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8TH ORDINARY SESSION OF THE AFRICAN UNION SPECIALIZED TECHNICAL COMMITTEE ON FINANCE, MONETARY AFFAIRS, ECONOMIC PLANNING AND INTEGRATION

02 to 03 October 2025

JOHANNESBURG, SOUTH AFRICA

MINISTERIAL DECLARATION

Preamble

We, the Ministers of Finance, Monetary Affairs, Economic Planning and Integration, Ministers of Health and Central Bank Governors of the African Union (AU) Member States, meeting on the occasion of the Eight Ordinary Session of the African Union Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration held from 02 to 03 October 2025 in Johannesburg, South Africa;

Having deliberated on the on the “Bridging Africa’s Health Financing Gap in a Changing Geo Economic Context: Challenges and Potential Solutions” to strengthening Africa’s financial resilience and independency for inclusive growth and sustainable development”;

Cognisant of the importance of health financing as a driver of Africa’s transformation and **aware** of the challenges faced by African countries in a global challenging context;

Having also considered the need for implementing an annual incremental increase in budget allocation to the health sector, with the goal of achieving and sustaining the 15% Abuja Declaration target, with performance monitored against the Africa Scorecard;

Mindful of the huge untapped potential of the continent in terms of natural capital, human resources, digital transformation, investment and market opportunities in the framework of the African Continental Free Trade Area (AfCFTA);

Having deliberated further on the African Union and South Africa participation in the G20 and aware of the transformative potential of a G20 Africa Engagement Framework with a view to sustaining the legacy of the South African Presidency beyond 2025.

HEREBY AGREE TO:

A. On the Ministerial Dialogue on Joint Finance and Health Ministerial and Central Bank Governors Discussion on the Theme of the STC

- (i) **Encourage** Member States to implement an annual incremental increase in budget allocation to the health sector, with the goal of achieving and sustaining the 15% Abuja Declaration target, with performance monitored against the Africa Scorecard;
- (ii) **Further Encourage** Member States to implement Innovative Health Taxes, with emphasis to champion the introduction of health taxes on harmful products to increase revenue and reduce resultant expenditure on health;
- (iii) **Urge** Member States to leverage AUDA-NEPAD Programme for Investment and Financing in Africa's Health (PIFAH) for development and preparation of priority investment projects towards the transformation of Africa's health economy. This will assist in scaling up local vaccine, pharmaceutical, and medical product manufacturing in line with the African Union's 24 Priority Medical Products and Roadmap Report, supported by pooled procurement mechanisms to ensure market demand and achieve health sovereignty;
- (iv) **Call upon** the AUC and RECs to support AU Member States in negotiating on the issues of global health financing, debt restructuring and climate finance;
- (v) **Request** the AUC, AUDA-NEPAD, Africa CDC and other relevant stakeholders to support Member States improving health sector Public Financial Management (PFM) by shifting to result-oriented, with measurable criteria, strengthening human and institutional capacity and modern information systems within Ministries of Health;
- (vi) **Further Urge** Member States to prioritize and allocate funding for public Primary Health Care (PHC) and human resources for health through the costed provision of an Essential Health Benefit Package to reduce Out-of-Pocket (OOP) payments;
- (vii) **Urge** AAMFI to provide the technical and financial support needed to the AU Epidemic Fund with a view to achieving its objective;
- (viii) **Request** the AUC, UNECA, AfDB, AAMFI and AUDA-NEPAD through PIFAH are to support Member States efforts in piloting and scaling-up innovative financing instruments, including blended finance models that combine public, private, and philanthropic capital for critical infrastructure such as digital health and Debt-for-Health Swaps.

B. Ministerial and Central Bank Governors Discussion on the G20 South African Presidency Priorities and the Presentation on the Africa Expert Panel's work

- (i) **Commend** South Africa for a successful G20 Presidency on African soil and encouraged the AU and the Presidency to strengthen their collaboration with a view to securing a good outcome at the G20 Leaders' Summit in November 2025;
- (ii) **Encourage** the South African Presidency and the AU to finalise the G20 Africa Engagement Framework to sustain the legacy of the South African Presidency beyond 2025 with a view to reducing the cost of capital for Africa countries, increasing access to concessional financing and address the impediments to Africa's growth;
- (iii) **Further Encourage** the AU and South Africa to intensify advocacy efforts aimed at strengthening the G20 Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative, building on ongoing efforts, rendering it more predictable, timely, orderly and coordinated, including by building on lessons learned from individual country cases;
- (iv) **Called upon** South Africa and the AU to advocate for accessible climate and sustainable finance by promoting affordable financing for low-carbon transitions, scaling up investment in green infrastructure, and enhancing climate resilience across African economies;
- (v) **Encourage** further the AU and South Africa to pursue reforms of Multilateral Development Banks (MDBs) to ensure they are adequately resourced and capable of channeling IMF's Special Drawing Rights (SDRs) effectively towards concessional financing for Africa's development and transformational regional projects; and
- (vi) **Urge** the AU and South Africa to continue advancing Africa's position on international tax reforms towards a UN Framework Convention on International Tax Cooperation with a view to strengthening domestic revenue mobilization and addressing tax base erosion and profit shifting (BEPS) and illicit financial flows.

C. Ministerial and Central Bank Governors Discussion on the impact of the US tariffs on Africa

- (i) **Request** the AUC, UNECA and AfDB to continue to provide capacity building to Member States to implement initiatives aimed at promoting integrated value chains, infrastructure development and digital connectivity to link production hubs and enhance intra-African trade;
- (ii) **Further request** the AUC, UNECA and AfDB to support Member States in enabling access to finance, skills, and regional markets for SMEs to enhance

economic resilience with a view to achieving inclusive growth and sustainable development across the continent;

- (iii) **Encourage** Member States to pursue new trade partnerships globally, with the African Union coordinating market access strategies to reduce overdependence on a single market, mitigate external shocks and enhance trade resilience;
- (iv) **Further encourage** Member States to fast-track the implementation of the AfCFTA, with a view to removing trade barriers, promoting the African Single Market and industrial growth across Africa;
- a) **Urge** the AUC to coordinate a unified negotiation front to secure equitable trade terms and leverage Africa's collective bargaining power to safeguard strategic sectors; and
- (v) **Request** the AUC, UNECA, AfDB to support Member States to design measures for at-risk sectors through funding, training, and policy incentives with the view to creating jobs, regional trade and competitiveness in global markets.

D. Ministerial and Central Bank Governors Discussion on the Impediments to Growth and Development in Africa

- (i) **Encourage** Member States to strengthen institutional capacity to enhance policy certainty and build robust regulatory frameworks to increase public sector effectiveness and private sector confidence;
- (ii) **Request** the AUC, ATAF, UNECA, TJNA and ACBF to enhance Member States capacities and capabilities for DRM to mobilize 90% of the resources required to implement Agenda 2063 through amongst other strengthening tax administrations to effectively collect and channel domestic resources into productive sectors like agriculture, industry, services, and infrastructure;
- (iii) **Further encourage** the AU and South Africa to strengthen advocacy at the G20 to address the high cost of capital by providing long-term and affordable financing through the effective rechanneling of SDRs to MDBs, an ambitious 17th replenishment of the African Development Fund, reform of the international climate finance architecture, and reform of the credit ratings methodology to improve Africa's access to low-cost capital;
- (iv) **Call upon** the AU and South Africa to strengthen advocacy for a constructive reform of the international tax architecture at the United Nations, moving toward a United Nations Convention on International Tax Cooperation;
- (v) **Express overwhelming support** to the development of a Sustained G20 Africa Engagement Framework as a substantive and durable longer-term framework for G20 Finance Track engagement with Africa beyond the South African Presidency.

E. Ministerial and Central Bank Governors Discussion on the Outcome of the African Union Conference on Debt

- (i) **Request** the AUC to revise the CAP on Debt before submission for further consideration to the AU Policy Organs;
- (ii) **Request** the AUC to define clear implementation timelines, roles, and responsibilities to ensure that the CAP on Debt is actionable and not merely aspirational;
- (iii) **Call upon** the AUC to establish and operationalize the African Debt Monitoring Mechanism (ADMM) within the ETTIM Department as a virtual platform with no legal, structural and financial burden to Member States, with the financial and technical support of AAMFI.

F. Update on the implementation of the African Union Financial Institutions (AUFIs)

- (i) **Request** the AUC to revise the technical study to make it more practical, as opposed to its current theoretical state and provide updates on financial implications, governance frameworks, and realistic implementation timelines for all AUFIs, not just the AIB;
- (ii) **Request** the AUC to ensure that the technical study provide clarification on legal references, institutional overlaps with African Monetary Institute (AMI), African Financing Stability Mechanism (AFSM), and Member State contributions;
- (iii) **Encourage** the AUC, under the leadership of the AU Champion on financial institutions, should advocate and raise awareness efforts at national levels to generate political will and ensure citizen engagement;
- (iv) **Further request** the AUC to delete a sentence on political instability as a reason contributing to the delay of the operationalization of AUFIs such as the African Investment Bank;
- (v) **Request** the AUC to include detailed capital contribution mechanisms, including blended financing models and mobilization roadmaps in the study and simulation models showing different financial scenarios, to leverage the AACB and benefit from its technical committees, working groups and taskforce, which are already established to contribute to the work of AMI; and
- (vi) **Call upon** the AUC, AAMFI and other stakeholders to step up support to the AU Champion on AUFIs to strengthen its role and leadership for coordinated advocacy campaigns.

G. Enhancing Domestic Resource Mobilization in Africa: Consideration of the Report of the Fourth STC Subcommittee on Tax and Illicit Financial Flows

- (i) **Adopt** the report of the STC Subcommittee on Tax and IFFs with amendments and the International Conference on Taxation of the Digital Economy;
- (ii) **Call upon** Member States to broaden tax bases, reduce exemptions, harmonise incentives, reform their tax treaty policy and carry out other transformative tax policy reforms including through working with the AUC, ATAF, TJNA, UNECA, ACBF and other relevant stakeholders to support designing and implementing robust rules for the taxation of the digital economy, digitalization of tax administration and rules to effectively address IFFs, Base Erosion and Profit Shifting;
- (iii) **Encourage** Member States to collaborate with AUC, ATAF, TJNA, UNECA, ACBF and other stakeholders to implement AU tax and IFF strategies. This includes promoting transparency, establishing beneficial ownership registrars, adopting continental instruments for mutual administrative assistance, expanding the Anti-IFFs Policy Tracker, and strengthening asset recovery mechanisms;
- (iv) **Urge Member** States to collaborate with the AUC, ATAF, AfDB, ACBF, UNECA and relevant stakeholders to enhance the capacity of officials. This includes facilitating a continent-wide peer learning mechanism and strengthening expertise in transfer pricing, auditing, digital economy, and natural resource taxation;
- (v) **Encourage** AUC, ATAF, TJNA, ACBF and UNECA to continue supporting African experts engaged in negotiations across various global platforms, including the United Nations, the OECD Inclusive Framework, and the G20;
- (vi) **Urge** Member States to implement tax and fiscal reforms necessary for the AfCFTA, including broadening the tax treaty network and coordinating or harmonizing tax policies;
- (vii) **Call upon** AUC and ATAF to collaborate in ensuring that the Joint Technical Committee on tax works harmoniously with the STC Sub-committee on tax and IFFs, providing technical solutions to Africa's tax-related issues;
- (viii) **Encourage** AUC, ACBF, ATAF, TJNA to strengthen their collaboration to develop a continental strategy on the taxation of the digital economy.

H. Enhancing Debt Management in Africa: Consideration of the Lome Declaration and Draft Common African Position on Debt as Outcome Documents of the African Union Debt Conference

- (i) **Request** the AUC to resubmit the revised CAP on Debt to Member States for further consideration prior to its transmission to the AU Policy Organs and **Further Request** that, subject to approval, before the Fourth Finance and Central Bank Ministerial meeting of the G20 from 15 – 16 October 2025, the Common African Position will be advanced in the said meeting;
- (ii) **Request** the AUC to define clear implementation timelines, roles, and responsibilities to ensure that the CAP on Debt is actionable and not merely aspirational;
- (iii) **Call upon** the AUC to establish and operationalize the African Debt Monitoring Mechanism (ADMM) within the ETTIM Department as a virtual platform with no legal, structural and financial burden to Member States, with the financial and technical support of AAMFI.

I. Update on the Implementation of Key Flanking Programmes

Update on the African Credit Rating Agency

- (i) **Welcome** the announcement of Mauritius as the primary jurisdiction of AfCRA;
- (ii) **Urge** Member States interested in registering as AfCRA to submit their Expression of Interest to the APRM for consideration by the transaction advisor.

African virtual Investment Platform

- (i) **Encourage** Member States to express their interest in joining the pilot phase of the AVIP;
- (ii) **Emphasize** the need for strong collaborative governance with clear mechanisms, and for the integration of data on national priority sectors while taking into account regional specificities;
- (iii) **Request** the AUC to develop a clear roadmap for data integration, supported by systems for quality assurance, monitoring and evaluation;
- (iv) **Further request** the AUC to ensure that the Platform provides regular and transparent communication with investors with a view to promoting measurement of investment impact; and

- (v) **Urge** the AUC and OECD to accelerate the operationalization of the AVIP to support Member States improving their investments profiles to attract more financial resources.

Payment Service Directive for Africa (PSDA)

- (i) **Encourage** the AUC and AfricaNenda Foundation to continue consultation with key stakeholders on the PSDA, particularly the AACB and report progress to the next STC; and
- (ii) **Further encourage** the AUC and AfricaNenda Foundation to complete the ongoing feasibility study on the PSDA and report progress in the next STC.

African Entity Identifier (AEI)

- (iii) **Welcome** the AEI initiative and note ongoing to embed the AEI under the AfCFTA Digital Trade Protocol; and
- (iv) **Urge** Member States to accelerate integration of AEI with national ID systems and financial infrastructure, including credit registries, mobile money platforms, and digital payment systems, to expand adoption among SMEs and enhance Africa's credibility in global markets.

J. Vote of thanks

- (i) **Express deep and sincere appreciation** to the Government and the People of the Republic of South Africa for their warm welcome and hospitality and to the African Union Commission with the financial support of the African Development Bank, the African Import-Export Bank (Afreximbank) and other Pan-African Institutions for the successful organization of the 8th Ordinary Session of the STC.

Done in Johannesburg, 3 October 2025