



S2908



LIMITED

E/CN.14/AMA/42
9 August 1973

UNITED NATIONS
ECONOMIC AND SOCIAL COUNCIL

ENGLISH
Original: FRENCH

ECONOMIC COMMISSION FOR AFRICA

Third Regular Meeting of the
Association of African Central Banks

Lagos, 20-24 August 1973

WORK PROGRAMME OF THE ASSOCIATION FOR 1973-1975

1. The work programme of the Association for 1973-1975 takes account of those provisions of the Association's articles of association which relate to its functions and activities and of the Association's deliberations in this regard. It is also based on statements, resolutions and recommendations made at UNCTAD III and at important meetings held by African authorities in the field of finance, currency and monetary co-operation. Finally, it takes into account the progress made on the work programme of the Association for 1971-1973.
2. The activities of the Association are specified in its articles of association, and the Association itself grouped them under the following four headings at its inaugural meeting: research, training and seminars, technical assistance and advisory services and discussion of current international monetary problems.
3. At its third session held in April and May 1972, UNCTAD adopted resolutions emphasizing the action which should be taken to help the developing countries in matters relating to supplementary financing, foreign private investments, compensation for losses resulting from the realignment of the leading currencies, the growing burden of debt-servicing, the terms of and arrangements for public aid to development and the international monetary situation.
4. The report of the seventh ECA/OAU Joint Meeting on Trade and Development held in September 1972 contains some draft statements on development financing, aid to development and the international monetary situation. These drafts were incorporated into resolution 244(XI) adopted by the ECA Conference of Ministers, which comprises a declaration on trade and development^{1/}.
5. In considering studies on the monetary and financial aspects of African development at its third meeting held in September 1972, the ECA Technical Committee of Experts recommended the following studies, inter alia: An annual survey of the monetary situation in Africa, an annual

^{1/} See paragraph 7 of this document.

survey of international monetary problems and their impact on Africa and on financial and technical assistance to Africa, studies on the possibilities of creating African monetary unions on a sub-regional basis, an assessment of the benefits and costs of private foreign investments and an analysis of bilateral payments agreements in Africa and their impact on intra-African trade expansion.

6. The report of the meeting of the Panel of Experts on Intra-African Economic Co-operation held in February 1973, which was submitted to the second meeting of the ECA Conference of Ministers, noted under the heading "Intra-african payments" that the Association of African Central Banks, in collaboration with OAU and ECA, should continue its efforts to design solutions to the payments problems encountered in intra-african trade and that in particular it should:

- (a) Bring up-to-date the studies carried out by ECA, especially the one undertaken by Professor Triffin in 1964;
- (b) Study the possibility of establishing one or more African monetary funds; and
- (c) Study the possibility of establishing, on a national or multinational basis, export credit financing and export credit insurance facilities.

7. Among the resolutions and other decisions adopted by the ECA Conference of Ministers at its second meeting held in February 1973 is the resolution known as the Declaration on trade and development, which asks African countries, inter alia, to review the philosophy and concept of aid and to undertake a study of the economies of assistance in order to determine the real volume of aid. Where the international monetary situation is concerned, the Declaration emphasizes that African countries should participate fully in the reform of the international monetary system and that they should envisage the creation of an African body which would undertake in-depth studies of monetary problems. It affirms the need to convene a conference of African Ministers of Trade, Development and Finance to strengthen the common African stand in forthcoming international trade and monetary negotiations and to consider certain inter-related problems in particular. Conference resolution 245(XI) invites the Association of African Central Banks and the African Development Bank to co-ordinate their activities with those of the Organization of African Unity and the Economic Commission for Africa so as to ensure that Africa's problems in the monetary, finance and trade spheres can be resolved in a co-ordinated manner.

8. At the African Ministerial Conference on Trade, Development and Monetary Problems held in May 1973, an African Charter on co-operation, economic independence and development was drawn up, and recommendations were made on a number of other questions, such as development aid and financing, the reform of the international monetary system and monetary problems affecting Africa in particular. The Charter and the recommendations were adopted by the OAU Assembly of Heads of State and Government at its tenth ordinary session in May.

9. In view of the foregoing, the work programme of the Association for 1973-1975 may be modelled on the programme for the preceding period with a few changes. With a view to practicality and efficiency, the research and studies will be conducted by the secretariat, the sub-regional committees, African experts recruited for this purpose and possibly by certain member banks appointed by the Chairman of the Association. The Association's activities, which have already been outlined by the Assembly of Governors, will concern the following subjects and problems:

I. Research

(a) Creation of sub-regional payments arrangements

- (i) Analysis of actual and potential foreign trade between member countries at sub-regional and regional levels;
- (ii) Analysis of payments arrangements and of the bilateral payments agreements actually in force within the sub-regions and the region;
- (iii) Bringing up-to-date the studies carried out by ECA on sub-regional payments arrangements, especially the one undertaken by Professor Triffin in 1964;
- (iv) Studies on ways of creating African monetary unions in the various sub-regions and proposals for multilateral payments arrangements with a view to promoting intra-sub-regional and intra-African trade;
- (v) Studies on the possibility of establishing one or more African monetary funds.

(b) Role of financial institutions in the mobilization of domestic financial resources

- (i) Legal and organizational possibilities, procedures and measures followed results actually obtained in the mobilization and investment of domestic savings by:
 - Central banks;
 - Development banks;
 - Commercial banks;
 - Savings banks;
 - Savings co-operatives;
 - Insurance companies;
 - Corporations and public enterprises;
 - Unit trusts;
 - Others.

- (ii) Identification of the main obstacles to increased savings mobilization and to their investment in productive sectors;
 - (iii) Development of financial markets in the African countries.
- (c) Export-credit financing and export-credit insurance
- (i) Review of export policies in African countries and analysis of existing financial organizations dealing with export financing;
 - (ii) Studies on the possibilities of establishing export-credit financing and insurance schemes at the national or multinational level;
 - (iii) The possibilities of mobilizing international public or private resources for the financing, refinancing or insurance of export credits granted by exporters in African countries;
 - (iv) The establishment of national or multinational export-credit financing and insurance schemes (terms of financing, methods of operations, etc.).
- (d) Development assistance
- (i) Review of the philosophy behind the present targets for aid and contributions to Africa;
 - (ii) A study of the economies of assistance aimed at determining the real volume of aid;
 - (iii) Formulation of proposals to improve the terms of and arrangements for public development assistance.
- (e) Tied aid
- (i) Country studies:
 - Sources, types and terms of aid:
 - Donor countries;
 - Type of aid given (programme aid, commodity aid, project aid);
 - Identification and evaluation of tied aid and degree of tying (single tying, i.e. to the sources of procurement, and double tying, i.e. to specific products as well);

- Evaluation of excess cost of tied aid received:
 - Under commodity loan agreements;
 - Under barter agreements;
 - Under project aid.

(ii) Possible untying measures, including measures to extend procurement under tied aid arrangements in developing countries.

(f) Private foreign investment in Africa

- (i) Extent and scope of private foreign investment;
- (ii) Study of the benefits and cost of private foreign investment for the Governments involved;
- (iii) Functions of and priorities for private foreign investment;
- (iv) Studies of the steps to be taken if foreign capital is to be utilized in a way which corresponds to national development needs;
- (v) Negative and positive effects of private foreign investment on economic and social development, in particular in the following fields:
 - (a) Balance of payments;
 - (b) Transfer of technology;
 - (c) Employment and development of domestic resources;
 - (d) Taxation.
- (vi) Review of existing investor-related legislation and practices;
- (vii) Evaluation of effectiveness of investment incentives in terms of government objectives pursued.

(g) Country machinery and procedures for dealing with foreign financing

- (i) Review of governmental agencies and other bodies dealing with foreign aid and of procedures applied at particular stages in the formulation and evaluation of requests for foreign aid;

- (ii) Evaluation of the efficiency of existing procedures;
 - (iii) Formulation of appropriate recommendations, including projects for technical assistance.
- (h) Impact of the world's monetary and trade problems on the economy of African countries
- (i) Impact on their structure of trade and balance of payments;
 - (ii) Impact on the terms of trade;
 - (iii) Impact on the international flow of resources;
 - (iv) Impact on public debts and on debt-servicing;
 - (v) Other effects.

II. Meetings

(a) Training courses

10. One of the functions of the Association is, according to article 3.1(e) of the articles of association, "to organize seminars, courses and other training programmes for personnel of banking and financial institutions in the African region". The Association held a training course in Lagos in 1970 and a seminar in Tunis in 1972, thereby reflecting its desire to sponsor such occasions in years in which its regular meetings are not held. The meeting may wish to recommend that the Association's next training course or seminar be organized in 1974 and to decide on the place where the training course or seminar will be held. The secretariat and the host bank will co-operate in organizing the training course or seminar and in deciding its exact date.

(b) Conference on the role of african central banks in the development of Africa and in promoting investments in the region

11. The Ente mondiale di cooperazione per i paesi in via di sviluppo (International Board of Co-operation for Developing Countries) (EMCO) has informed the secretariat of the Economic Commission for Africa of its willingness to organize a conference on the role of African central banks in the development of Africa and in promoting investments in the region. The International Board, whose headquarters are in Rome, is a private, non-profit-making organization with no political affiliation, which was founded to assist the developing countries in their struggle for economic and social development.

It is in consultative status with the United Nations Economic and Social Council and is a member of the Co-ordinating Committee of the OAU/BPEAR. Its financial resources are derived from donations made by organizations and private individuals interested in its work.

12. The purpose of the conference is to review the role of African central banks and of similar monetary institutions in the economic development of their respective countries and of Africa in general. The legal framework in which this development is taking place and African investment legislation will also be examined.

13. The conference is expected to make suggestions and adopt conclusions and recommendations.

14. The International Board has asked ECA to handle the organization of the conference and to prepare the necessary documents, including one on the role of African central banks in development and another on African legislation on investment and on development. Since the objectives of the conference are closely related to those of the Association of African Central Banks, the ECA secretariat and the International Board both hope that the Association will treat the organization of the conference as a matter of the utmost importance and will issue the invitations to the participants.

15. The International Board expects the conference to be held in Geneva from 3 to 7 December 1973. Simultaneous interpretation in English, French and Italian will be provided. The Board will cover all the organizational expenses and will also provide the travelling, hotel and living expenses for one representative from each African central bank. Central banks covering several African States will be entitled to appoint one representative from each State. African experts and representatives of various African organizations will be invited to take part in the conference as observers at their own expense.

16. Although the Chairman of the Association of African Central Banks thinks that the Association would be bound to profit by participating in the conference, he has suggested that the arrangements for its participation should be considered during the Association's third meeting. It is therefore hoped that the participants in the third meeting will consider this matter and express their views on it. The central banks are requested to inform the ECA secretariat of their decision and to send it the name (or names) of their representative (or representatives) before the end of September 1973. The secretariat of the Association will then send an invitation and the necessary information to each representative named. It is hoped that the central banks will submit documents on some of the topics suggested for discussion at the conference. Those wishing to do so are asked to inform the secretariat accordingly so that their contribution can be taken into account when the final agenda is drawn up.

III. Technical assistance and advisory services

17. The Association could usefully serve its members by providing technical assistance in the fields of money and banking or helping them to obtain such assistance from the United Nations family. It could, in particular, establish and keep up-to-date a roster of qualified experts on the staffs of member banks who could be made available to other member banks for short-term advisory services.

IV. Current international monetary problems

18. A number of issues come under this heading, including the evolution of the international monetary situation and its impact on African economies, efforts to reform the international monetary system, the relationship between Special Drawing Rights and supplementary development funds, the volume of reserves of the African countries, the role of exchange rates in international payments adjustments, relations between African currencies and the currencies of developed countries and a special drawing facility in IMF when balance-of-payments problems arise out of trade liberalization among African countries.