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HM the King Sends Message to Meeting of African Caucus of Finance Ministers, Central Bank Governors of African Countries Members of the World Bank and the International Monetary Fund

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HIS MAJESTY KING MOHAMMED VI
MAY GOD ASSIST HIM

HM the King Sends Message to Meeting of African Caucus of Finance Ministers, Central Bank Governors of African Countries Members of the World Bank and the International Monetary Fund

His Majesty King Mohammed VI sent a message to the participants in the 2022 Meeting of the African Caucus of Finance Ministers and Central Bank Governors of African Countries members of the World Bank and the International Monetary Fund, which kicked off Tuesday in Marrakech.

Here follows the full text of the royal message, which was read out by the minister of Economy and Finance, Nadia Fettah Alaoui.

"Praise be to God,

May peace and blessings be upon the Prophet, His Kith and Kin

Your Excellencies,

Ladies and Gentlemen,

First of all, I should like to say how pleased I am to welcome to

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Morocco our distinguished guests, who are here to participate in this 2022 Meeting of the African Caucus of Finance Ministers and Central Bank Governors of African Countries members of the World Bank and the International Monetary Fund.

The African Caucus, which was set up in 1963, and which aims to make the voice of African central bank governors heard in Bretton Woods institutions, has been playing a particularly important role regarding the economic and social development challenges facing African countries.

Your Excellencies,

Ladies and Gentlemen,

As you know, at a time when the world was about to overcome the repercussions of the Covid-19 pandemic, the global economy experienced unprecedented disruptions in supply chains, growing inflationary pressures and record increases in energy, food and raw material prices. These disruptions have had horrendous social consequences.

The impacts of this crisis on African countries have not been the same, depending on each country’s resources and its needs for raw materials, especially in the energy and food sectors.

In these difficult circumstances, our African continent has been one of the regions most affected by the situation, given the increasing threat to its energy and food security, the decline in the economic growth levels achieved and the worsening social conditions faced by many African countries.

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Moreover, the increase in financing needs in an environment characterized by the scarcity of concessional financing and stricter conditions for access to that financing are causing a sharp rise in debt service, which is further exacerbating the economic conditions prevailing in a large number of countries in our continent.

In that light, the need for more international support and cooperation is more pressing than ever. That is the way to enable African countries to mitigate the repercussions of the inflationary spiral affecting the global economy, and to enhance their resilience in the face of external shocks.

Your Excellencies,

Ladies and Gentlemen,

The international community - the International Monetary Fund and the World Bank included - has been effectively mobilized to help countries affected by the repercussions of the Covid-19 pandemic and, later, by the Ukraine crisis. Thus, a number of initiatives and measures have been taken with a view to easing the burden of the debt service in particular, reducing the financing gap, and preserving external balances.

As commendable as these initiatives may be, they remain insufficient, given the magnitude of the challenges facing African countries as they seek to achieve sustainable, comprehensive development. It is a fact that structural deficiencies remain in African countries' economic growth models and social protection schemes.

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As you know, there is very little diversity in many African economies, which depend heavily on the export of raw materials. Moreover, agriculture in these countries hinges on climatic fluctuations, and these countries are far from making the most of their tremendous demographic assets.

Therefore, it is necessary today to pool efforts in order to address imbalances and shortcomings through the preparation of comprehensive development programs, with clear objectives and innovative financing mechanisms, in which the African citizen comes first. These programs should, in particular, create opportunities for the achievement of inter-African economic integration and make sure Africa is actively engaged in the digital transformation and the energy transition the world is witnessing today.

Your Excellencies,

Ladies and Gentlemen,

The convening of the African Caucus of Finance Ministers and Central Bank Governors in these exceptional circumstances is a good opportunity to look into the challenges facing our African countries, and to exchange views on ways to tackle them.

The choice of themes on this meeting's agenda is indeed commendable, especially those regarding the debt issue, digitalization challenges and climate change.

With respect to the debt issue, there is general agreement that it

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constitutes one of the biggest economic challenges facing African countries. It questions the entire international community, not just because of the increasing burden it poses on most African countries' limited resources for development, but also because it compromises the future of upcoming generations as well as their legitimate right to development and prosperity.

In this regard, the Bretton Woods institutions, in cooperation with other regional and international financial institutions, should come up with technical solutions and appropriate financing mechanisms to improve the debt situation in African nations, especially low-income countries. However, such financing solutions are of a provisional nature given the huge financing gap African countries are grappling with. Indeed, African countries have significant financing needs, to the tune of hundreds of billions of dollars annually.

With that in mind, it is important to develop additional financing options of a structural nature, based mostly on the mobilization of more domestic resources through structural reforms that increase the effectiveness of tax systems, ensure efficient public spending and attract foreign investment, in addition to developing public-private partnership mechanisms.

On a different level, the problem of climate change is one of the most urgent challenges facing our continent, given its serious, long-term consequences on life in our countries.

Although African nations account for the smallest share of greenhouse gas emissions which cause climate change, they are, sadly, among the countries most affected by the impacts of this phenomenon, as shown by successive years of drought, declining rainfall and the accelerated pace of desertification.

Considering the nature of the climate challenge - a global

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phenomenon on which ‘go-it-alone’ solutions have no impact - the international community is called upon to listen to African countries in this regard, and to mobilize the necessary financial and technical resources needed to assist African countries in their efforts to mitigate the effects of climate change or adapt to them. To date, Africa remains the continent that has benefited the least from the funds pledged within the framework of the Paris climate agreement.

In parallel, our African countries should revisit their development models to promote more sustainable production and consumption patterns that take into account climate change constraints, be it with respect to the quantity of natural resources available or the nature of the economic options applied.

Your Excellencies,

Ladies and Gentlemen,

Whereas the high levels of indebtedness and the climate change phenomenon constitute a major challenge threatening the stability of African economies and the sustainability of their development models, digital transition provides enormous development opportunities for African countries. They should be optimally leveraged.

Digital technology constitutes a structural shift in our approach to the world around us. This technology makes it possible to develop new production and consumption patterns that can create more jobs and greater investment opportunities.

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Similarly, digital media are a distinct means for increasing financial inclusion and expanding health and social coverage.

However, digitalization, as an economic option, requires sufficient and skilled human resources. Moreover, digital culture should become part and parcel of society, and technical infrastructure that enables us to keep abreast of rapid changes in the sector should be developed.

Although digitalization has complex repercussions that are difficult to deal with, it is still necessary to accelerate the pace of digital transformation in our African societies in order to close the gap with developed countries and reap the fruits of the digital revolution the world is witnessing today. To this end, we need to come up with the financial and human resources required to rise to this challenge, and to mobilize skilled African resources in order to devise digital solutions tailored to our countries' cultural and social particularities.

Your Excellencies,

Ladies and Gentlemen,

South-South cooperation remains the best way to improve the economic conditions of African countries. In addition to having firm convictions in this regard, Morocco has made significant accomplishments by remaining committed to the achievement of large-scale projects, such as the gas pipeline project between Morocco and Nigeria, which is expected to contribute effectively to enhancing the energy security of a large number of African countries.

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The progress made in institutionalizing the African Continental Free Trade Area (AfCFTA), in spite of the challenges created by the current crisis, is further evidence of our continent's ability to enhance its economic integration, based on a common vision. Operationalizing this free trade area as soon as possible will contribute to faster integration of African economies - among themselves as well as into global value chains - and to the consolidation of the South-South trade and economic cooperation we are yearning for.

At the same time, I cannot but call, once again, on our partners - at the bilateral as well as the multilateral levels - to support the efforts made by our countries to achieve development. This should be done within the framework of a win-win strategic partnership that provides African countries with sufficient resources to meet the challenge of achieving sustainable development while ensuring a safe, decent life for our peoples.

I commend your successful action to support our continent’s efforts to rise to the challenge of achieving economic and social development and I wish you, once again, a pleasant stay in Morocco as well as a successful conference.

Thank you.

Wassalamou alaikoum warahmatoullahi wabarakatouh."

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