, without prejudice to central bank independence;
7. Requested that, going forward the report should include a qualitative assessment on the monitoring of the activities related to the creation of the African Central Bank at the continental and sub-regional levels, pending the establishment of the African Monetary Institute which should take the lead in monitoring the implementation of the AMCP;
8. Considered and approved the Terms of Reference (TORs) of the project on the development of an inter-regional payment systems integration framework and an integrated inter-regional mobile payment strategy incorporating comments from member central banks, to enable the implementation of the project, and will inform the Assembly of Governors during its meeting in August 2020;
9. Selected the sub-themes for the first 2020 Continental Seminar on the theme: "Remittances, Fluctuations of Exchange Rates and Management of Foreign Reserves: Financing Opportunities for Africa and Implications for African Central Banks":
 - a) Contribution of remittances in enhancing development finance in Africa;
 - b) Leveraging FinTech to ensure efficiency and compliance in the remittance market; and
 - c) Exchange rate fluctuations and consolidation of foreign reserves in Africa.
10. Selected the sub-themes for the second 2020 Continental Seminar on the theme: "*High Level of Non-Performing Loans in Africa: Determinants and Implications for Financial Stability and the Real Economy in the Region*":
 - a) Increase in Bad Bank Loans in Africa: Overview and Impact on Financial Stability;
 - b) Striking the Balance between Non-Performing Loans (NPLs) and Financial Inclusion; and

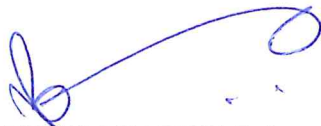
- c) Resolution of Non-Performing Loans: which Strategies for African Central Banks?
11. Selected the sub-themes for the 2020 Symposium on the theme: "*Role of African Central Banks in the Transition to Digital Economy and Financial Inclusion*":
- a) The Role of FinTech in Promoting Financial Inclusion and Development in Africa;
 - b) Mobile Technology Revolution: Implications on Financial Stability; and
 - c) The Advent of Digital Economy: Strategic Positioning, Challenges and Implications on the Regulatory Mandate of African Central Banks.
12. Took note of the presentations made by the Chairs of the Working Groups of the Community of African Banking Supervisors (CABS) on their activities. The Bureau also urged the Working Groups to revise their terms of reference by incorporating activities relating to FinTech and Cybersecurity, and submit them to the CABS meetings for consideration and to the Assembly of Governors for approval. The Bureau approved the CABS 2020-2022 work programme and authorized the implementation of the planned activities for the year 2020 pending adoption of the three-year CABS work programme by the Assembly of Governors in August 2020. Furthermore, the Bureau commended The Partnership for Making Finance Work For Africa (MFW4A) for the assistance provided in developing the CABS 2020-2022 work programme;
13. Considered different proposals on the sequencing of AACB Annual Meetings and selected the option that consists of increasing the number of days from 5 to 6.
- Days 1 and 2: meeting of the Technical Committee of the Bureau;
 - Day 3: finalizing the report before being posted on the AACB website by noon;
 - Day 4: meeting of the Bureau;
 - Day 5: Symposium;
 - Day 6: meeting of the Assembly of Governors.
14. Decided to change the sequence of AACB Bureau meetings in February, by increasing the number of days from 3 to 4.
- Days 1 and 2: meeting of the Technical Committee of the Bureau;
 - Day 3: finalizing the report before being posted on the AACB website by noon;
 - Day 4: meeting of the Bureau.
15. Approved the proposals to amend the AACB Statutes to include provisions related to the terms and conditions for an observer status and urged the AACB Secretariat to submit the revised Statutes to the Assembly of Governors at its next meeting for adoption;
16. Took note of the comments of the Regional Economic Communities (RECs) on the support of the macroeconomic convergence criteria of the African Monetary Cooperation Programme (AMCP) and the need to reach a consensus on the criteria to be used. The recommendation that AUC, AACB and the RECs should continue to work closely together to ensure the harmonization and alignment of the RECs macroeconomic convergence

criteria to the AMCP programme and timeline was also noted by the Bureau, as well as the need to operationalize the AMI to take the lead on the establishment of the ACB. A well-defined framework for the coordination and timelines of work between AACB, AUC and RECs should be developed;

17. Took note of the status of the contributions to the 2020 AACB budget and requested that the AACB Secretariat sends reminders to central banks whose payments are pending with a copy to their respective Chairs of Sub-regions;
18. Noted the information provided by the Central Africa Sub-region on the designation of the Governor of the Banque Centrale du Congo as Vice-Chairperson of the AACB. The next Annual Meetings will be held from the 23rd to the 28th of August 2020, in Kinshasa, Democratic Republic of Congo (DRC);
19. Urged the AACB member Central Banks to participate in the meetings of the Specialized Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning and Integration of the African Union Commission in March 2020, in Accra, Ghana, given their importance for the AACB;
20. Took note of the organisation of the workshop on convergence in the European Union and the Euro area and the European Central Bank (ECB) convergence report as part of the ECB-AACB planned activities. The Bureau also noted the training on the Bayesian Estimation, Analysis and Regression (BEAR) Toolbox of the ECB to be held in Dakar in the next few months and encouraged the AACB to pursue the fruitful cooperation with the ECB;
21. Considered the presentation made by Genesis Analytics on cloud-based services in banking and requested that the research report on this subject be sent to the AACB Secretariat in order to be circulated to the member central banks for comments;
22. Considered the presentation made by the African Development Bank (AfDB) on climate risk disclosures, and encouraged the AfDB and the AACB Secretariat to seek practical ways to pursue a fruitful cooperation;
23. Decided that any institution desiring to make presentation to the Bureau and the Assembly of Governors meetings should avail its presentation to the Secretariat at least two weeks before the dates of the meetings;

At the end of the meeting, the Governors expressed their gratitude to the President of the Republic of Senegal and to the Governor Tiemoko Meyliet KONE and staff of the BCEAO, for the warm hospitality and facilities provided for the meeting.

Done in Dakar on the 13th of February 2020



Hon. RWANGOMBWA John
Chairperson of the AACB
Governor
National Bank of Rwanda