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FUTURE ACTIVITIES OF THE ASSOCIATION OF AFRICAN
CENTRAL BANKS

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1. Article 3 of the Articles of Association for the Association of African Central Banks sets out in general terms the functions and activities of the Association. It is for the inaugural meeting of the Association to determine more specifically and in detail these functions and activities.

2. To determine their scope it is necessary first to consider what objectives and purposes they would be expected to fulfil. A general outline of these purposes is contained in Article 2 of the Articles of Association, in which it is stated that they should be:

- (1) To promote co-operation in the monetary, banking and financial sphere in the African region;
- (2) To assist in the formulation of guidelines along which agreements among African countries in the monetary and financial fields shall proceed;
- (3) To help strengthen all efforts aimed at bringing about and maintaining monetary and financial stability in the African region;
- (4) To examine the effectiveness of international economic and financial institutions in which African countries have an interest and suggest ways of possible improvement.

3. The future activities of the Association can, in the light of the above considerations, be summarized under three main headings:

- (i) Research;
- (ii) Training and seminars;
- (iii) Technical assistance and advisory services.

Research

4. The research to be undertaken should be related to the stage of development in African countries and the place of Africa in the world economy. Three kinds of problems appear to call for special attention at this point: the role of African central banks in economic development, elaboration of some sub-regional patterns for payments or clearing arrangements necessary for trade liberalization and international monetary issues in so far as they affect African trade and development.

5. Research on the role of African central banks in economic development would study their functions and operations, with emphasis on their contributions to the national economies and in particular to the economic development of African countries. The objective would be to evaluate the operations of African central banks with a view to tracing the effectiveness of these operations in an African setting, by examining the organization, powers and functions of the individual African central banks, as well as the instruments used by them to achieve their policy aims.

6. Research on payments or clearing systems would be a continuation of work already carried out by the ECA secretariat on the basis of in particular resolutions adopted by the ECA and the OAU. These studies had all approached the subject from an all-African point of view. The second Conference of Governors of African Central Banks, held in Accra in August 1968, showed a general preference to have this question tackled in its practical details at the sub-regional level.
7. The secretariat of the ECA has presented to the Inaugural Meeting of the Association an outline study, taking into account the points made by the Second Conference (E/CN.14/AMA/20). The study is based on a combination of an analysis of the actual and potential trade and financial relations among African countries and suggests a limited number of categories of types of payments arrangements which can theoretically be adapted to different degrees of monetary integration. The sub-regional committees of the Association should play an extremely useful role in the further research aimed at verifying the preliminary findings of this study.
8. It has become more and more obvious that the present international monetary system remains highly vulnerable to sudden shocks of confidence. The stake of African, and other developing countries, in the smooth functioning of the international monetary system is at least as great as that of the developed countries. The international liquidity needs of African countries are becoming more and more acute. It would be desirable if the solutions to the present international monetary problems could contribute to satisfying these needs of the African countries. Consequently, research is required on international monetary issues with special reference to the needs of African countries in their trade with one another and the rest of the world. Such research would assist African monetary authorities in adopting common policies in all international discussions in this field.
9. For carrying out research on the above problems the secretariat will co-operate closely with the Research Departments of African Central Banks, with a view to synthesizing experience gathered by them.
10. One further important function under this heading would appear to be to keep members informed about significant studies carried out by individual research departments of central banks. Indeed, there exists already a number of central bank publications, of both African and non-African central banks, that contain articles and studies on questions of interest to members of the Association. It is not always possible for members to read through these publications and select those items of information which may be of value, in particular since this information is mostly available in one language only. A clearing house function of the secretariat might therefore be to make such a selection and to channel regularly to member banks extracts from significant articles or studies.

Training and seminars

11. The Second Conference of Governors of African Central Banks devoted considerable time to discussing training of bank personnel. The aim should be to making banking personnel more familiar with the experiences and procedures of neighbouring institutions and also, by increasing personal contacts, would make inter-bank co-operation at the operational and managerial levels more easy to achieve.

12. It can be envisaged organizing one French-speaking and one English-speaking course annually. The secretariat of the Economic Commission for Africa could assist in the organization of the courses, and also, if requested to do so by the Association, endeavour to secure assistance from international or bilateral sources with a view to covering the travelling expenses, including the per diem, of lecturers and participants.

13. African governors wishing to organize these courses may express their intention during the inaugural meeting. The Central Bank of Nigeria has, in a letter to the Executive Secretary of the ECA, proposed that a course should be held in Nigeria under the auspices of the Association. The letter, with an outline of the proposed course, is reproduced in an annex to this paper.

Technical assistance and advisory services

14. The United Nations family is already giving technical assistance to African countries in the fields of money and banking. The secretariat of the Association could give substantive support in this field, both as regards the substance of requests for assistance and suitability of experts proposed. It could establish and keep up to date, with respect to specific problems of the concern of the Association, a roster of names of qualified experts.

15. There is a general problem that really experienced experts are hard to find, particularly at short notice. This is essentially the reason why the ECA has set up in its various fields of activity, with financing provided from the regional technical assistance programme of the United Nations, a flexible cadre of regional advisers to assist with operational activities in response to requests by member States for advice for short periods. The Association might wish to recommend that it should be established within its secretariat a small nucleus of highly qualified advisers who at the request of African monetary authorities could be put at their disposal for short-term advisory services.
