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ECONOMIC COMMISSION FOR AFRICA

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WORK PROGRAMME OF THE ASSOCIATION FOR 1975-1977

1. The Association's work programme for 1975-1977 is based on the objectives, functions and activities of the Association as defined in its articles. It also draws on the declarations, resolutions and recommendations adopted by the principal meetings of African authorities in the finance and monetary fields and in monetary co-operation. Furthermore, it takes into account progress in the implementation of the Association's work programme for 1973-1975.
2. At its inaugural meeting, the Assembly of Governors of the Association laid down a framework for the Association's activities in four areas: research, training and seminars, technical assistance and advisory services, and the study of current international monetary problems.
3. In the light of those considerations, the Association's work programme for 1975-1977 may be envisaged on the model of previous programmes, with certain changes. For the purposes of pragmatism and effectiveness, the research and studies will be carried out by the secretariat, by the subregional committees, by African experts specially engaged and, possibly, by certain member central banks appointed by the Chairman of the Association. The African Centre for Monetary Studies, once established, might also be requested to carry out studies under the work programme. The Association's activities, the framework for which has already been laid down by the Assembly of Governors, will cover the following topics and problems:

I. Research

4. Under this topic, the Association's work programme for 1975-1977 might contain the following studies:

(a) International financial and monetary problems and their impact on the trade and development of African countries

International monetary problems are constantly evolving. The interdependence among problems of trade, the financing of development and the international monetary system is clear. Activities in this field have substantially increased following upsets in the international monetary system, international trade and the international system of payments. Research will follow developments in these problems and will point up their impact on the structure of trade of African countries, their balance of payments, their terms of trade, the flow of financial resources to them,

their national debt and the servicing of that debt, etc. It is also important to define a position, taking into consideration the interests of African countries, on the reform of the international monetary order and on other current problems.

(b) Study of ways and means and measures to be proposed to implement the Programme of Action on the Establishment of a New International Economic Order

Resolution 256(XII) adopted by the Conference of Ministers on the implementation of the Programme of Action on the Establishment of a New International Economic Order recalled the General Assembly and Economic and Social Council resolutions relating to the Declaration and Programme of Action on the establishment of such an order. Resolution 256(XII) invited the Executive Secretary of ECA to co-operate to that end with a number of organizations, including the Association of African Central Banks. In the field of monetary and financial problems, the resolution requested the urgent adoption of concrete measures to institute action-orientated programmes for the realization of the following objectives:

- (i) The channelling of existing available finance in Africa and the third world for the rapid economic and social development of African countries and the countries of the third world;
- (ii) The full and effective participation of African countries in all phases of decision-taking for the formulation of an equitable and durable international monetary system in the light of the new international economic order;
- (iii) Arrangements to facilitate the flow of development financing on concessionary terms to African countries from the international financing agencies, including the allocation of additional special drawing rights.

On the basis of the objectives of the Programme of Action research will examine and propose measures which can be adopted to respond to that call.

(c) Financial resources of the oil-producing countries and assistance for the development of African countries

The rise in the price of petroleum products has produced an unprecedented accumulation of capital in the oil-producing countries.

Research will indicate the need for, and the advantages of, combining the efforts of the developed, oil-exporting and developing countries in the process of recycling the surplus resources accruing to the oil-exporting countries in one form or another, towards the African countries whose external payments and development are seriously unbalanced. Research will consider the effectiveness of institutions already set up for that purpose and will make appropriate suggestions in connexion with the problem. In view of the nature of the problem, the solutions will need to include short-term temporary and provisional arrangements to cope with the payments crisis in the immediate future, as well as arrangements to promote development in the long term.

(d) Inflation in African countries

Inflationary trends are being felt in African countries, and are aggravating the economic weakness that characterizes such countries. The study will examine the origin and the extent of such trends, the influence of inflationary phenomena on economic growth and the monetary policies and various measures which can reduce or eliminate the impact of these phenomena.

(e) Assistance for development in African countries

The research will examine the concepts which form the basis of the objectives fixed for assistance and flows of resources. It will analyse the various flows by which financial resources are transferred to African countries, their terms and conditions. It will consider tied aid and possible measures to alleviate it. Special attention will be given to the problem of indebtedness and to measures which can be taken to harmonize the growth in national debt with the rise in national income, as well as to steps which may facilitate access for African countries to capital markets.

(f) Mobilization of domestic financial resources

African countries must count first and foremost on their own financial resources for development financing. The research should consider the juridical and institutional possibilities for mobilizing such resources, and the procedures and measures applied in various African countries for the mobilization of domestic savings. It will bring out the role of various financial intermediaries in the mobilization of savings, the effect of inputs of foreign capital on domestic savings and the relationships between income distribution and domestic savings. It will identify the main obstacles to the improvement of the mobilization of savings and their investment in productive sectors, and will propose measures which can reduce these difficulties. The study will also undertake an outline of possibilities for developing financial markets in African countries.

(g) Creation of subregional payments systems in Africa

The creation of subregional payments systems is at the root of the promotion, implementation or strengthening of economic co-operation or integration at the subregional level. With a view to the creation of such systems, the study will analyse actual and potential trade among the members of a subregion, the payments arrangements and the bilateral payments agreements in force in the subregion. It will make proposals for the creation of multilateral payments systems, starting with a subregional Clearing House, designed to promote trade among the countries of the subregion. The study may also consider the possibilities for and means of creating subregional monetary unions or the setting up of an African monetary fund.

II. Training and seminars

(a) Training courses

5. Under article 3.1(e) of the Articles of the Association, one of its functions is "to organize seminars, courses and other training programmes for personnel of banking and financial institutions in the African region". The Association has already held a training course in Lagos in 1970 and two seminars, one in Tunis in 1972 and the other within the secretariat in Addis Ababa in 1974, thereby reflecting

its desire to organize such programmes in years in which there were no regular meetings of the Association. It is hoped that the Assembly of Governors will recommend that the next training course or seminar of the Association should be organized during 1976 and determine where it should be held. The course or seminar will be organized by the secretariat in co-operation with the host bank, who will jointly fix the exact dates.

III. Technical assistance and advisory services

6. The Association could furnish technical assistance services to its members, or assist them to secure such services from United Nations agencies in the monetary and banking fields. It could, in particular, draw up and maintain a list of highly qualified specialists in member banks who might be placed at the disposal of other member banks for short-term advisory services. If the Assembly of Governors so wishes, the secretariat can prepare a list of member banks which could provide such assistance and member banks which would require it. It will make available to the latter the technical assistance services from member banks or from United Nations agencies.

IV. Current international monetary problems

7. Various matters come under this heading. Mention may be made in particular of the development of the international monetary situation and its impact on African economies, work on the reform of the international monetary system; the link between the allocation of Special Drawing Rights and additional development finance; the volume of reserves of African countries; the role of exchange rates in the adjustment of international payments; the relationships between African currencies and those of the developed countries; the problems of inflation; and recycling the surpluses of the oil-producing countries.

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