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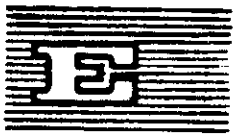

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ECONOMIC COMMISSION FOR AFRICA
Conference of Governors of
African Central Banks
Addis Ababa, 15-22 February 1966

FINAL REPORT

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INTRODUCTION

The Conference of Governors of African Central Banks was opened on 15 February 1966 at the Headquarters of the Economic Commission for Africa, in Addis Ababa, Ethiopia.

1. Opening addresses were delivered by H.E. Ato Menasse Lemma, Governor, National Bank of Ethiopia, H.E. Mr. Diallo Telli, Administrative Secretary-General of the Organization for African Unity, and Mr. R.K.A. Gardiner, Executive Secretary of the Economic Commission for Africa. The texts of these addresses are attached to the present report as Annexes I, II and III respectively.

A. ORGANIZATION OF THE WORK

2. The Conference considered item 2 of the Revised Provisional Agenda.

3. The Chairman pro tem reported that Heads of Delegations had agreed that the press was not to be present during the deliberations of the Conference. However, whenever it felt fit, the Conference might issue press releases.

4. Moving to the matter of election of officers, the Chairman pro tem invited delegates to make nominations. The meeting unanimously elected Ato Menasse Lemma, Governor of the National Bank of Ethiopia, Chairman; Mr. D. Slaoui, Governor of the Bank of Morocco, Vice-Chairman, and Dr. A.N. Abai, Deputy Governor of the Central Bank of Nigeria, Rapporteur. Thanking the Conference for the confidence it had placed in him, the Chairman pledged to spare no effort to serve the Conference in achieving its objectives.

5. The Chairman announced that the delegates' credentials had been collected by the secretariat for examination by the Credentials Committee which consists of the Chairman, the Vice-Chairman, the Rapporteur and the Secretary. The Chairman informed the Conference of the results of this examination. The list of Conference participants thus drawn up, mention-

ing the capacities in which they took part in the work, is given in Annex IV. In view of the attendance the Conference agreed that it could not continue its work as a wholly representative body of Governors and therefore agreed to reconstitute itself as a technical meeting of experts.

B. ADOPTION OF THE AGENDA
(Agenda item 3)

6. The meeting had before it the revised provisional agenda prepared by the secretariat (E/CN.14/AMA/5/Rev.1). After considering the amendments concerning the order of the items the meeting adopted the agenda (Annex V).

7. The discussion then turned to the organization of the work of the meeting. Some participants proposed that the agenda items be divided for work in committee. After an exchange of views it was agreed to consider all items in plenary session.

C. CENTRAL BANKING CO-OPERATION IN AFRICA
(Agenda item 4)

8. The Chairman called upon the secretariat to introduce item 4 of the agenda - Central Banking Co-operation in Africa. The secretariat in an introductory statement explained the objectives and usefulness of the documents submitted under this item: Co-operation Among Central Banks (E/CN.14/AMA/6); Comparative Digest of African Central Banking Legislation (E/CN.14/AMA/7); and Survey of Monetary Institutions in Africa (E/CN.14/STC/AMA/2/Rev.1). Referring to document E/CN.14/AMA/6, the secretariat stressed the importance of formal or informal co-operation among the central banks of the African countries for the purpose of promoting sound policies and healthy monetary and financial regimes in the interest of the economic development of the region.

9. The participants welcomed the idea of, and the need for, co-operation among African central banks. However, some participants recognized that there are obstacles to the achievement of this co-operation arising from:

(i) a lack of knowledge about the structure, operation and scope of the central banks of the region;

(ii) the need for further study and research in the monetary and financial fields; and

(iii) the fact that some countries do not have central banks or have only recently established central banks.

10. It was felt that these obstacles were merely superficial and should not be irreconcilable.

11. The discussion then turned to the mechanism by which such co-operation could be effectively achieved. Some participants suggested that it might be possible to institutionalize this co-operation by the creation of a "Monetary Council of Governors of African Central Banks." The Council would operate as an instrument for the periodical examination of the experience of countries in central banking and would, when required, transfer this experience from the more advanced countries to those newly experienced in central banking. Other participants proposed that the formal mechanism be created under the name of "Association of African Central Banks." It was noted that the fact that some countries had no central banks, may be resolved by providing in the charter establishing the Association full representation for these countries. Finally, the participants agreed to the formation of an Association and requested the ECA secretariat to draft an outline of the terms of Association to be submitted for the consideration of the participants.

12. The meeting then studied a note submitted in this connection. It was decided that the first article of the terms of the Association should include its objectives.

13. The participants considered the various names suggested for the new organization, and after an exchange of views on the subject, they unanimously decided to call it "Association of African Central Banks."

14. Concerning membership, the meeting agreed that the Association would consist of the Governors of African Central Banks and where Central Banks are non-existent, the heads of similar monetary institutions in the region.

It was agreed to set up sub-regional (sub-regions as defined by ECA) committees which would be composed of the members of the Association or their representatives.

15. As regards the frequency of the meetings, the meeting agreed that the meeting of the Association should be held every two years and that of the sub-regional committees once a year.

16. Discussion on the subjects to be dealt with by the Association was concluded in an agreement that the Association may concern itself with professional, technical, monetary and other matters as might be appropriate to the purposes of the Association and generally to exchange experiences on monetary and banking matters and questions of monetary and banking co-operation in Africa.

17. The meeting agreed that the Association might sponsor a Research Centre and provide guidelines for its activities, including training programmes.

18. The meeting then agreed upon the terms of the Association as set out in Annex VI.

19. It was pointed out by the secretariat that since the meeting had not decided upon the date and venue of the first meeting of the Association, the establishment of an interim secretariat to undertake the preparatory work of the Association would be in order. The meeting therefore invited the secretariat of ECA to make a formal request to ADB and IDEP to join with it in the organization of an interim arrangement. The meeting approved with appreciation the agreement of the secretariat to initiate the undertaking. The meeting took note with satisfaction of the invitation by Ghana to be the venue for the first meeting of the Association.

D. PROBLEMS OF RECRUITMENT AND TRAINING OF CENTRAL BANKING STAFF (Agenda item 5a)

20. In introducing this item of the agenda the ECA secretariat mentioned that more effort should be made to train African personnel in order to satisfy the banking needs of the future.

21. The meeting agreed that on-the-job training was the main instrument for the preparation of personnel. It was noted that although most central banks had local centres for training their junior and senior staff, there was still need for pooling resources for training prospective high-level banking technicians.

22. Discussion focused on the idea of the creation of a course for training banking personnel of African countries. Nigeria introduced a proposal for an "African Central Banking Course" (Annex VII) of 6 to 8 weeks duration for the purposes of training officers for the middle management and junior executive positions in African Central Banks, and offered to play host to the first course.

23. Many participants suggested that courses should be limited to high-level personnel. Others thought that the syllabus suggested by Nigeria was neither detailed nor comprehensive enough to reflect the basic needs of some African Central Banks. After some discussion it was agreed that such a training course was necessary and that the syllabus for each course should be designed to suit specific training objectives. The secretariat was requested to prepare cost estimates in order to enable participants to arrive at a definite conclusion.

24. A statement on the estimated cost of the course such as proposed by Nigeria was submitted by the secretariat. The estimate was based on total cost of 36 trainees, 7 lecturers and 5 supporting staff. The cost per trainee amounted to about U.S. $3,000. A further breakdown gave cost per trainee and residual expenses to be borne by the host country. Although some participants considered the cost per trainee relatively high, the view was expressed that the advantages to be derived from attending such training courses would more than compensate for the high expenditure, considering the main objective of co-operation among African Central Banks.

25. For the training of personnel in individual countries the Moroccan model (Annex VIII) was favourably referred to as an approach which could be used for the training of lower and middle grade banking staff. Several

countries, notably Sudan and the United Arab Republic, as well as BCEAEC indicated their willingness to accept students for training. It was also noted that exchange of students was a very useful training medium.

26. It was the general consensus that there was need for some sort of training of Central Bank staff in addition to such existing courses arranged by some African Central Banks. The meeting stressed the advantage of such local courses and suggested that as a way of promoting co-operation in the field of training, Central Banks in Africa should make known to one another the details of the types of courses they organize locally. By doing this, experience in the field of training would be shared by all.

27. The Chairman invited the meeting to consider the following tentative proposals prepared by the secretariat concerning possible approaches to regional co-operation in the field of training:

(a) Special courses or seminars might be organized by host Central Banks in consultation with the Association.
(b) Such courses might be organized by groups of countries.
(c) Adequate provision made for translation and interpretation.
(d) Length of such courses probably 2-3 weeks, 6-8 weeks or a reasonable period to permit trainees to be released from their normal functions.
(e) The possibility of technical and financial assistance from international institutions (such as the IMF) and other sources for such courses or seminars should not be ruled out.
(f) The special courses or seminars would be designed for senior and medium grade executives.

28. The meeting deemed it preferable to discuss these proposals and reach agreement on them instead of referring the matter to the next meeting of the Association in 1968, as this would mean that no courses would be held until then.

29. Discussion then centred mainly on the duration. While it was felt that some banking staff might in fact benefit from courses lasting up to 8 weeks' duration and could be released for such a period, the view was expressed that certain, especially high level staff, could not be released for more than two weeks without prejudice to the efficient operation of their banks. It was pointed out that such high level and other specialized staff could benefit from short courses designed to suit their specific needs.

30. The meeting agreed that courses would be organized for periods not exceeding 6 weeks. Once the course was organized, the host Central Bank would circulate detailed information about it to the other members of the Association. The response received would determine whether it would be worthwhile to launch the programme.

31. It was also agreed that the possibility of assistance from other international institutions such as the International Monetary Fund should be further examined by the ECA secretariat in assisting with the organization of such courses.

32. The meeting took note with satisfaction of the invitation by Nigeria to organize the first course in 1968.

E. PROBLEMS OF BANK PUBLICATIONS
(Agenda item 5b)

33. The secretariat called attention to some difficulties in connection with publications and the way in which they might hinder or reduce the degree of effectiveness of regional co-operation. One of these was the question of language. The meeting considered the possibility of having publications in English and French. Another problem was the lack of standard forms of presentation which might render understanding and comparability of statistics difficult.

34. Countries which were already publishing in languages other than English and French would experience additional problems if they were to accept to publish some of the Bank publications in the two working languages of ECA.

However, the meeting considered it useful at this stage to request the African Central Banks and similar monetary institutions to explore the possibility of having at least some of their publications issued in both working languages of the Commission.

35. On the question of standardization of Bank publications and presentation of information and statistics, it was generally agreed that any rigid conformity might prejudice the degree of freedom in presenting information in the manner most suited to local needs. The costs entailed in an attempt to re-orient publications were also realized as a problem in view of limited resources. It was pointed out that some publications of international institutions such as IMF provided a good source of information classified according to standard definitions.

36. It was agreed, in order to meet some of the needs, that a regional bulletin might eventually be issued by the proposed Research Centre to augment existing national and international publications, giving information on all countries or on a selective basis, classified in a manner most suited to regional needs, and geared to facilitating greater co-operation in the monetary and financial fields.

37. At this point the secretariat of ECA repeated the request that it be supplied with regular and up-to-date information. On the basis of the publications received from Central Banks it might be possible for ECA to make a modest start on a regional bulletin. The offer by the secretariat to initiate the publication of such a bulletin was appreciated.

F. THE MONETARY RESEARCH UNIT AND SECRETARIAT (Agenda item 6)

38. Opening discussion on this item, the secretariat referred the meeting to the Triffin Report and the Tangier Expert Group Report which indicated the need for a centre for research and studies. It was indicated that there was still need for it and that there were possibilities to be considered, such as attaching the unit to some of the existing African insti-

tutions, for example ADB or IDEP. It was, on the other hand, observed by some participants that neither of these institutions was best suited to accommodate the centre which should have its own character if it were to serve the special purpose for which it was to be set up.

39. It was recognized that the multiplicity of banking legislation, scarcity of staff, language problems and the diverse monetary institutions operating in the region might render the organization and operation of a research centre comparatively more difficult.

40. The meeting agreed that instead of setting up new institutions it might be better to draw on existing ones. A Research Committee could be established comprising ECA, ADB and the IDEP. This would ensure the growth of research activities without incurring substantial additional expenses. The provision of material was to be ensured by the members of the Association. International institutions such as IMF or IBRD might be also called upon to assist through the contribution of articles or other materials.

41. It was agreed that the Committee should explore the possibilities of establishing the Research Centre.

G. CURRENT MONETARY AND FINANCIAL PROBLEMS IN THE AFRICAN CONTINENT (Agenda item 7)

42. For discussion of this item the meeting had before it four documents prepared by the secretariat: E/CN.14/WP.2/1, Inflationary and Deflationary Processes in African Economies; E/CN.14/WP.2/3-E/CN.14/AMA/10, Balance of Payments Problems of African Countries; E/CN.14/STC/24/Rev.1, Bilateral Trade and Payments Agreements in Africa; E/CN.14/AMA/11, Progress Report on a Survey of Intra-African Payments Difficulties.

43. The item was introduced by the secretariat in a brief statement highlighting the contents of the four documents and indicating the need for more co-operation in improving the quantity and quality of information in these areas and for the sharpening of research techniques in the analysis

of these problems. The secretariat noted that although neither runaway inflation nor deflationary tendencies are common in the region, inflationary pressures do represent difficulties to be reckoned with. Balance of payments problems experienced by African countries were to be considered very often as a symptom of economic growth, while the proliferation of bilateral agreements reflected exchange and payments difficulties and stemmed from dependence on primary products for exports which were subject to wide market fluctuations as well as deteriorating terms of trade. The secretariat drew the attention of the meeting to the poor response of member countries to the secretariat's request for information on intra-African payments difficulties.

44. It was proposed that the participants take note of the documents submitted to the meeting under this item and refer them to their appropriate authorities to consider the problems and the recommendations contained therein.

45. However, in view of the fact that some participants felt that the documents were not entirely up-to-date in terms of factual information and furthermore were not always truly representative of some of their policies and institutions, it was suggested that all the papers submitted to the meeting be communicated by the participants to their respective competent officials to check on the information and to send their comments back to the secretariat. This it was agreed would enable the secretariat to revise the documents.

46. The secretariat pointed out that while some of the documents might not in fact be up-to-date, member countries were partly responsible for this since the secretariat was dependent on the member governments for the provision of information and documents. On the matter of misrepresentation of certain countries' policies and institutions the secretariat observed that it was not easy to find experts who were familiar with the institutions and practices of the various countries whose systems had been introduced into the region. Thus when anglophone experts were engaged, coun-

tries and institutions of the English-speaking area were accurately covered; but sometimes without parallel results with regard to the francophone counterparts and vice versa.

47. The secretariat explanation was appreciated and the meeting felt that this emphasized the need for close co-operation with the Central Banks. Finally, a word of appreciation was sounded at the commendable effort which the secretariat had made in initiating research in this highly technical field.

48. However, since misrepresentation on matters of monetary and financial policies might have serious consequences the meeting suggested that the secretariat follow the practice adopted by the IMF and other international institutions by which documents, especially those touching on these matters, would be circulated widely only after obtaining the approval of the countries concerned. Under the circumstances, the secretariat suggested that it would be most helpful if the governments would submit alternative texts of documents for revision before circulation.

H. AFRICAN PAYMENTS UNION (Agenda item 8)

49. Introducing this item, the Executive Secretary of the Economic Commission for Africa explained the origin of the idea of an African Payments Union. He said that pursuant to Resolution 87(V) of the Economic Commission for Africa, Professor R. Triffin, as special consultant to the ECA, produced a report which was submitted to an Expert Group which met in Tangiers in 1964 on an African Payments Union. The recommendations of this group were considered by the Sixth session of the Commission which in its Resolution 95(VI) requested the Executive Secretary of ECA to undertake a study on the possibilities of overcoming obstacles to progress in these fields resulting from payments difficulties between African countries, and invited him to prepare a complete and accurate survey on the monetary institutions, the difficulties experienced in effecting their financial settlements, both between each other and with outside countries and the means of remedy-

ing the situation. It was pointed out that during the Seventh session, certain states had refrained from voting on the resolution requesting the ECA secretariat to refer this problem to the competent African monetary authorities.

50. The secretariat prepared documents E/CN.14/WP.2/4 / E/CN.14/AMA/12, African Payments Union and E/CN.14/WP.2/4/Add.1 / E/CN.14/AMA/12/Add.1, Examination of Objections to the African Payments Union, as a first step to the re-consideration of this important problem and to clarify the issues of a payments union and a clearing system. The Executive Secretary invited the meeting to suggest which course should be taken with respect to the African Payments Union.

51. Some participants pointed out that the question of the African Payments Union did not appear on the original agenda attached to the letter of invitation and that it had not been possible for them to give due consideration to the secretariat documents on the question and to obtain the views of their respective competent authorities. However, the meeting had a wide exchange of views on the document entitled Examination of Objections to the African Payments Union. The participants considered that some of the stated objections did not merit consideration while others could not be overcome unless certain conditions were previously met. It was not within the competence of the participants to appreciate the likelihood of certain conditions being met. The meeting agreed that it was the duty of the participants to submit to their governments information which would enable them to take a decision and to make this decision known to the Commission at its forthcoming session.

52. It was also pointed out that even though the meeting started as a meeting of Governors it had reconstituted itself into a body of experts and therefore could make technical recommendations for the consideration of the competent authorities.

53. The meeting also stressed the fact that, in the implementation of African co-operation, the Payments Union did not necessarily have pride

of place among all the recommendations for that purpose and that action on this plane would have to be considered simultaneously with other action in other fields.

54. The meeting was of the opinion that the Executive Secretary might also explore the possibilities of establishing a multilateral clearing or payments agency between neighbouring African countries.

ACKNOWLEDGEMENTS

55. The participants particularly wished to express their gratitude to the Executive Secretary and other members of the secretariat for organizing and running the meeting and for the quality of the documents he had submitted to it.

56. The participants were gratefully aware of the interest that the Administrative Secretary-General of the Organization of African Unity had kindly shown in their work.

57. The participants expressed their gratitude to the Chairman and Rapporteur for ensuring the success of the meeting's work.

58. The participants thanked His Excellency Menasse Lemma, Governor of the National Bank of Ethiopia, for the extremely warm welcome extended to them by the National Bank of Ethiopia.

ANNEX I

OPENING ADDRESS BY H.E. ATO MENASSE LEMMA
GOVERNOR, NATIONAL BANK OF ETHIOPIA

Mr. Executive Secretary,
Distinguished Governors,
Your Excellencies,
Ladies and Gentlemen,

It is indeed a great privilege for me to welcome on behalf of the host country, the distinguished Governors of African Central Banks meeting here in Addis Ababa to examine the problems of intra-African Trade and Development, with a view to reach a rapid acceleration in the rate of Development in our great continent.

The Executive Secretary of the Economic Commission for Africa has prepared and submitted for our attention a comprehensive set of documents. It is indeed becoming to acknowledge his efforts and to compliment him on the excellence of the work done.

To reach our objectives is by no means an easy task, the problems to be solved are difficult and complex, the obstacles to overcome may be numerous, and old habits may prove very hard to shed.

We are not required at this stage to approve Articles of Agreement or other documents nor do we have to subscribe to any financial contribution; what is expected is that we familiarize ourselves with the common problems confronting us know each other better to further improve our relations.

I wish all the participants to the Conference of Governors of African Central Banks success and a pleasant stay in our Capital City.

ANNEX II

OPENING ADDRESS BY H.E. Mr.DIALLO TELLI
ADMINISTRATIVE SECRETARY-GENERAL
OF THE ORGANIZATION FOR AFRICAN UNITY

Mr. Chairman, Gentlemen

In welcoming you to this important conference, I should like not merely to perform an act of courtesy but rather to participate at your side, on behalf of the General Secretariat of the Organization of African Unity, in opening an important chapter of co-operation destined to provide more effective methods than ever in our joint struggle against the economic under-development of our continent. I must state that, to the Organization of African Unity, intra-African co-operation in the monetary field, the subject of the meeting that is just opening, occupies a prominent place among the aims and objectives fixed by the African leaders with a view to hastening the economic and social development of our continent, and, consequently consolidating the independence of the African States.

In our times, when countries become more interdependent day by day, it has become more and more difficult, if not quite impossible, to find exclusively national solutions to the various economic problems of the States. In many fields of activity, experience has shown that inter-governmental co-operation brings in the long run to each individually, and all collectively, results that are in every respect much more appreciable and beneficial. This rule, which has been imposed by the very nature of things on even the greatest powers in the world, quite naturally applies even more so to Africa because our continent, scarcely emerged from a long period of colonization, bears in many fields the mark of foreign exploitation, which has fragmented its economy and divided its markets. This state of affairs very soon called for bold measures, to which the Organization of African Unity has from its inception devoted itself with particular care, giving them all due priority so as to ensure fully effective co-operation

between, and harmonization of the efforts of, all African States in all fields of economic development.

Combined effort for concerted or joint action has well-known advantages; in the political field, this practice gives Africa added weight in its struggle for total independence as well as in its participation in the great debates and in solving the grave problems of international life; in the economic field, it should as soon as possible confer on this continent the qualities, advantages, rights and prerogatives of a great industrial power, because Africa has both the numerous and varied resources of a vast market, and considerable human resources and has for some time been degoting itself to perfecting a common working method in the service of the rational development of its economic potentialities.

Co-operation in the monetary and banking field is incontestably one of the most effective factors in this rapid development, to which the African States and their peoples aspire. For the history of economic life abounds with examples showing how unilateral monetary decisions intended to solve certain national difficulties in a narrow framework have been doomed to failure for lack of adequate harmonization with neighbouring States. Co-operation in matters of monetary policy and payment agreements would on the other hand make it possible to solve many problems raised by the balance of payments, through the assistance of either international agencies or a group of countries.

Since it is now admitted that special attention must be given to co-operation in the production of, and trade in, goods and services, and if it is desired to reduce noticeably costs of production, co-operation in matters of monetary policy and payments agreements must become the rule in order to ensure an increasing and uninterrupted trade flow between the African countries themselves, on the one hand, and between these countries and countries in other continents, on the other hand, the purpose in both cases being to stimulate production in all fields.

In this context, there is no need to expatriate upon the obvious advantages of co-operation between the African central banks. The problem here is not to recognize these advantages, because despite their diversity

they are obvious, but rather to choose the means of achieving the objectives that everyone considers vital to Africa.

Your presence here is a clear indication as far as all the authorities that you represent are concerned, that this indispensable co-operation must begin with discussions at the highest level between the authorities of the African banks. Detailed accounts of the experience of each of you, given during these meetings, will enable all to draft the preliminary measures aiming at a permanent solution of the problems of payments and the attendant difficulties arising out of the multiplicity of systems and the resultant, inevitable difficulties must not be underestimated. But, thanks to the spirit of understanding and the aspiration towards unity, these difficulties, however great they may be, should not be an unsurmountable obstacle in the way of intra-African co-operation. Your meeting could and should make a prime contribution towards achieving this aim. Moreover, the fact that trade between African countries amounts to only 50 per cent of their trade with other continents should be given a prominent place in your deliberations. For this is one of the most unfortunate and fateful results of the diversity of monetary systems and policies, which so dramatically limits intra-African trade. This state of affairs must inspire you in the search for the most realistic solutions, for, as directors of central banks, you know what an important part your institutions play in the economic development of our countries and, in your contacts with one another, you will feel what an immense future there is for intra-African co-operation in the framework of regional and continental development. No other meeting seems to us better technically qualified than yours to stress the necessity of, and practical ways and means of, intensifying intra-African economic relations, in order to increase trade between our States and to begin the economic integration of the continent. Your deliberations on these fundamental questions will without doubt be of very appreciable assistance to the African political authorities responsible for promoting the economic development of the African continent and the social advancement of its peoples.

In the field of the economic development of our continent by co-operation in banking, we have already been gratified to note the establishment of the African Development Bank as tangible evidence of the African Leaders' will to apply themselves rationally to the task of driving under-development out of our continent.

The Organization of African Unity expects that your work will make a great contribution towards the establishment of a concerted monetary policy that will facilitate exchange transactions, the settlement of international debts, the movement of capital, and economic growth in general, without thereby causing serious imbalances. For in this field there is a particularly urgent need to co-ordinate and harmonize the attitudes of the African States to win the battle they have engaged against under-development. The Organization of African Unity expects meetings such as yours to provide the technical information and basic data in the light of which it will be possible to envisage practical and realistic solutions for the establishment of an African monetary union capable of eliminating present difficulties in the matter of payments and of breaking down the artificial barriers that hinder intra-African trade without greatly disturbing national, regional or continental economies.

Owing to the importance of these problems I have briefly referred to, the Organization of African Unity has from its inception given special attention to the problems of monetary co-operation between African States, as one of the most effective means for their economic development. So, even at its first session in December 1964, the Economic and Social Commission of the OAU adopted a resolution on the necessity of creating an African payments and clearing union, so as gradually to free the national currencies from any non-technical dependence on foreign countries, and of establishing an African monetary area and a central bank of issue. The second session of the same Commission, in January 1965, recommended for the purpose of creating a payments and clearing union at regional or continental level that priority be given to co-operation between the central banks, so as to find the best possible solutions to monetary problems and problems of intra-African trade.

This shows how the felicitous initiative of the Economic Commission for Africa, which we desire to welcome and in response to which your meeting is being held, harmoniously supplements the efforts of the Organization of African Unity. Through your great experience of the important technical problems that appear on your agenda you are without any doubt whatsoever the persons most qualified to prepare a detailed survey, which the political organs of the OAU expect will define more concretely the respective efforts, sacrifices and benefits involved in any decision to inaugurate and promote this new form of co-operation in the monetary field, which is an indispensable adjunct of economic and commercial co-operation.

That explains why I am happy to wish your meeting the greatest success because your co-operation in your present task is one of the ventures on which Africa places great hopes to hasten its victory in its struggle against under-development and for social progress, without which there can be no dignity.

The success of your meeting will very largely determine the economic development of our continent and the social advancement of our peoples - the essential aims of all African States and of the Organization of African Unity, which is the instrument of their co-operation.

Mr. Chairman, Gentlemen, I thank you for your kind attention.

ANNEX III

OPENING ADDRESS BY MR. R.K.A. GARDINER, EXECUTIVE SECRETARY OF THE ECONOMIC COMMISSION FOR AFRICA

It gives me particular pleasure on behalf of the Commission and of my colleagues in the secretariat and, of course, myself, to extend to you a warm and cordial welcome to Africa Hall.

In my letter of invitation I endeavoured to give you a brief historical background to the convening of this conference and I shall not repeat that here. I want to remind you, however, that as far back as 25 May 1963, African Heads of States and Governments meeting in their First Summit Conference in Addis Ababa unanimously resolved to set up a preparatory Economic Committee to study in collaboration with governments and in consultation with ECA, a large range of monetary and financial questions. Meantime Prof. Robert Triffin whose services were secured as special consultant to the Commission on these matters in pursuance of Resolution 87 of the fifth session of the Commission, recommended the establishment of some African consultation machinery in the monetary and payment field.

With the coming of independence several African states have introduced national currencies and established national central banks. These developments constitute a departure from the close attachment of African territories to metropolitan monetary systems and have also brought about a proliferation of currencies. I see no inherent harm in such proliferation provided it does not isolate countries in the same region and stifle trade between them. In West Africa, for instance, if every independent state created its own separate currency there will be at least 14 different currencies in the sub-region. In spite of the complications created by these processes, a degree of flexibility has been introduced into the monetary economy of African states. This flexibility calls for purposeful direction and well-defined policies.

Some of the important functions which new African central banks perform or could perform include: control of foreign assets; administration of foreign exchange control; management of Government accounts and those of other public and semi public institutions; the control of commercial banks and other financial intermediaries. These are functions which bear directly on all activities which contribute to economic growth.

Recent studies conducted by the OECD have shown that in the first half of the United Nations Development Decade, Africa as a region, has had the lowest growth rate (even in agriculture) among the developing countries. We in this Commission, conscious of the development problems of the African region, have given considerable time, thought, and effort to various aspects of its economic development -- agriculture, transport, industrialization, trade, etc. It is essential that every avenue be explored that could contribute to the acceleration of growth if we are to improve our position and attain the target rate set for the Development Decade.

The pressing and growing need for long and medium term credit and capital have led to the setting up of industrial and agricultural development banks. It is significant that the World Bank and the International Finance Corporation have been giving increasing assistance to these institutions which are intended to stimulate industrial and agricultural activity. The control of central banks over these specialised banks and other financial institutions, including the budding local money markets, may prove decisive in mobilising domestic funds and attracting external finance for economic development.

Moreover with their research facilities Central banks are expected to play the role of "objective and uncommitted advisers to Governments on the effects of development plans, the means by which they can be financed and the stresses and strains to which they are liable to expose their economies".

It is obvious, from these remarks, that we should attach the greatest importance to the individual and collective activities of African Central Banks.

The purpose of this first meeting is essentially to consider a mechanism for co-operation and to discuss ideas for setting up its organs. Among the documents submitted to this meeting is a paper on co-operation among Central Banks. This paper indicates that the minimum that can be expected here is an agreement to have regular and informal meetings. The Comparative Digest of African Central Bank Legislation (E/CN.14/AMA/7) shows that structurally and functionally the Central Banks of the Region are fundamentally alike and that whatever dissimilarities there are, are very superficial. There is therefore room for co-operation.

There is need for an organization which will bring African Central Banks together periodically to share experiences and exchange views. In setting up such an organization special consideration will have to be given to the role of the African Development Bank. African monetary authorities meet annually at the World Bank meetings; but this is not enough. A meeting at the regional or continental level will help fill a wide gap in our efforts towards Sub-regional and regional co-operation.

There are many tasks which await a Research Centre for monetary studies. There are problems of the creation of new institutions, e.g., finance institutions, bankers' clearing, monetary and capital markets, stock exchanges. There are problems of co-operation among the institutions themselves in dealing with the monetary and financial matters across national borders such as balance of payments, exchange rates and so on. The Centre could, like CEMLA, undertake the planning and promotion of training schemes for Bank personnel in the region.

Finally, a word about African Payments Union. The Triffin report referred to earlier was approved by the Sixth Session of the Commission. The papers on this subject have been submitted to this meeting and it would be very helpful to the Commission if the considered views of this body could be communicated to the secretariat as early as possible.

ANNEX IV - ANNEXE IV

LIST OF PARTICIPANTS
LISTE DES PARTICIPANTS

ALGERIA
ALGERIE

M. Seghir Mostefaï
Gouverneur
Banque centrale d'Algérie

DEMOCRATIC REPUBLIC OF THE CONGO
REPUBLIQUE DEMOCRATIQUE DU CONGO

M. Crispin Mantomina
Directeur
Banque Nationale

M. Christian François
Conseiller

ETHIOPIA
ETHIOPIE

H.E. Ato Menasse Lemma (Chairman)
Governor
National Bank of Ethiopia

Ato Yawand-Wosson Mangasha
Deputy Governor

Ato Legesse Tickeher
Advisor

GHANA

H.E. E.M. Debrah
Ghana Ambassador to Ethiopia

Mr. J.H. Frimpong-Ansah
Deputy Governor
Bank of Ghana

Mr. Mohamed Alhasan
Senior Economist

Mr. A.A. Cato
Embassy of Ghana

LIBYA
LIBYE

Mr. Mohammed Hloiel Rabeio
Manager, Central Banking Dept.
Bank of Libya

Mr. K.M. Sherlala
Acting Director, Research Dept.

MALAWI

Mr. John M. Saunders
General Manager
Reserve Bank of Malawi

MALI

M. Louis Negre
Gouverneur
Banque de la République du Mali

MOROCCO
MAROC

M. Driss Slaoui (Vice-Chairman)
Gouverneur
Banque du Maroc

NIGERIA

Dr. A.N. Abai (Rapporteur)
Deputy Governor
Central Bank of Nigeria

Mr. Matthew A. Adejoro
Deputy General Manager

Mr. Samuel O. Ogundaro
Assistant Economist

Mr. Hyacinth Ugwu
Second Secretary
Embassy of Nigeria

SIERRA LEONE

Mr. Gordon E. Hall
Governor
Bank of Sierra Leone

Mr. Anthony D. Ockenden
General Manager

Mr. James K.E. Cole
Deputy Director of Research

SOMALIA
SOMALIE

Mr. Seek Abdi Hagi
President
Somali National Bank

Mr. Mohamed Aumussa
Alternate Manager

Mr. Ahmed Mohamoud Goala

Mr. Chandra Dias
Senior Economist (Advisor)

SUDAN
SOUDAN

Mr. El Said El Fil
Governor
Bank of Sudan

UNITED ARAB REPUBLIC
REPUBLIQUE ARABE UNIE

Mr. Henry Tadrous
Director of Research Dept.
Central Bank of Egypt

Mr. Ahmed Hassan Radwan
Assistant Director, Bank Control Dept.

ZAMBIA
ZAMBIE

Mr. Bitwell R. Kuwani
Deputy Governor-Designate
Bank of Zambia

Mr. Derrick A.H. Byatt
Chief Cashier

OBSERVERS
OBSERVATEURS

BCEAEC

M. V. Giscard d'Estaing
Directeur
Banque Centrale des Etats de l'Afrique Equatoriale et du Cameroun

BCEAO

M. P. Sanner
Directeur des Etudes économiques
Banque Centrale des Etats de l'Afrique Occidentale

SECRETARIAT OF THE ECONOMIC COMMISSION FOR AFRICA
SECRETARIAT DE LA COMMISSION ECONOMIQUE POUR L'AFRIQUE

Mr. R.K.A. Gardiner
Executive Secretary

Mr. Almamy Sylla
Secretary of the Commission

Mr. N.A. Cox-George, Head
Trade, Monetary and Fiscal Division

Mr. Osman H. Abdel-Salam
Economist, Monetary Unit (Secretary)

Mr. Gonzalo Martner
Economist, Fiscal Unit

Mr. Tedla Teshome
Economist, Trade Section

ANNEX V

AGENDA

1. Addresses of Welcome

2. Election of Chairman, Rapporteur and other Officers

3. Adoption of the Agenda

4. Central Banking Co-operation in Africa

   E/CN.14/AMA/6 - Co-operation among Central Banks
   E/CN.14/AMA/7 - Comparative Digest of African Central Banking Legislation
   E/CN.14/STC/AMA/2/Rev.1 - Survey of Monetary Institutions in Africa

5. (a) Problems of Recruitment and Training of Central Banking Staff

   E/CN.14/AMA/9 - Training Facilities in Banking and Finance within the African Region

   (b) Problems of Bank Publications

   E/CN.14/AMA/8 - A Note on Central Bank Publications

6. The Monetary Research Centre or Unit and the Secretariat

7. Current Monetary and Financial Problems in the African Continent

   E/CN.14/WP.2/1 - Inflationary and Deflationary Processes in African Economies
   E/CN.14/WP.2/3 / E/CN.14/AMA/10 - Balance of Payments Problems of African Countries
   E/CN.14/STC/24/Rev.1 - Bilateral Trade and Payments Agreements in Africa
   E/CN.14/AMA/11 - Progress Report on a Survey of Intra-African Payments Difficulties

8. African Payments Union

   E/CN.14/WP.2/4 / E/CN.14/AMA/12 - African Payments Union
   E/CN.14/WP.2/4/Add.1 / E/CN.14/AMA/12/Add.1 - Examination of Objections to the African Payments Union

9. Any other business

ANNEX VI

ASSOCIATION OF AFRICAN CENTRAL BANKS

1. An Association of African Central Banks shall be established consisting of the Governors of Central Banks and representatives of similar institutions; it would be the object of the Association to promote co-operation in the monetary, banking and financial sphere in the African region and to assist in giving direction to the major guidelines along which future agreements between African countries should proceed in these areas.

2. Membership of the Association shall be open to all Central Banks and similar institutions in the region.

3. The Association of Central Banks may establish sub-regional committees consisting of Governors, or their representatives, of Central Banks or representatives of similar institutions of each sub-region.

4. The full Association of Central Banks shall meet at least once every two years.

5. The sub-regional committees shall meet at least once a year.

6. Special meetings of the full Association or the sub-regional committees may be called at any time at the request of a majority of members.

7. The report of any sub-regional meetings shall be made to the plenary meeting next after the sub-regional meeting.

8. The Association may refer any matters under its consideration to a committee of technicians for closer study and report.

9. The Association will determine the agenda of its meetings and its rules of procedure.

10. The Chairman of the regular meetings shall be the leader of the host country delegation.

11. Each regular meeting of the Association will determine the time, venue and servicing arrangements for the next meeting. Similarly, at each regular meeting of a sub-regional committee, such committee will determine the time, venue and servicing arrangements for the next meeting.

12. The Association may concern itself with professional, technical, monetary and other matters as may be appropriate to the purposes of the Association and generally to exchange experiences on monetary and banking matters and questions of monetary and banking co-operation in Africa.

13. The Association may sponsor a Research Centre and provide guidelines for its activities, including training programmes.

ANNEX VII

PROPOSAL FOR

AFRICAN CENTRAL BANKING COURSES

Submitted by the Governor, Central Bank of Nigeria

The General Object of the Courses

1. The object of the courses will be to assist in the training of officers for the middle Management to Junior Executive positions in African Central Banks. The courses will also build up knowledge of Central banking with particular reference to conditions in African countries and other developing countries of the world.

Participation

2. Central Banks of African countries, except South Africa and Rhodesia and countries still under Portuguese rule will participate in the running of the courses. Central Banks will however be required to indicate in writing to the appropriate Secretariat their acceptance of the provisions of paragraphs 19 and 20 below dealing with the question of sharing the costs of running the courses.

3. Each Central Bank will be entitled to send one or more participants to each course. The number of members from each participating country will be decided upon by the meeting of the Central Banks held at least one year before the commencement of the courses.

4. Participants in the courses will be in the age group of 25 years to 45 years and will be required to have adequate working knowledge of English or French. They will be persons holding or likely to hold senior managerial or executive position in their Central Banks and will have some experience in the business of their Central Banks.

5. Courses will be held in rotation in the countries of Central Banks which have accepted the provisions of paragraphs 19 and 20 of this draft proposal. The country in which a course is to be held will be decided upon at the meeting of Central Banks held at least one year before the commencement of the course.

Frequency of Courses

6. Courses will be held every other year or at such shorter intervals as may be decided upon by a simple majority vote at a meeting of African Central Banks.

7. Meetings of the Central Banks at which the courses will be discussed will be held once every year and will as far as possible, be arranged to coincide with meetings of representatives of African Central Banks arranged under the auspices of the ECA or any other African organisation or with the meetings of the IMF or the IBRD. Such meetings will, among other things, review the course, if any, held immediately prior to the meeting and will plan the next course and decide upon its syllabus, venue, and upon the Central Banks who will be required to nominate members of the Directing Staff for the next course.

Administration of Courses

8. The host Central Bank will appoint the Principal and Vice Principal and one of the members of the Directing Staff of the course. Other members of the Directing Staff will be nominated by Central Banks previously decided upon at the meeting of the Central Banks.

9. The Directing Staff will consist of the Vice Principal and members of the Directing Staff. They will be collectively charged with the operation of the course.

10. Important matters concerning the operation of the course will be decided upon at meetings of Directing Staff which will be presided over by the Vice Principal.

11. The Vice Principal will be charged with the management of the course and will have exclusive control over the agreed syllabus and the time table.

12. The members of the Directing Staff will assist the Vice Principal in running the academic and social sides of the course. The host country member of the Directing Staff will assist the Vice Principal in all administrative matters, but the Vice Principal may request guest members of the Directing Staff to take up specific duties from time to time.

Method of Study

13. Study sessions will be conducted in English and/or French. Simultaneous interpretation facilities including interpreters will be provided at all sessions. Study sessions may take the form of either a lecture session or a lecture-discussion session. In a lecture session, the guest speaker will deliver his lecture and no question will be asked afterwards. This type of session will be reserved for such guest speakers as Ministers of State, Governors or Presidents of Central Banks and some high ranking Government officials. In the case of lecture-discussions, questions and general discussion will follow the formal lectures.

14. Lectures may be given by the visiting specialists, the Principal or Vice Principal or any other member of the Directing Staff. Copies of the lecturer's paper dealing with the subject of the lectures will be made available to the Vice Principal who will prepare them for distribution to the participants of the course in advance. Members will study these papers and may discuss them among themselves and with the Directing Staff.

15. Field studies and tours may be arranged for the participants of the course.

Time-table

16. Two sessions a day 9 a.m. - 12 p.m., and 3 p.m. - 5 p.m. Mondays to Fridays. There will be no sessions on Saturdays.

Visiting Specialists

17. In addition to the African Central Banks, the following institutions and organisations may also be invited to send visiting specialists:-

African Development Bank
Economic Commission for Africa
International Monetary Fund
International Bank for Reconstruction and Development
Bank of International Settlements
European Development Fund
Bank of England
Bank of France
Reserve Bank of India
Reserve Bank of Australia
Board of Governors of the Federal Reserve Bank system
Bank of Japan
Universities

Costs

18. Central Banks nominating participants will bear their travelling expenses to and from the venue of the courses as well as a part of the costs for room and board. Central Banks nominating visiting specialists and members of the Directing Staff will bear their travelling expenses.

19. Travelling expenses incurred and/or fees paid in obtaining the services of Visiting Specialists other than those nominated by the African Central Banks will be shared equally by all the Central Banks which have accepted the provision of this paragraph. It may also be possible to seek financial and technical assistance from the ECA and the United Nations Special Fund.

20. The host Central Bank will bear all other local costs.

Syllabus

21. Syllabus, in broad outline, for each course will be approved by a meeting of the African Central Banks held at least one year before the commencement of the course. The following are given as basis for discussion:-

(a) General Concept in Economics; Money and credit in the national economy; Application of Economic concepts to Developing countries;

*(b) Central Banks - Organisation, Functions and Monetary Policy;

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* Every participant could be asked to submit a paper on its own bank. The number of words or pages may be prescribed. This may also be limited to group discussion.

(c) Central Banks - Role in Economic Development;

(d) Commercial Banks; other financial institutions; money market, capital market;

(e) Development Banks and Problems of Economic Development;

(f) Balance of Payments and Foreign Exchange; Exchange Control;

(g) International Co-operation and International Financial Institutions;

(h) Use of Statistics and principles of management accounting;

(i) Visits to important monetary and financial institutions of the host country;

(j) Special studies of items (b) - (f) in the host country.

ANNEX VIII

A NOTE ON THE TRAINING ACTIVITIES AND OBJECTIVES OF THE MOROCCAN PROFESSIONAL ORGANIZATION OF BANKS (OPBM)

The Organisation Professionnelle des Banques du Maroc (OPBM) is a private association of employers with a total membership of twenty-two member banks and two observer banks. In its capacity as a specialized commission of the Banks Committee (Comité des Banques) it has been accorded a permanent mandate to deal with all questions concerning bank personnel and bank tariffs.

One of the principal concerns of OPBM is to provide vocational and specialized training for young bank employees and to facilitate their future training for managerial responsibility, thus ensuring a progressive Moroccanization of banking business.

In pursuance of this objective, OPBM organizes training courses for three different levels of banking personnel under its own auspices. Its training programmes are guided by the principle of training Moroccan nationals on a competitive basis. Training opportunities at the OPBM's Schools (Ecole de Formation Professionnelle Prébancaire et Bancaire de l'Organisation Professionnelle des Banques du Maroc, Casablanca) are open to young persons willing to make a career in banking up to the level of junior management personnel.

The Organization's resources in teaching staff, buildings and equipment have enabled it to provide the following courses for trainees sponsored by its members:

(a) Preparatory Training School

Very elementary seven-month courses are provided for male secondary school-leavers, aged 17 to 20. Courses are announced to intending trainees in secondary schools and elementary instruction is given in French (spelling and elementary composition), arithmetic, applied arithmetic and outline of banking transactions. Each course accommodates 50-55 trainees. Successful candidates are found jobs by OPBM in various member banks, while students failing to reach the required standard seek jobs for themselves.

(b) School of Banking

Two courses are organized for serving employees having varying degrees of banking experience:

(i) Elementary level: Elementary professional training is given to young employees of both sexes who are on study leave from their banks and from which body they continue to receive their salaries. General instruction is given in French (spelling and ordinary composition), Arabic and general arithmetic as well as basic technical instruction in banking calculations (discount and current accounts), basic principles of general accounting and elementary theory of banking transactions. Successful trainees receive a private professional diploma at the end of the course which entitles them to an automatic salary increase or lower-level diploma bonus. The courses last for four months and two sessions are held in each academic year, with an intake of 45 trainees per session.

(ii) Secondary level: A more advanced professional training of six months duration is organized for employees of both sexes, possessing a higher level of education and banking experience. Trainees for this course receive further general instruction in French and Arabic, a higher level general instruction in political economy (general principles and application to banking), principles of law (civil and commercial) as well as technical training in commercial arithmetic, general accounting, applied accounting and study of balance sheets, theory of general banking operations and theory of securities operations. Each course accommodates some 20-25 trainees. Successful trainees receive a private professional diploma which entitles them to a salary increase or upper-level

diploma bonus. This training enables graduates of the course to look forward to subsequent promotion to lower-level and ultimately higher-level managerial positions according to merit.

The organization of training courses for banks' employees involves the OPBM in substantial financial outlays annually, apart from the salaries obligations carried by its members for their employees-in-training. To meet the financial obligations of OPBM, member banks make voluntary contributions calculated as a co-efficient of (a) the overall complement of staff of each employing bank and (b) the estimated size of turnover expressed from data supplied by the Bank of Issue. The magnitude of this financial sacrifice devoted to financing professional training in banking has been estimated at about 0.54 per cent of the overall total of salaries paid by banks in 1964.

In pursuance of its long-term objective of ensuring expanded banking activities operating with adequate numbers of indigenous trained personnel at all levels of banking operations, OPBM plans to increase its teaching staff considerably and to raise the level of trainee intake annually to 200 students at the Preparatory Training School, 250 at the Elementary School for lower-level employees and 75 at the Secondary School for future managerial staff.

ANNEX IX

LIST OF DOCUMENTS

Symbol	Title	Language	
E/CN.14/AMA/INF.1	Information for participants	E	F
E/CN.14/AMA/5	Draft provisional agenda	E	F
E/CN.14/AMA/5/Rev.1	Revised provisional agenda	E	F
E/CN.14/AMA/6	Co-operation among Central Banks	E	F
E/CN.14/AMA/7	Comparative Digest of African Central Banking Legislation	E	F
E/CN.14/AMA/8	A Note on Central Bank Publications	E	F
E/CN.14/AMA/9	Training facilities in Banking and Financing within the African Region	E	F
E/CN.14/WP.2/3) E/CN.14/AMA/10)	Balance of Payments Problems of African Countries	E	F
E/CN.14/AMA/11	Progress Report on a Survey of Intra-African Payments Difficulties	E	F
E/CN.14/WP.2/4) E/CN.14/AMA/12)	African Payments Union	E	F
E/CN.14/WP.2/4/Add.1) E/CN.14/AMA/12/Add.1)	Examination of Objections to the African Payments Union	E	F
E/CN.14/STC/AMA/2/Rev.1	Survey of Monetary Institutions in Africa	E	F
E/CN.14/STC/24/Rev.1	Bilateral Trade and Payments Agreements in Africa	E	F
E/CN.14/WP.2/1	Inflationary and Deflationary Processes in African Economies	E	F
	BACKGROUND DOCUMENTS		
E/CN.14/APU/1	Report on the possibilities of establishing a clearing and payments union in Africa	E	F
E/CN.14/STC/APU/2	Regional payments and co-operation problems of Latin American Central Banks	E	F
E/CN.14/STC/APU/3	Central American trade and payments	E	F
TD/B/32-TD/B/C.3/6	International Monetary Issues and the Developing Countries	E	F

Title	Language	
Centro de Estudios Monetarios Latinoamericanos (CEMLA)	E	F
Rober Auboin, Twenty Years of International Co-operation in the Monetary Sphere, 1938-1958	E	F
Roger Auboin, "The Bank for International Settlements, 1930-1955" Essays in International Finance	-E	-
Central Bank of Egypt, Economic Review, Vol. V, No. 1	E	-
G. Guindey, "La Banque des règlements internationaux hier et aujourd'hui" - Revue d'Economie Politique	-	F