

ASSOCIATION DES BANQUES CENTRALES AFRICAINES



ASSOCIATION OF AFRICAN CENTRAL BANKS

**ASSOCIATION OF AFRICAN
CENTRAL BANKS (AACB)**

**44th ORDINARY MEETING
OF THE ASSEMBLY OF GOVERNORS**
(Banjul, The Gambia, August 5, 2022)

DRAFT REPORT

ABBREVIATIONS

AACB: Association of African Central Banks
ACB: African Central Bank
AfCFTA: African Continental Free Trade Area
AfDB: African Development Bank
AMCP: African Monetary Cooperation Programme
AMI: African Monetary Institute
AU: African Union
AUC: African Union Commission
BCC: Banque Centrale du Congo
BCEAO: Banque Centrale des Etats de l'Afrique de l'Ouest
BCRG: Banque Centrale de la République de Guinée
BEAC: Banque des Etats de l'Afrique Centrale
BEAR: Bayesian Estimation Analysis and Regression
BIS: Bank of International Settlements
BoG: Bank of Ghana
CABS: Community of African Banking Supervisors
CBE: Central Bank of Egypt (CBE)
CBN: Central Bank of Nigeria
DRC: Democratic Republic of Congo
EAMI: East African Monetary Institute
ECB: European Central Bank
FSI: Financial Stability Institute
GDP: Gross Domestic Product
GLEIF: Global Legal Entity Identifier Foundation
IMF: International Monetary Fund
LEI: Legal Entity Identifier
MFW4A: Making Finance Work for Africa
MISWG: Mobile Payments Integration Strategy Working Group
MMoU: Multilateral Memorandum of Understanding
NBR: National Bank of Rwanda
PAPSS: Pan-African Payment and Settlement Systems
PSIWG: Payment Systems Integration Working Group
REC: Regional Economic Community
SARB: South African Reserve Bank
STC: Specialized Technical Committee
SWIFT: Society for Worldwide Interbank Financial Telecommunication
TOR: Terms of Reference
WAMI : West African Monetary Institute
WAMZ: West African Monetary Zone

1 INTRODUCTION

The Assembly of Governors of the Association of African Central Banks (AACB) held its 44th ordinary meeting on August 5, 2022, at Sir Dawda Jawara International Conference Centre, in Banjul, The Gambia. Thirty-two (32) Central Banks and the African Union Commission (AUC) attended the meeting. The list of participants is attached in Annex 1.

In accordance with the programme of AACB Annual Meetings, the session of the Assembly of Governors was preceded by a Symposium held on August 4, 2022, on the topic "*Digital Innovations and the Future of the Financial Sector: Opportunities and Challenges for Central Bank Digital Currencies*". The opening ceremony of the Symposium was honoured by His Excellency Mr. Adama Barrow, President of the Republic of The Gambia.

2. OPENING CEREMONY

The opening ceremony was marked by the welcome remarks of Honourable Mrs. MALANGU KABEDI MBUYI, Governor of the Banque Centrale du Congo (BCC) and Chairperson of the AACB.

3. ADOPTION OF THE AGENDA

The agenda was adopted without any amendments.

4. OUTCOMES OF THE DELIBERATIONS

4.1 Matrix of the implementation of the decisions taken during the Bureau Meeting held on February 17, 2022

The Assembly of Governors reviewed the implementation status of the decisions taken during the aforementioned Bureau meeting. Based on the decision matrix (see Annex 2), 13 out of 17 decisions (76.5%) had been fully implemented.

Decision of the Assembly:

The Assembly of Governors took note of the implementation status of the decisions of the Bureau during its meeting held on February 17, 2022, and directed the AACB Secretariat to monitor the implementation of the decisions that were in progress.

4.2 Progress report on the implementation of the African Monetary Cooperation Programme (AMCP) in 2021

During its meeting on August 20, 2021, the Assembly of Governors adopted, after some amendments, the recommendations by the African Union Commission (AUC) Specialized Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning and Integration meeting in March 2021 to review the definition of public debt to GDP ratio. Thus, the definition of the public debt to GDP ratio has been revised to explicitly include domestic and external public debt, which should read as "General government debt (domestic and external) to GDP ratio". Furthermore, during the December 2021 STC meeting, it was decided that this criterion should now be considered a primary criterion. In addition, on August 20, 2021, the Assembly of Governors adopted the recommendation of the STC meeting of the AUC, held in March 2021, maintaining the Central Bank credit to government as a primary convergence criterion, bringing the number of primary criteria in the AMCP to

five and the secondary criteria to three. The convergence criteria (old and new) are presented in Annex 3.

At the Assembly of Governors' meeting on August 5, 2022, the Governors reviewed the status of the AMCP implementation in 2021. Seven out of 49 countries (14.3%) that submitted data met all the five primary convergence criteria in 2021 compared to 9 out of 51 countries (17.6%) in 2020 for the four primary convergence criteria. If the four criteria had been maintained, 9 out of 49 countries (18.4%) would have met all the primary criteria. Furthermore, the Assembly of Governors noted that no country out of 49 (0%) was in compliance with the three secondary criteria in 2021, as in 2020 (but with four criteria).

Regarding the qualitative criteria, the Assembly of Governors was informed that the West Africa Sub-region developed a harmonized monetary policy framework, based on inflation targeting. The Conference of Heads of State and Government of the Sub-region adopted the harmonized framework at its 55th Ordinary Session held on June 29, 2019, in Abuja, Nigeria. The harmonized monetary policy frameworks had not been developed in the other Sub-regions. However, these Sub-regions (North Africa, Central Africa, East Africa and Southern Africa) indicated that work was underway.

Decisions of the Assembly:

Governors approved the report on the implementation of the African Monetary Cooperation Programme (AMCP) in 2021 and encouraged the Sub-regions to strengthen the coordination of monetary and fiscal policies to improve performances where AMCP criteria were not met.

The Assembly of Governors also requested that the term "General Government Debt" be changed to "General Public Debt" in order to comply with the public finance and debt statistics manuals.

Furthermore, the Assembly of Governors encouraged the Sub-regions that had not yet developed harmonized monetary policy frameworks to do so as soon as possible, preferably before the 2023 Annual Meetings.

The Assembly of Governors also directed the AACB Secretariat to:

- table the AMCP report during the meeting of the Specialized Technical Committee (STC) of the African Union Commission (AUC) on Finance, Monetary Affairs, Economic Planning and Integration, in order to improve collaboration between AUC and AACB, and achieve macroeconomic convergence criteria and integration;
- discuss with the Central Bank of Egypt (CBE), the feasibility of conducting a study aimed at improving the performance of the macroeconomic convergence criteria. The proposed study would be carried out, leveraging on the contributions of the Experts Group on the refinement of the convergence criteria of the African Monetary Cooperation Programme (AMCP), which had previously worked on the subject matter.

4.3 Collaboration between AUC and AACB on the establishment of the African Central Bank (ACB)

At its 43rd Ordinary Meeting, the Assembly of Governors approved that AACB member Central Banks be given the opportunity to comment on the draft Statutes and Structure of the African Monetary Institute (AMI). In this regard, the Central Banks' comments have been

centralized by the Secretariat and forwarded to the AUC on September 1, 2021, for the finalization of the draft Statutes and Structure of the AMI.

Furthermore, the Bureau approved, as part of the continued cooperation with the European Central Bank (ECB), further discussions between the AACB, AUC and ECB to share experiences on the establishment and operation of the European Monetary Institute (EMI) so that these experiences can be utilized in the establishment and operation of the AMI. In implementing this decision, the Secretariat had held meetings with the ECB and AUC, and exchanges with these institutions led to the next joint ECB-AUC-AACB meeting, which could be held on October 26, 2022.

In this context, the Bureau requested the AUC, AACB and Regional Economic Communities (RECs), pending the operationalization of the AMI, to work closely together to activate the peer review mechanism adopted by the Assembly of Governors in 2017 with the aim of improving countries' compliance with the convergence criteria. At the virtual meeting held on June 29, 2022, between the AACB Secretariat and AUC, the latter indicated that it would inform the AACB Secretariat on the internal arrangements made and the way forward to strengthen collaboration among stakeholders.

Moreover, the representative of the AUC informed the Technical Committee that the activation of the peer review mechanism had been delayed due to lack of funding. However, it was confirmed that resources had since been mobilized to activate the peer review mechanism and finance the activities of the AMI, once its Statutes and Structure have been adopted by the relevant AU Policy Organs, pending the allocation of a budget line by the AU. It was also indicated that a meeting between the AUC, RECs, and AACB would be organized in September 2022.

Decisions of the Assembly:

The Assembly of Governors directed the AACB Secretariat to resubmit the current version of the draft Statutes and Structure of the African Monetary Institute (AMI) to the AACB member Central Banks for possible comments to be received by the first fortnight of September 2022, in order to finalize the Statutes and Structure of the AMI.

The Assembly of Governors recommended the AUC to send to the AACB Secretariat, the final draft version of the AMI Statutes and Structure after incorporating the possible comments from member Central Banks, before submission of the draft Statutes and Structure at the extraordinary STC meeting scheduled for November 2022.

In addition, the Assembly of Governors directed the AACB Secretariat to continue discussions with the ECB and AUC to ensure proper organization of the joint meeting and invite all member Central Banks to participate in sharing experiences that could be instrumental in the establishment and operation of the AMI. The Assembly of Governors approved the selection of the Central Bank of Egypt (CBE) to be a Speaker during this joint meeting.

Furthermore, the Assembly of Governors requested the AUC to take relevant steps to activate the peer review mechanism adopted by the Assembly of Governors in 2017, with the aim of improving countries' compliance with the convergence criteria.

Moreover, the Assembly of Governors requested the AACB Secretariat to also draw on other African experiences, particularly the West African Monetary Institute (WAMI) and the process in progress to establish the East African Monetary Institute (EAMI), by inviting them, if

possible, to the joint meeting planned with the ECB and AUC, as part of the establishment of the AMI.

4.4 Activities of the Community of African Banking Supervisors (CABS)

During its meeting held on February 17, 2022, the Bureau requested the Chairpersons of the CABS Working Groups to send to the AACB Secretariat the draft programme of activities of their Working Group for 2023-2025. The Secretariat centralized the contributions of the Working Groups and the draft programme of activities was presented during the virtual annual Conference and Meeting of the CABS on April 6-7, 2022. The event was organized jointly by the AACB Secretariat, Financial Stability Institute (FSI) of the Bank for International Settlements (BIS) and Banque Centrale du Congo (BCC).

The CABS meeting was an opportunity to discuss with the participants the draft programme of activities for 2023-2025 of the Working Groups on "Cross-Border Banking Supervision", "Crisis Management and Banking Resolution and Fintech" and "Basel Regulations", chaired, respectively, by the South African Reserve Bank (SARB), Central Bank of Nigeria (CBN) and Central Bank of Egypt (CBE).

It is important to mention that during its meeting held on February 17, 2022, the Bureau also invited the Working Group on "Crisis Management and Banking and FinTech Resolution" chaired by the Central Bank of Nigeria (CBN) to finalize the harmonized Frameworks on "Banking Crisis Management and Resolution" as well as "FinTech Regulation and Supervision". These harmonized Frameworks were transmitted to the AACB Secretariat by the Working Group on July 13, 2022.

Decisions of the Assembly:

The Assembly of Governors took note of the report of the Community of African Banking Supervisors (CABS) annual Conference and Meeting held virtually on April 6-7, 2022.

The Assembly of Governors also adopted the programme of the CABS Working Groups for 2023-2025.

The Assembly of Governors instructed the AACB Secretariat to forward the harmonized Frameworks on Crisis Management and Banking Resolution as well as FinTech Regulation and Supervision to member Central Banks to include their comments, in order to finalize the aforementioned documents.

Furthermore, the Assembly of Governors took note of the need for CABS members to continue to share the required information on the banking sector through the information exchange platform on the website, as coordinated by the AACB Secretariat.

The Assembly of Governors encouraged the AACB Secretariat through the CABS and the Payment System Integration Task Force to finalize discussions with the Global Legal Entity Identifier Foundation (GLEIF) to define practical modalities for collaboration or partnership between CABS members and initiatives aimed at fostering transparent business relationships in African economies.

4.5 Presentation of Afreximbank on the MANSA platform

At its meeting held on February 17, 2022, the Bureau took note of the steps taken to work in partnership with the Global Legal Entity Identifier Foundation (GLEIF) and Afreximbank on initiatives LEI and MANSA Platform.

In this regard, Afreximbank was invited to make a presentation on the MANSA Platform during the Annual Meetings in August 2022.

Decision of the Assembly:

The Assembly of Governors encouraged member Central Banks that have not yet joined the Afreximbank's MANSA Platform to evaluate the opportunity of doing so individually.

4.6 Multilateral Memorandum of Understanding (MMoU)

In February 2022, the Bureau approved the Multilateral Memorandum of Understanding (MMoU) developed by the South African Reserve Bank (SARB). The final version of the MMoU incorporates all the comments made by AACB member Central Banks.

Furthermore, Paragraph 5 of the MMoU indicates that: "To ensure good communication, member Central Banks undertake to appoint contact persons to monitor the implementation of MMoU activities". In this perspective, AACB member Central Banks have been requested to send the name and e-mail address of the senior official designated to participate in the activities of the Multilateral Memorandum of Understanding. Some Central Banks have not transmitted the requested information. Following reminders from the Secretariat, 27 Central Banks (representing 67%) appointed their representative to monitor MMoU activities.

Decisions of the Assembly:

The Assembly of Governors adopted the draft Multilateral Memorandum of Understanding (MMoU) for cooperation, information sharing and assistance among AACB member Central Banks, which was approved by the Bureau during its Ordinary Meeting held on February 17, 2022.

The Assembly of Governors directed the AACB Secretariat to send reminder letters to AACB member Central Banks that are yet to appoint their representative to monitor MMoU activities, to do so as soon as possible.

4.7 Reports on the activities of the Task Force on the Integration of Payment Systems and its two Working Groups

During the 2021 Assembly of Governors and 2022 AACB Bureau meetings, the Governors noted that the AACB inter-regional Payments Integration Task Force was pursuing an initiative to gain access to SWIFT business intelligence data that would support the work undertaken by its two Working Groups. In addition, the Governors noted that the Task Force has proceeded to identify specific reports on payment flows on the Continent aggregated at a regional level where country-level granularity will not be provided. The Governors also allowed the Task Force to source identified reports on payment flows from SWIFT, with funding provided by the World Bank.

To implement these decisions, the steps taken have indicated that progress made on this initiative has been hampered by administrative contractual arrangements which must be settled between SWIFT and the World Bank as part of the contractual process. These issues will not be resolved in the short term and would pose some concerns regarding the timing of access to funding. Therefore, the funds that the World Bank had set aside to support this initiative are likely to lapse since they are expected to be spent by the end of September 2022.

However, the World Bank has indicated that they will resolve these issues internally through their governance structures. When these issues are resolved, the Task Force will register a new request for financing this initiative with the World Bank, and a report will be made to the Governors at the appropriate time.

In addition, during its meeting held on February 17, 2022, the Bureau noted that the interaction with Afreximbank is ongoing and requested the Task Force to analyze the responses sent by Afreximbank to make appropriate proposals to the Governors on further possible ways of coordination/collaboration to achieve the objective of integration of payment systems in Africa pursued by the AACB.

The Task Force had contacted the PAPSS project team and organized a workshop which was held on December 27, 2021. During this workshop, the PAPSS project team shared a high-level overview of its system and Central Banks raised a number of questions that the PAPSS project team needed to answer. Following the workshop, the AACB Secretariat centralized and forwarded a comprehensive list of questions or matters requiring clarification from the PAPSS project team.

The Pan-African Payment and Settlement System (PAPSS) project team had sent written responses to the Task Force on February 16, 2022. The Task Force scheduled several workshops to discuss the responses provided by the PAPSS project team and decided to convene a face-to-face meeting between the Task Force and Afreximbank. This meeting was held on July 11 and 12, 2022, at the Banque Centrale du Congo, in Kinshasa, the Democratic Republic of Congo (DRC), in the presence of representatives of the PAPSS project and was attended by the Task Force Chairperson, the two Vice-Chairpersons, the Executive Secretary of the AACB as well as the two Chairpersons of the Working Groups on the Integration of Payment Systems (PSIWG) and Mobile Integration Strategy (MISWG).

During this meeting, the PAPSS project team presented the business flow of their solution, and the Task Force outlined the key principles that should underpin the collaboration and cooperation between the PAPSS project team and the Task Force.

Decisions of the Assembly:

The Assembly of Governors took note of the activity reports of the AACB inter-regional Payments Systems Integration Task Force and its two Working Groups.

The Assembly of Governors requested the AACB Task Force to continue the procedures aimed at financing by the World Bank the specific SWIFT reports on business intelligence data that would support the work undertaken by its two Working Groups.

The Assembly of Governors also requested the AACB Task Force to continue discussions with Afreximbank on how to integrate PAPSS Project solutions in the AACB Payment Systems Integration Programme.

The Assembly of Governors requested the AACB Task Force to build on existing Sub-regional experiences as part of the AACB African Payment Systems Integration Programme.

The Assembly of Governors directed the AACB Secretariat to propose a timeline for the implementation of the decision on collaboration with Afreximbank on the integration of payment systems in Africa, in consultation with the AACB Task Force.

4.8 Presentation of the Cross-Border Payments Coordination Group of the Financial Stability Board

By letter dated June 2, 2022, the Honourable Governor of the South African Reserve Bank (SARB) requested to include the topic relating to "Coordination of Cross-Border Payments

(CPC)" on the agenda of the 44th Ordinary Meeting of the Assembly of Governors in August 2022.

During the presentation, four challenges with current cross-border payments were highlighted, namely high costs, limited access, insufficient transparency and low speed of transactions.

Decisions of the Assembly:

The Assembly of Governors requested that the matter on "Coordination of Cross-Border Payments (CPC)" be addressed at the AACB Inter-regional Payment Systems Integration Task Force level with a view to making a concrete proposal to the Bureau during its meeting scheduled for February/March 2023 on account of the technical nature of the subject.

The Assembly of Governors also directed the AACB Task Force to collaborate and engage discussions with the "Financial Stability Board (FSB) / Committee on Payments and Market Infrastructure (CPMI)" on the implementation of the roadmap to improve cross-border payments.

4.9 Themes of the 2023 Governors' Symposium

The AACB Secretariat has received proposals from the Sub-regions for the 2023 Governors' Symposium.

After reviewing the proposals, the Bureau recommended to the Assembly of Governors to select one (1) theme for the Symposium from the following list:

- The Role of Central Banks in Accelerating Sustainable Finance and Investment in Africa: Consideration to Environmental, Social and Governance (ESG) Issues;
- Recurrence of Shocks and Macroeconomic Implications for African economies: Challenges and Prospects for Central Banks;
- African Dependence on Exports of Primary Products: Challenges and Opportunities for the Implementation of the Monetary Policies of African Central Banks.

Decision of the Assembly:

The Assembly of Governors selected the following theme for the 2023 Symposium of Governors: "Recurrence of Shocks and Macroeconomic Implications for African economies: Challenges and Prospects for Central Banks".

4.10 Themes of the AACB Continental Seminar for 2023

The AACB Secretariat has also received proposals from the Sub-regions for the 2023 AACB Continental Seminar.

After reviewing the proposals, the Bureau recommended to the Assembly of Governors to select one (1) theme for the Continental Seminar from the following list:

- Climate Change: Challenges, macroeconomic and financial Impacts in Africa;
- Digitization and Integration of Payment Systems in Africa: Opportunities and Risks;
- Rising African Food Insecurity and Inflation: The Role of The Financial Sector in Financing Agriculture.

Decision of the Assembly:

The Assembly of Governors selected the following theme for the 2023 AACB Continental Seminar: "Impact of Climate Change on African Food Security and Inflation: the Role of the Financial Sector in Financing Agriculture and the Green Economy".

4.11 Draft AACB Secretariat work programme for 2023 and corresponding budget

The work programme of the AACB Secretariat for 2023 will concern:

- The organization and convening of the statutory meetings of the Association;
- The follow-up on the implementation of the AMCP;
- The follow-up on the activities of the Joint AUC-AACB Committee concerning the creation of the African Central Bank (ACB);
- The follow-up on the activities of the Task Force and the Working Groups of the project on the integration of inter-regional payment systems in Africa;
- The strengthening of cooperation relations with African organizations pursuing the same goals as the Association and other international institutions.

In addition, the Secretariat will follow-up on the activities of the Community of African Banking Supervisors (CABS).

Based on the proposed work programme, the 2023 budget excluding the cost of the Secretariat staff borne by the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) is forecast at USD 261,715 compared to USD 250,376 in 2022, representing an increase of 4.53%. This increase is explained by the relatively high cost of travel credential to destinations planned for 2023 compared to those planned for 2022, in particular for the participation in the 2023 Annual Meetings in Southern Africa.

However, the execution of the 2022 budget is estimated at 50% at the end of December 2022. The remaining resources for 2022 would be USD 125,188, representing 50% of the approved expenditure budget (USD 250,376). It is proposed that a financial provision of USD 100,175, representing 80.0% of the balance, be made for reallocation to the required resources necessary for the execution of the budget for the financial year 2023. The difference of USD 25,013, representing 20%, would maintain or strengthen the Association's equity. As a result, the proposed contribution per Central Bank will stand at USD 3,940 in 2023.

Decisions of the Assembly:

The Assembly of Governors adopted the work programme and corresponding budget of the AACB Secretariat for 2023 as well as the allocation of USD 100,175 from the balance of the 2022 budget to the 2023 budget resources.

The Assembly of Governors also adopted the transfer of USD 25,013, representing 20% of the balance of the 2022 budget, to maintain and strengthen the AACB's equity.

Furthermore, the Assembly of Governors adopted the contribution of USD 3,940 to the 2023 AACB budget for each Central Bank.

The Assembly of Governors expressed appreciation and thanks to the BCEAO for its continued support to the AACB.

Moreover, the Assembly of Governors directed the AACB Secretariat to send letters to AACB member Central Banks to invite them to pay their contributions to the 2023 AACB budget.

4.12 Report of the External Auditors on the AACB accounts for the financial year ended December 31, 2021

The Audit firm, Grant Thornton, presented its report on the AACB accounts for the year ended December 31, 2021. "The opinion expressed is that the financial statements present fairly, in all materials respects, the financial position of the AACB as of December 31, 2021, and its financial performance for the year ended in accordance with the accounting rules and methods enacted in the accounting rules and methods set out in the AACB Procedural Manual".

During the audit process, Grant Thornton was informed that some fixed assets relating mainly to computers and equipment that are defective and obsolete have been removed.

Decisions of the Assembly:

The Assembly of Governors adopted the report of the Audit firm, Grant Thornton, on the AACB financial accounts for the year ended December 31, 2021. Furthermore, the Governors reappointed Grant Thornton for a further term of one year in accordance with the AACB Statutes.

The Assembly of Governors also noted the existence of equity of USD 4,650,121 for the year ended December 31, 2021. Following discussions during the Bureau meeting, concerns were raised about the accumulation of equity and its conditions of use. The Assembly of Governors instructed the AACB Secretariat to examine the modalities for the constitution and use of equity, and present proposals at the next meeting of the Technical Committee scheduled for February/March 2023.

4.13 Status of contributions to the 2022 AACB budget

During its 2021 Annual Meetings, the Assembly of Governors examined the AACB work programme and budget for 2022. Based on the approved budget, the contribution due by each Central Bank amounts to USD 2,200. As of August 2, 2022, 39 Central Banks have paid their contributions, which represents a contribution rate of 95.12%.

Decision of the Assembly:

The Assembly of Governors noted the contributions to the 2022 AACB budget and requested the AACB Secretariat to remind member Central Banks that are yet to honour their commitments to the 2022 AACB budget to do so.

4.14 Status of arrears of the Banco de Cabo Verde

The AACB Secretariat received a correspondence from the Banco de Cabo Verde requesting cancellation of its arrears of AACB contributions to the budgets for 2009 and 2014 to 2020. It should be mentioned that the Banco de Cabo Verde has proceeded to pay its contributions to the 2021 and 2022 AACB budgets.

In accordance with the AACB Statutes, a payment schedule for arrears was proposed to reschedule the payment of the amount due over a period of eight (8) years instead of the requested cancellation.

During its meeting held on February 17, 2022, the Bureau approved the proposal for the payment schedule for arrears of the Banco de Cabo Verde. By letter dated March 8, 2022, the AACB Secretariat notified the Banco de Cabo Verde of the approved proposed payment

schedule. After discussions, the Banco de Cabo Verde has made a new calendar proposal over ten (10) years to allow flexibility in repayment, starting from December 31, 2022.

Decision of the Assembly:

The Assembly of Governors approved the proposed payment schedule for the payment of arrears of AACB contributions by the Banco de Cabo Verde.

4.15 Report of the 2022 Continental Seminar held virtually from May 16 - 18, 2022

During its 43rd virtual meeting, the Assembly of Governors selected the following theme for the 2022 AACB Continental Seminar: "Leveraging Technology to Promote Investment in the Pan-African Banking Sector in Advancing the African Continental Free Trade Area (AfCFTA): The Role of Central Banks".

The Banque Centrale de la République de Guinée (BCRG) accepted to organize virtually the event which was held from May 16 – 18, 2022. One hundred forty-eight delegates of member Central Banks, and representatives of regional and international institutions attended the Seminar. The opening ceremony was chaired by Dr. Karamo Kaba, Honourable Governor of the Banque Centrale de la République de Guinée.

During the breakout sessions, participants made recommendations aimed at promoting investment in the Pan-African sector to advance the AfCFTA through technological innovations. Participants recommended, among others, that Central Banks should:

- Encourage governments to implement domestic resources mobilization policies by supporting, among others, the issuance of domestic bonds in local currency;
- Facilitate inflows from external donor funds to key growth driving sectors and developing a Pan-African Fund as investment tool for compensating countries that may experience negative impact through AfCFTA;
- Establish a common approach to Central Bank Digital Currency (CBDC) or provide standardization for the implementation of CBDC to achieve interoperability of CBDCs across regions and the Continent;
- Define a harmonized legal framework for the establishment of payment systems infrastructures;
- Embrace the move towards digitalisation to address time delays, number of intermediaries and cumbersome processes and facilitate financial literacy;
- Enable interoperability and connectivity between different infrastructures to allow for seamless movement of data, information, value across systems/networks;
- Promote a diversification of funding sources through FinTech (crowdfunding).

Decisions of the Assembly:

The Assembly of Governors noted the report of the 2022 AACB Continental Seminar and urged Central Banks to take action regarding the conclusions and recommendations of the Seminar, while expressing gratitude to the Banque Centrale de la République de Guinée (BCRG) for organizing this event successfully.

Furthermore, the Assembly of Governors urged the AACB Secretariat to send the 2022 Continental Seminar report to the African Union Commission (AUC), which would be forwarded to the Regional Economic Communities (RECs) and relevant stakeholders.

4.16 Report of the introductory training co-organized by the AACB, Currency Exchange Fund (TCX), MFW4A, and ISDA on local currency financing, risk hedging and financial market development

The Association of African Central Banks (AACB), TCX, Making Finance Work for Africa (MFW4A), and International Swaps and Derivatives Association (ISDA) have partnered to organize a virtual training session on March 31, 2022, for African Central Banks on the topic: «Local currency financing, risk hedging and financial market development».

The training was officially opened by the Director General at the Banque Centrale du Congo (BCC) on behalf of the Chairperson of the AACB. About fifty-eight (58) participants from twenty-one (21) Central Banks attended this very informative session. The objective was to raise awareness on currency risks management, potential mitigation strategies and their effects on capital markets developments, as well as the critical role of Central Banks in this ecosystem. The training also provided a good opportunity for African Central Banks to engage with the trainers on ways to build a suitable ecosystem to sustainably finance African economies.

Decision of the Assembly:

The Assembly of Governors took note of the report of the training session on “Local Currency Financing, Risk Hedging and Financial Market Development”.

4.17 Cooperation with the European Central Bank (ECB)

During its February 2022 meeting, the Bureau took note of the report of the workshop on Bayesian Estimation, Analysis and Regression (BEAR) techniques organized by the European Central Bank (ECB). The Bureau also encouraged the ECB to continue the fruitful cooperation with the AACB.

It is worth mentioning that cooperation between the ECB and AACB continues successfully. In this context, a joint ECB-AUC-AACB meeting is planned to be held on October 26, 2022, to share experiences on the establishment and operation of the European Monetary Institute so that these experiences can be used in the establishment and operational phase of the African Monetary Institute (AMI).

In addition, during the meeting of the Assembly of Governors on August 5, 2022, the Representative of the ECB, Mr. Benjamin Vonessen, Principal Adviser at the ECB, gave an update on the cooperation with the AACB. It was indicated that the cooperation, which started since August 2016, is based on the participation of the ECB in some meetings organized by the AACB and the organization of some joint meetings as part of capacity building. After pointing out that the cooperation has remained active despite the challenges related to the COVID-19 pandemic, he has focused on other main areas of future cooperation, namely the integration of regional and payment systems, the Central Bank Digital Currency (CBDC), climate change, and financial stability.

Decision of the Assembly:

The Assembly of Governors took note of the presentation by the European Central Bank (ECB) regarding cooperation between ECB and AACB.

4.18 Cooperation with the Federal Reserve Bank of New York (FRBNY)

During its meeting held on February 17, 2022, the Bureau encouraged the Federal Reserve Bank of New York (FRBNY) to continue the fruitful cooperation with the AACB. The Bureau also requested the AACB Secretariat to continue discussions with the FRBNY to allow the participation of Central Banks in the training activities organized by the FRBNY in 2022.

Following the meeting, the AACB Secretariat has sent a correspondence to the FRBNY on March 25, 2022. The FRBNY gave a favourable response on June 22, 2022, for the participation of Central Banks in their training sessions. The discussions helped identify some training courses for the rest of 2022.

Decision of the Assembly:

The Assembly of Governors requested the AACB Secretariat to send the training programme of the Federal Reserve Bank of New York (FRBNY) to member Central Banks and urged them to participate in the training activities organized by the FRBNY in 2022.

4.19 Cooperation with Genesis Analytics

During its meeting held on February 13, 2020, in Dakar, the Bureau considered the presentation made by Genesis Analytics and requested that the research report on this subject be sent to the AACB Secretariat in order to be circulated to member Central Banks for comments. Genesis Analytics submitted the document to the AACB Secretariat on July 27, 2021. The said document was sent to Central Banks on August 30, 2021, for their comments. On November 8, 2021, the synthesis of comments has been sent to Genesis Analytics. The final version of the research report incorporating comments from Central Banks has been received on January 17, 2022.

During its meeting held on February 17, 2022, the Bureau took note of the final version of the research paper prepared by Genesis Analytics on the "Cloud banking" and invited the said institution to present the paper at the next Ordinary Meeting of the Assembly of Governors in August 2022.

Furthermore, the Bureau requested the AACB Secretariat to continue discussions and coordination with Genesis Analytics for the organization of the training on the theme: "Climate Change and the Role and Responsibilities of Central Banks" and invite all member Central Banks to participate in the event. Discussions helped understand that Genesis Analytics would like to make a brief submission on how Central Banks across the Continent should develop their capacity on climate finance and the banking system and what this will require. Then, Genesis Analytics will engage individually with Central Banks to determine if they wish to purchase Genesis Analytics' services to support their capacity building.

At the meeting of the Assembly of Governors on August 5, 2022, the Representative of Genesis Analytics indicated that it is necessary to understand the opportunity and complexity of "Cloud Banking" and regulatory requirements. He has noted that the COVID-19 pandemic has forced financial service providers to predominantly use cloud-based digital solutions, requiring them to redefine their operational model. Furthermore, it was noted that this innovation finance has transformed IT and the associated cost structures, reducing them considerably. This situation has encouraged the entry of non-traditional players into the sector that raise significant funds to compete with traditional operators (banks) which have lost market share. In view of the developments recorded in this area, AACB member Central Banks members, in their comments, have put emphasis on the urgency of coordinating the regulatory policies that must govern the cloud banking services. In this regard, they stressed

the need for strengthening the capacities of Central Banks and the awareness of financial institutions in order to set up a risk control system related to cloud service providers.

Decisions of the Assembly:

The Assembly of Governors noted the research paper on "Cloud Banking" prepared by Genesis Analytics.

The Assembly of Governors requested Genesis Analytics to make a brief submission during the Bureau meeting scheduled for February/March 2023. In addition, the Assembly of Governors requested that the submission should include the possible financial cost of the proposed training on climate change and the role and responsibilities of Central Banks. Given the importance of the subject, the possible cost of the training should be negotiated at the AACB level to allow all Central Banks to participate in the event.

4.20 Request for collaboration with AfricaNenda

By letter dated April 28, 2022, the Chief Executive Officer of AfricaNenda submitted a request to the AACB Chairperson for collaboration between the AACB and his Institution to promote financial inclusion through efficient instant payment systems in Africa.

It should be recalled that AfricaNenda is an emerging and independent Africa-led coalition of dedicated digital payments experts, which aimed to build expertise, coordinate and accelerate the deployment of Instant and Inclusive Payment Systems (IIPS) for the benefit of all Africans, including the most deprived and financially excluded populations. In addition, AfricaNenda intends to support AACB member Central Banks in capacity building activities to promote financial and economic inclusion as well as inclusive growth.

In order to continue discussions with AfricaNenda, Central Banks were invited to send to the AACB Secretariat their comments on this collaboration at latest, on July 15, 2022. As of July 27, 2022, seven (7) Central Banks sent their response to the AACB Secretariat.

Decision of the Assembly:

The Assembly of Governors directed the AACB Secretariat to get more information on AfricaNenda's proposal regarding the requested collaboration. The additional information shall be sent to member Central Banks for comments which shall be submitted to the AACB Secretariat by end of October 2022.

4.21 AACB Amended Statutes: Central Banks ratification

During its 43rd Ordinary Meeting held on August 20, 2021, the Assembly of Governors adopted the revised Statutes of the Association of African Central Banks (AACB).

The instrument of acceptance of the AACB amended Statutes adopted by the Assembly of Governors has been submitted to Central Banks on September 6, 2021, for signature. It is worth mentioning that the Statutes enter into force as soon as they are ratified by 50% of member Central Banks. As of July 27, 2022, 39 Central Banks have ratified the amended Statutes.

Decision of the Assembly:

The Assembly of Governors invited the two Central Banks that have not yet ratified the AACB Statutes to do so as soon as possible.

4.22 Presentation of the AeTrade Group roadmap on the operationalization of the Smart Finance and Digital Banking Initiative

By letter dated June 22, 2022, the AeTrade Group, with the collaboration of the African Union Commission, requested an invitation to participate in the AACB Annual Meetings to present the roadmap for the operationalization of the Smart Finance and Digital Banking Initiative launched on the sidelines of the February 2022 Summit in Addis Ababa, Ethiopia.

The AeTrade Group and African Union are working on promoting digital and financial inclusion, recognizing the importance of regulatory bodies at national, regional and continental level. The AeTrade Group indicated that it is imperative to engage Central Banks on the methods of deploying this digital finance infrastructure to ensure a harmonized and coordinated approach to compliance with the relevant rules and regulations.

The presentation covered the following points:

- Challenges facing Micro, Small and Medium Enterprises (MSMEs) and the SME landscape in Africa;
- Obstacles to access finance;
- Collaborative Approach for SME Financing;
- Strengthening access to financing for SMEs, women and young people, via a digital platform, and perspectives.

Decision of the Assembly:

The Assembly of Governors noted the presentation made by AeTrade and requested that they submit to the AACB Secretariat additional details on their proposal geared at promoting financial inclusion in Africa.

4.23 AACB Chairperson and Vice-Chairperson and composition of the Bureau for 2022-2023

Decision of the Assembly:

In accordance with AACB principles, the Assembly of Governors elected Mr. Buah Saidy, Governor of the Central Bank of The Gambia, as the AACB Chairperson for the period August 2022 - August 2023. Dr. Denny Kalyalya, Governor of the Bank of Zambia, will be the AACB Vice-Chairperson for the same period. In this regard, the composition of the AACB Bureau for 2022-2023 is as follows:

- Governor of the Central Bank of The Gambia, Chairperson of AACB;
- Governor of the Bank of Zambia, Vice-Chairperson of AACB;
- Governor of the Bank of Ghana, Chairperson of the West Africa Sub-region;

- Governor of the Central Bank of Libya, Chairperson of the North Africa Sub-region;
- Governor of the Banque des Etats de l’Afrique Centrale (BEAC), Chairperson of the Central Africa Sub-region;
- Governor of the Banque de la République du Burundi, Chairperson of the East Africa Sub-region;
- Governor of the Reserve Bank of Zimbabwe, Chairperson of the Southern Africa Sub-region;
- Governor of the Central Bank of Nigeria (CBN), Alternate Bureau member of the West Africa Sub-region;
- Governor of the Banque Centrale de Mauritanie, Alternate Bureau member of the North Africa Sub-region;
- Governor of the Banque Centrale du Congo, Alternate Bureau member of the Central Africa Sub-region;
- Governor of the Central Bank of Kenya, Alternate Bureau member of the East Africa Sub-region;
- Governor of the Banco de Moçambique, Alternate Bureau member of the Southern Africa Sub-region.

4.24 Venue and date of the 2023 AACB Continental Seminar

Decision of the Assembly:

The Assembly of Governors took note of the organization of the AACB Continental Seminar by the Banque des Etats de l’Afrique Centrale (BEAC). The venue and date of the event will be communicated in due course by the BEAC.

4.25 Venue and date of the 45th Ordinary Meeting of the Assembly of Governors

Decision of the Assembly:

The Assembly of Governors decided that, in compliance with the principle of regional rotation of the AACB Annual Meetings, the 45th Annual Meetings of the Association in 2023 will be hosted by the Bank of Zambia. The venue and date of the meetings will be communicated in due course by the Bank of Zambia.

4.26 Any other questions

No point was raised under this agenda item.

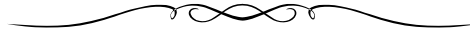
4.27 Closing Ceremony

On behalf of all the Governors and delegates, Hon. RWANGOMBWA John, Governor of the National Bank of Rwanda, expressed gratitude and deep appreciation to His Excellency Mr. Adama Barrow, President of the Republic of The Gambia for participating in the opening ceremony of the Symposium of Governors, despite his busy agenda. He also expressed

gratitude and thanks to the Central Bank of The Gambia and AACB Secretariat for excellent arrangements made to successfully organize the AACB Annual Meetings.

The Honourable Mrs. MALANGU KABEDI MBUYI, Governor of the Banque Centrale du Congo and outgoing Chairperson of the AACB, congratulated the Governor of the Central Bank of The Gambia on his election as AACB Chairperson and wished him full success.

Mr. Buah Saidy, the Honourable Governor of the Central Bank of The Gambia and incoming Chairperson of the AACB, expressed his gratitude to the Honourable Governors and participants in the Symposium for their significant contribution to the work during these Annual Meetings. He particularly thanked the outgoing Chairperson for her leadership in successfully leading the work of the Association. In addition, he indicated that the African economic integration is underway and efforts are still needed to accelerate growth. In this regard, he emphasized the need to promote financial innovations. Faced with the growing evolution of cryptocurrencies, the Governor of the Central Bank of The Gambia recommended that Central Banks better prepare themselves to deal with the risks induced by these digital platforms.



LIST OF PARTICIPANTS / LISTE DES PARTICIPANTS

INSTITUTIONS	NAME	TITLE
BANQUE DES ETATS DE L'AFRIQUE CENTRALE (BEAC)	1. M. Ivan-Bacale Ebe Molina	Member of the Government in charge of Monetary Policy
	2. M. Jean-Clary Otoumou	Directeur Central
	3. M. Augusto Roku Gaetjens	Adjoint au Directeur des Relations Internationales
	4. M. Nafe Daba	Chef de Service – Direction des Relations Internationales
	5. M. Ngniah Bertrand Besse	Chargé de Mission – Cabinet Gouverneur
BANQUE CENTRALE DES ETATS DE L'AFRIQUE DE L'OUEST (BCEAO)	6. Dr. Franck Bassambié Bationo	Directeur Général de l'Economie et de la Monnaie
	7. Mme Dogbe Akuwa Azoma	Conseiller du Directeur Général des Opérations et de l'Inclusion Financière
	8. M. Joseph Saturnin Sagnon	Adjoint au Directeur de la Conjoncture Economique et des Analyse Monétaires
	9. Mme Ndèye Fatou Ndiaye Lo	Chef du Service de la Coopération Internationale
BANK OF BOTSWANA	10. Mr. Moses Dinekere Pelaelo	Governor
	11. Tshokdogo Alex Kganetsano	Deputy Governor
	12. Mr. Tayani Chankuluba	Special Assistant to the Governor
	13. Kegakgamitse Larry Sediakgotla	Principal Financial Stability Analyst
	14. Innocent Molalapata	Deputy Director
BANQUE DE LA REPUBLIQUE DU BURUNDI	15. Niyonzima Audace	Deputy Governor
	16. Mr. Nkunzimana Alexis	Chef de Service
BANCO DE CABO VERDE	17. Antonia Bernarda Lopes	Executive Director
	18. Isabel Freire	Legal Advisor to the Board
BANQUE CENTRALE DU CONGO	19. Mme Malangu Kabedi Mbuyi	Gouverneur
	20. M. Mubilulu Serge	Secrétaire du Gouverneur
	21. M. Nkwara Mwana	Directeur Général

	22. M. Jephthe Nsumbu	Conseiller du Gouverneur
	23. M. Willy Ngovo Luboa	Directeur
	24. M. Kalubi Kayembe Jean Marcel	Director / Head of Regulations Licencing Department
	25. M. Talebuyi Tayeye Olivier Tallys	Manager
	26. M. Mboma Mwenge Jr.	Expert
BANQUE CENTRALE DE DJIBOUTI	27. M. Mohamed Robert Carton	Directeur des Etudes
CENTRAL BANK OF EGYPT	28. Dr. Naglaa A. Nozahie Edres	Governor's Advisor for African Affairs
	29. Mr. Sameh ElShall	Assistant Sub-Governor for Information, Technology Sector
	30. Mr. Osama Abdelrahman A. Mohamed	General Department Manager
	31. Mr. Mohamed Kadry Ali Farghaly	Financial Analyst
	32. Mrs. Nourhan A. Sedeek	Researcher
CENTRAL BANK OF ESWATINI	33. Dr. Phil Mnisi	Governor
	34. Mr. Sikhumbuzo Sabelo Dlamini	General Manager, Research
CENTRAL BANK OF THE GAMBIA	35. Mr. Buah Saidy	Governor
	36. Mr. Abdoulie S. Jallow	Deputy Governor 1
	37. Mr. Momodou B. Mboge	Special Adviser to the Governor
	38. Mr. Karamo Jawara	Director, Banking and Payment System
	39. Mr. Ebrima N. Wadda	Director of Research
	40. Mr. Sekou Touray	Director
	41. Mr. Omar K. Janneh	Director of Administration and General Services
BANK OF GHANA	42. Dr. Amediku K. Settor	Director, Payment Systems Department
	43. Mr. Kwane A. Oppong	Director of Fintech
	44. Mr. Eric Koranteng	Director
	45. Mr. Boadu-Amoama Oriana	Assistant Director
BANQUE CENTRALE DE LA REPUBLIQUE DE GUINEE	46. M. Mohamed Lamine Conté	Vice-Gouverneur
	47. Mme Mariama Ciré Sylla	Directrice Générale des Etudes et des Statistiques
	48. M. Mohamed Conté	Directeur des Relations Internationales
	49. M. Soumah Abdou Diouf	Directeur des Etudes

CENTRAL BANK OF LESOTHO	50. Dr. Emmanuel M. Letete	Governor
	51. Retliabile Masenyetse	Executive Assistant
CENTRAL BANK OF LIBERIA	52. Mr. Jolue Aloysius Tarlue Jr.	Executive Governor
	53. P. Alphonsus Zeon	Special Assistant to the Executive Governor
	54. Osamah G. Ali Ibrahim	Head of Domestic Economics Division
	55. Mr. Michael B. Ogun	Senior Advisor for Multilateral Relations
	56. Mr. Mussah A. Kamara	Senior Technical Advisor
CENTRAL BANK OF LIBYA	57. Mr. Ali Abusalah Amreeghah	Director of Communication
	58. Mr. Osamah G. Ali Ibrahim	Head of Domestic Economics Division
BANKY FOIBEN'I MADAGASIKARA	59. M. Aubin Aurore Belalahy	Vice-Gouverneur
	60. M. Radomaina Randrianarisoa	Chef – Division des Relations Internationales
	61. M. Andrianarifidy Rakotomanga	CBDC Project Manager
RESERVE BANK OF MALAWI	62. Mr. Patrick Mhango	Executive Director
	63. Mr. Peter Ellis Kambalame	Manager, Policy and Oversight
BANQUE CENTRALE DE MAURITANIE	64. Dr. Mohamed-Lemine Dhehby	Gouverneur
	65. M. Mamoudou Diawara	Directeur de Cabinet du Gouverneur
	66. M. Ahmed Radhi	Directeur Général de la Supervision Bancaire et de la Stabilité Financière
	67. M. Filali Mohamed Filali	Directeur Général des Etudes et de la Stabilité Monétaire
BANK AL-MAGHRIB	68. M. Abderrahim Bouazza	Directeur Général
BANK OF MAURITIUS	69. Mr. Mardayah Kona Yerukunondu	First Deputy Governor
BANCO DE MOCAMBIQUE	70. Mr. Rogerio Lucas Zandamela	Governor
	71. Mr. Pinto Fulane	Director
	72. Benedita Maria Guimino	Executive Director and Board Member
	73. Edmundo Zacarias Juvane	Director
	74. Pinho Ribeiro	Director, Research Department
BANK OF NAMIBIA	75. Ms. Leonie Dunn	Deputy Governor
	76. Erwin Naimhwaka	Deputy Director
CENTRAL BANK OF NIGERIA	77. Dr. Hassan Mahmud	Director
	78. Chinwendu Onuzo	Economist
NATIONAL BANK OF RWANDA	79. Hon. Rwangombwa John	Governor

	80. Priscille M. Ziraje	
BANK OF SIERRA LEONE	81. Prof. Kelfala Morana Kallon	Governor
	82. Dr. Robert Dauda Korsu	Director Research & Statistics
	83. Mr. Momoh Lansana Sesay	Assistant Director, Financial Sector Development
BANCO CENTRAL DE SAO TOME E PRINCIPE	84. Mr. Moreira De Sousa Luis Fernando	Deputy Governor
	85. Mr. Ostris Fernandao De Jesus Costa	Economist
	86. Mr. Alsis Da Cruz	Senior Technician
SOUTH AFRICAN RESERVE BANK	87. Mr. Lesetja Kganyago	Governor
	88. Mr. Tim Masela	Head, National Payment System Department
	89. Mr. Denzel Bostander	Head of Department, Financial Conglomerate Supervision
	90. Mr. Francis Selialia	Senior Manager
CENTRAL BANK OF SOMALIA	91. Mr. Abdirahman Mohamed Abdullahi	Governor
BANK OF TANZANIA	92. Prof. Florens Dominic Luoga	Governor
	93. Yohana Kusavua Chambai	PA - Governor
	94. Dr. Ngulingwa Philip Balele	Private Assistant to the Governor
BANK OF UGANDA	95. Mr. Michael Atingi-Ego	Deputy Governor
	96. M. Jimmy Okelio Apaa	Director, Economic Research
	97. Mrs. Liz Mukasa Samula	Economist
	98. Mrs. Karolyne Aketcha	Economist
BANK OF ZAMBIA	99. Dr. Denny Kalyalya	Governor
	100. Mr. Martin S. Mwiinga	Executive Assistant to Governor
	101. Mr. Jonathan M. Chipili	Director
	102. Mr. Francis Z. Mbao	Senior Economist
RESERVE BANK OF ZIMBABWE	103. Mr. Mupunga Nebson	Deputy Director
AFRICAN UNION COMMISSION (AUC)	104. Mrs. Sekwi Charumbira Ndinaye	Policy Officer Economic Policy
	105. Mrs. Manhando Rumbidzai Treddah	Economist
	106. Mrs. Mandy Mayakufa	Programme Assistant, Department of Economic Development
GENESIS ANALYTICS	107. Mr. Richard Ketley	Director
EUROPEAN CENTRAL BANK (ECB)	108. Mr. Benjamin Vonessen	Senior Adviser
FINANCIAL STABILITY BOARD (FSB)	109. Mr. Rupert Thorne	Deputy Secretary General
AACB SECRETARIAT	110. Dr. Djoulassi Kokou Oloufade	Secrétaire Exécutif
	111. M. Abdoulaye Ndoye	Auditeur au Cabinet Grant Thornton
	112. M. Acho Théodore Yapo	Chargé d'Etudes

	113. M. Yao Arthur Koffi	Webmaster
	114. M. Mamdou Seye	Archiviste
	115. M. Mountaga Mbow	Comptable
	116. Mme Imily Dieng Mbaye	Assistante de Direction
INTERPRETERS AND TRANSLATORS	117.Mr. Abdou R. Diagne	Freelance
	118.Mr. Ousseynou Tall	Freelance
	119.M. Kebba Jarju	Lead Interpreter
	120.Mr. Alhagi Ceesay	Interpreter
	121.M. Chernou Omar Barry	Translator
	122.M. Passokona Sylla	Translator