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ECONOMIC COMMISSION

Inaugural Meeting of the Association  
of African Central Banks

Addis Ababa, 15-18 December 1969

## FINAL REPORT OF THE INAUGURAL MEETING OF THE ASSOCIATION OF AFRICAN CENTRAL BANKS

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FINAL REPORT OF THE INAUGURAL MEETING  
OF THE ASSOCIATION OF AFRICAN CENTRAL BANKS

1. The Inaugural Meeting of the Association of African Central Banks was held in Addis Ababa (Ethiopia), at the headquarters of the Economic Commission for Africa, from 15 to 18 December 1969.

Opening of the Meeting

2. Mr. J.H. Frimpong-Ansah, Governor of the Bank of Ghana and Chairman of the Second Conference of African Central Banks held at Accra, presided over the opening sitting. His Excellency Ato Menasse Lemma, Governor of the National Bank of Ethiopia, welcomed the Meeting on behalf of His Imperial Majesty, Haile Selassie I, Emperor of Ethiopia, and conveyed to it His Majesty's wishes for the success of the Meeting in order that co-operation between African countries might be strengthened.

3. Opening addresses were delivered by Mr. R.K.A. Gardiner, Executive Secretary of the Economic Commission for Africa, and Mr. J.H. Frimpong-Ansah, Governor of the Bank of Ghana and Chairman of the Second Conference of African Central Banks. The texts of these addresses are reproduced in Annexes VII and V to this report.

Attendance

4. The Meeting was attended by representatives of the nineteen African Central Banks and similar monetary institutions which are members of the Association and by representatives of six non-member African banks invited to attend with observer status.<sup>1/</sup> It was also attended by representatives of the African Development Bank, IDEP, CEMLA and an Executive Director of IMF for Africa. A list of participants is shown in Annex II.

Establishment of the Assembly of Governors - Election of the Chairman and Vice-Chairman of the Association

5. The Assembly of Governors of the Association of African Central Banks was declared established. The Assembly of Governors unanimously elected

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<sup>1/</sup> All the non-member African banks invited to attend as observers had applied for membership of the Association and were later admitted. See paragraph of the report.

His Excellency Ato Menasse Lemma, Governor of the National Bank of Ethiopia, Chairman of the Association and Mr. S.B. Nicol-Cole, Governor of the Bank of Sierra Leone, Vice-Chairman. The Chairman of the Association formally welcomed the participants. The text of his address is reproduced in Annex VI to this report.

Adoption of the agenda

6. The participants adopted the provisional agenda prepared by the secretariat (E/CN.14/AMA/17/Rev.1), after having changed the order of some items and added one item. The agenda is reproduced in Annex I to this report.

Report of the Executive Secretary of the Economic Commission for Africa in his capacity as Depositary of the Articles of Association

7. The Executive Secretary of the Economic Commission for Africa presented the report in his capacity as Depositary of the Articles of Association. His report is reproduced in Annex IV. The Depositary expressed satisfaction of the fact that the two conferences of Governors of African Central Banks had resulted in the formal establishment of the Association of African Central Banks.

8. The Meeting took note of the report of the Depositary and thanked him for his efforts.

Determination of terms for the accession of eligible institutions to the Association in accordance with its Articles

(a) Consideration of requests for accession to the Association by institutions that expressed the desire to join the Association after 31 December 1968

9. The Meeting had before it requests from the following six African Central Banks which had addressed letters to the Chairman of the Association of African Central Banks expressing their desire to accede to the Association and their acceptance of its Articles of Association:

Banque centrale d'Algérie;  
the Banque nationale du Congo;

the Bank of Libya;  
the Banque centrale du Mali;  
the Bank of Uganda; and  
the Bank of Zambia.

The Assembly of Governors unanimously welcomed these six banks as members of the Association with immediate effect.

(b) Determination of terms for the accession of eligible institutions to the Association in accordance with its Articles

10. The following terms for the accession of eligible institutions to the Association were adopted:

"Membership of the Association and its Sub-regional Committees shall be open to any of the institutions mentioned in Article 4.1 of the Articles of Association which shall have addressed to the Chairman of the Association a letter expressing its wish to become a member and its acceptance of the Articles of Association.

"The Chairman shall forward the application for membership to all the members of the Association who shall communicate their decision thereon to him.

"Admission to membership shall become immediately effective after an affirmative vote by the majority of the existing members of the Association has been received by the Chairman."

Amendments of Article 5 of the Articles of Association of African Central Banks

11. The following amendments to Article 5 of the Articles of Association were adopted:

(i) the addition of the following sentence at the end of Article 5.7:

"Each Sub-regional Committee shall elect a Chairman from among its members and under the conditions it may lay down." and

(ii) the addition of the following new paragraph 10 to Article 5:

"The Governors or Presidents of Central Banks or Heads of similar monetary institutions that are members of the Association shall be entitled to be represented at the highest possible level by duly accredited delegates at any meeting of the organs of the Association."

12. The Assembly decided that for the purposes of paragraph 10 of Article 5, accredited delegates at the highest possible level shall be persons holding or acting in an office not below the rank of Deputy Governor, Deputy or Vice-President, Director General, Deputy Director General, General Manager or an office of comparable rank who have full powers to commit their respective institutions in accordance with the laws governing the activities of the institutions concerned.

Organization and establishment of other bodies of the Association

13. Sub-regional Committees were established in accordance with Article 5.1 of the Articles of Association, with the following membership:

North Africa: Banque du Maroc, the Bank of Sudan, Banque centrale de  
(6) Tunisie, the Central Bank of Egypt, the Bank of Libya  
and the Central Bank of Algeria.

West Africa: Banque centrale de l'Afrique de l'ouest, the Gambia  
(6) Currency Board, the Bank of Ghana, the Central Bank of  
Nigeria, Bank of Sierra Leone and Banque centrale du Mali.

Central Africa: Banque centrale des Etats de l'Afrique équatoriale et du  
(2) Cameroun and Banque nationale du Congo.

East Africa: National Bank of Ethiopia, Central Bank of Kenya,  
(11) Institut d'émission malgache, Reserve Bank of Malawi,  
Bank of Mauritius, Banque nationale du Rwanda, Somali  
National Bank, Banque de la République du Burundi,  
Bank of Tanzania, Bank of Uganda and Bank of Zambia.

14. In accordance with Article 5.7 of the Articles of Association, the Sub-regional Committees met separately and elected their respective chairmen as follows:

For the North African Sub-regional Committee:

Chairman: The Governor of the Bank of Sudan

For the West African Sub-regional Committee:

Chairman: The President of the Banque centrale du Mali

For the Central African Sub-regional Committee:

Chairman: The Governor of the Banque nationale du Congo

For the East African Sub-regional Committee:

Chairman: The Governor of the Bank of Kenya

15. In accordance with Article 5.6 of the Articles of Association the Executive Committee would therefore consist of:

- The Governor of the National Bank of Ethiopia, Chairman;
- The Governor of the Bank of Sierra Leone, Vice-Chairman;
- The Governor of the Banque nationale du Congo;
- The Governor of the Bank of Kenya;
- The President of the Banque centrale du Mali; and
- The Governor of the Bank of Sudan.

16. The Chairman of the East African Sub-regional Committee informed the Assembly that the member banks of the East African Sub-regional Committee would first exchange by correspondence views on matters of mutual concern which might deserve attention at future meetings of the Committee. It had been decided that the Committee would meet at least once a year. Efforts would be made to convene the first meeting in May 1970. As an immediate gesture the member banks would discuss opening of accounts with each other so as to effect payments through the central banks of the sub-region.

Establishment of a permanent secretariat of the Association

17. The Assembly of Governors expressed appreciation for the excellent work so far done for the Association by the secretariat of the ECA and recognized that this work was done in conformity with the functions of the ECA. It was agreed to request the Executive Secretary of the ECA to continue the assistance he had extended to the Association. The Assembly unanimously adopted the following decision, noting that the Executive Secretary of the ECA should feel free to seek whatever assistance he might deem appropriate, from international institutions and from member banks, to facilitate the effective implementation of the decision:

"This Assembly of Governors of African Central Banks,

"Notes the ECA memorandum no. E/CN.14/AMA/18 on secretariat requirements of the Association of African Central Banks;

"Thanks the Executive Secretary for the good work so far done for the Association;

"Authorizes the Chairman to request the Executive Secretary to continue discharging the functions and responsibilities of a secretariat for the Association."

Future activities of the Association

18. The secretariat presented to the Assembly document E/CN.14/AMA/19 relating to this item of the agenda. The document summarized the Association's future activities under three main headings:

- (i) research;
- (ii) training and seminars;
- (iii) technical assistance and advisory services.

19. The Assembly accepted these three points and agreed to add a fourth, which would be: "discussion of current international monetary problems in an endeavour to reach joint African positions".

20. In the field of research, the document proposed the following three subjects: the role of African central banks in economic development, elaboration of some sub-regional patterns for payments or clearing arrangements and international monetary issues in so far as they affect African trade and development. It was proposed that a study on development of capital markets in Africa should be carried out. The Assembly took note of a document prepared by the secretariat which suggested general guidelines on payments arrangements in Africa (E/CN.14/AMA/20/Rev.1), defining principles and proposing payments agreements that might be considered by the Sub-regional Committees. In general it was emphasized that all research should be aimed at finding solutions to problems of immediate interest to African central banks.

21. As regards training and seminars, the Assembly considered document E/CN.14/AMA/19/Add.1, with the proposal of the Central Bank of Nigeria to



organize a training course in Lagos during July and August 1970 for staff of African central banks. After having been informed about the experiences of the International Monetary Fund, the Centre for Latin American Monetary Studies, and the African Institute for Economic Development and Planning, the Assembly concluded that it would be preferable to organize a bilingual course. The Governor of the Central Bank of Nigeria was requested to work out the details of the organization of the course with the ECA secretariat. Should any difficulties arise, the course to be held in Nigeria in July and August 1970 would be conducted in English, and the Chairman would approach the French-speaking member banks with a view to organizing a course in French. It was suggested that the organizations and functions of all the central banks in the different African sub-regions should be added to the list of subjects to be covered by the course.

22. As regards technical assistance, the Assembly decided to request the ECA to continue to render assistance within the same framework as previously. The question of the establishment of a small nucleus of highly qualified advisers might be reviewed at a later meeting.

#### Other business

23. Mr. M. Sakka, Director of Operations, ADB, made a statement on behalf of the African Development Bank, welcoming the inauguration of the Association of African Central Banks and pledging the ADB's continued interest in and willingness to assist in the promotion of its activities. The Director of the Centre for Latin American Monetary Studies (CEMLA), Mr. J. Marquez, briefed the Meeting on the activities of CEMLA and invited the Association of African Central Banks to maintain contact with the Latin American Centre. CEMLA would be willing to provide assistance to the Association on all questions on which it had gained valuable experience during its eighteen years' existence. Mr. L.A. Williams, Executive Director of the International Monetary Fund, briefed the Assembly on current discussions at the IMF, including the review of member quotas. The Assembly noted with appreciation the statements and briefings of the three observers.

24. It was recommended that the members of the Association should exchange on a regular and reciprocal basis information and documents concerning the activities of their institutions, such as statutes, annual reports, bulletins and reviews.

Date and place of the next meeting of the Association

25. With regard to this item of the agenda, it was proposed to hold the Association's next meeting in Morocco. The Vice-Governor of the Banque du Maroc agreed with the proposal and suggested two dates for the Assembly's consideration. The meeting might be held in April and May or else in December 1971, provided certain administrative difficulties were removed. The attention of the Assembly was drawn to Article 6.9 regarding the sharing of expenses involved in running meetings. The Governor of the Bank of Sudan expressed the hope that any difficulties might be overcome and the meeting held in Morocco, in accordance with the wishes of the participants, which the Banque du Maroc shared. Should any difficulties prevent the meeting from being held in Morocco, the Bank of Sudan would be glad to welcome the next meeting to Khartoum and to bear a share of the cost.

26. The Assembly welcomed this offer and requested the Chairman of the Association, in co-operation with the ECA secretariat, to contact the Banque du Maroc, in the first place in connexion with the holding of the meeting in Morocco and also with a view to determining the definitive date of that meeting. In the event of any difficulty, the meeting would be held in Khartoum at a date to be agreed upon with the Bank of Sudan.

Adoption of the report and closure of the Meeting

27. The Assembly of Governors adopted the report at the closure of the Inaugural Meeting of the Association of African Central Banks, on 18 December 1969. It thanked the National Bank of Ethiopia for the warm welcome it had extended and expressed its appreciation of the work of the Chairman of the Assembly and the assistance given to it by the Executive Secretary of the Economic Commission for Africa and its secretariat.

ANNEX I

AGENDA

1. Opening of the Meeting
2. Establishment of the Assembly of Governors - Election of the Chairman and Vice-Chairman
3. Adoption of the agenda
4. Report of the Executive Secretary of the ECA in his capacity as Depositary of the Articles of Association
5. (a) Determination of terms for the accession of eligible institutions to the Association in accordance with its Articles  
(b) Consideration of requests for accession to the Association by institutions that have expressed the desire to join the Association after 31 December 1968
6. Amendments of Article 5 of the Articles of Association of African Central Banks
7. Discussion of the report of the Depositary
8. Organization and establishment of other bodies of the Association
9. Establishment of a permanent secretariat of the Association
10. Future activities of the Association
11. Other business
12. Date and place of the next meeting of the Association
13. Adoption of the final report

ANNEX II

LIST OF PARTICIPANTS

<u>Member banks</u>	<u>Participants</u>
BCEAEC	Mr. Vinay, Directeur
BCEAO	Mr. Julienne, Directeur général Mr. Sanner, Directeur des Etudes
Banque centrale d'Algérie	Mr. Bessekhaud, Directeur Direction des Etudes
Banque de la République du Burundi	Mr. Raymond Setukuru, Administrateur
Banque nationale du Congo	Mr. Mawakani, Responsable adjoint du Département des Etudes économiques
Central Bank of Egypt	Mr. H. Mansour, Deputy Director Research Department
National Bank of Ethiopia	H.E. Ato Menasse Lemma, Governor Ato Yawand Wossen Mengesha, Vice-Governor Ato Kebede Sereke Berhan, Controller Ato Legesse Tickeher, Head Economic Research Department Ato Bekele Geletou, Assistant Bank Officer Woizt. Desta Bishan, Secretary of Delegation
The Gambia Currency Board	Mr. H.R. Monday, Chairman
Bank of Ghana	Mr. J.H. Frimpong-Ansah, Governor Dr. Alhasan Mohammed, Deputy Director of Research Dr. A.K. Appiah, Manager
Bank of Kenya	Mr. D.N. Ndegwa, Governor Mr. Ahmad Abdallah, Deputy Governor
Bank of Libya	Mr. S.K. Ettir, Head International Economy Unit Mr. B.A. Khlat, Research Officer
Institut d'émission malgache	Mr. Ralison Rakotovac, Administrateur et Contrôleur général Mr. J. Kientz, Directeur général
Reserve Bank of Malawi	Mr. D.E. Thomson, Governor Mr. G.O. Sibweza, Research Department

Member banks

Banque centrale du Mali

Central Bank of Mauritius

Banque du Maroc

Central Bank of Nigeria

Banque nationale du Rwanda

Bank of Sierra Leone

Somali National Bank

Bank of Sudan

Bank of Tanzania

Banque centrale de Tunisie

Bank of Uganda

Bank of Zambia

Participants

Mr. Diarra, Directeur adjoint  
Mr. Ouattrra, Directeur cabinet

Mr. A. Beejadhur, Governor

Mr. A. Bennani, Vice-Gouverneur  
Mr. H.A. Bennis, Directeur

Dr. C.N. Isong, Governor  
Mr. A.E. Fkukinam, Director of Research  
Mr. S.O.O. Ogundare, Senior Assistant  
Economist

Mr. M. Hattori, Gouverneur

Mr. S.B. Nicol-Cole, Governor  
Mr. J.K.E. Cole, Deputy Director of Research

Dr. Abdullahi A. Addou, Governor  
Mr. Said Mohamed Ali, Central Manager  
Mr. Osman Hagi Yusuf, Officer

Mr. Abdelrahim Mirghani, Governor

Mr. E.I.M. Mtei, Governor  
Mr. D.T.S. Ballali, Economist

Mr. Zardi Sadok, Chef de Service à la  
Direction des Etudes

Mr. J.M. Mubiru, Governor  
Mr. T.M. Mutagamba, Chief Accountant

Mr. J.L. Muchinga, Alt. Governor

Organizations invited as observers

Economic Commission for Africa Mr. R.K.A. Gardiner, Executive Secretary  
Mr. P. Rajaobelina, Deputy Executive  
Secretary

African Development Bank (ADB) Mr. M. Sakka, Director of Operations

The Centre for Latin American  
Monetary Studies (CEMLA) Mr. J. Marquez, Director

African Institute for Economic  
Development and Planning (IDEP) Mr. H. Naguib, Lecturer in IDEP

International Monetary Fund (IMF) Mr. L.A. Williams, Executive Director

ANNEX III

LIST OF DOCUMENTS

<u>Symbol</u>	<u>Title</u>
E/CN.14/AMA/17/Rev.1	Provisional agenda
E/CN.14/AMA/18	Note on secretariat requirements of the Association of African Central Banks
E/CN.14/AMA/19	Future activities of the Association of African Central Banks
E/CN.14/AMA/20/Rev.1	Suggested general guidelines on payments arrangements in Africa
E/CN.14/AMA/21	Flow of resources to Africa - Statistical compendium
E/CN.14/AMA/22	Proposed amendments to the Articles of the Association of African Central Banks submitted for consideration by the Meeting of the Association as well as views received on that subject
E/CN.14/AMA/23	Report of the Executive Secretary of ECA in his capacity as Depositary of the Articles of the Association of African Central Banks
E/CN.14/AMA/24	Agenda
(E/CN.14/466 E/CN.14/AMA/25	Final report of the Inaugural Meeting of the Association of African Central Banks
E/CN.14/AMA/INF.3	List of participants

ANNEX IV

REPORT OF THE EXECUTIVE SECRETARY OF ECA IN HIS CAPACITY AS DEPOSITARY  
OF THE ARTICLES OF ASSOCIATION OF AFRICAN CENTRAL BANKS

Mr. Chairman,

Distinguished Governors and Presidents of African Central Banks, Gentlemen,

1. I am particularly happy to be present at the institution of the Assembly of Governors of the Association of African Central Banks and should like to extend to its Chairman, its Vice-Chairman and all its members my congratulations and sincere wishes for its success. I am also glad to submit to your Assembly the report I have drawn up in my capacity as depositary of the Articles of Association.

2. First of all, I should like to recall some of the provisions of Articles 7, 9 and 10 regarding the signature, deposit, acceptance and entry into force of the Articles of Association. These provisions lay down that:

- (1) "These Articles, deposited with the Executive Secretary of the United Nations Economic Commission for Africa (hereinafter called the Depositary), shall remain open until 31 December 1968 for signature by the Institutions listed in Appendix A.
- (2) "The Depositary shall communicate certified copies of these Articles to all the Signatories.
- (3) "These Articles shall be subject to acceptance by members who shall signify their acceptance by signing the original copy of these Articles deposited with the Depositary or by depositing instruments of acceptance with the Depositary before 31 December 1968. The Depositary shall notify each signature or deposit and the date thereof to the other Signatories.
- (4) "These Articles shall enter into force upon the acceptance by fourteen of the Institutions listed in Appendix A. The Depositary shall notify all the Signatories to the Articles of the date on which they come into force."

3. In accordance with these provisions, the Articles of Association were deposited with me after the Accra second Conference of Governors of African Central Banks. The original text was signed by only two African Central Banks, the Bank of Ghana and the National Bank of Ethiopia.

4. On 15 August 1968, the secretariat of the Economic Commission for Africa sent the heads of all the delegations to the second Conference a copy of the final report containing the text of the Articles of Association which, after adoption, were signed or initialled before the close of the Conference. The secretariat of the ECA expressed the wish that the banks concerned should make timely arrangements to confirm their accession to the Association, and informed them that, pursuant to the adopted procedure, a copy of the report and a certified copy of the Articles of Association would be sent to their Governments.
5. These documents were dispatched under cover of a letter dated 1 October 1968, reference ECO 410/1/2, addressed to the Ministries of Foreign Affairs of the countries listed in Annex A to the Articles of Association, as well as to the Directors of Banque centrale des Etats de l'Afrique de l'ouest and Banque centrale des Etats de l'Afrique équatoriale et du Cameroun. In this letter and again in a letter dated 11 November 1968, I stated that "the original text of the Articles establishing the Association of African Central Banks is now deposited with the Executive Secretary of the Economic Commission for Africa, in Addis Ababa, and is subject to acceptance by members (central banks), who shall signify their acceptance by signing the original copy of these Articles deposited with the Depositary or by depositing instruments of acceptance with the Depositary before 31 December 1968".
6. Those who signed or signified acceptance of the Articles of Association were meanwhile kept informed as further signatures or instruments of acceptance came in. In this connexion, I might mention my letter of 19 November 1968, reference ECO 410/1/2, to the Governors and Presidents of Central Banks and Institutes of Issue, in which I sent them an additional copy of the final report of the second Conference of Governors of African Central Banks held at Accra, with the text of the Articles of Association.
7. As I have already mentioned, only two African Central Banks signed the original Articles of Association before the Accra Conference adjourned.



Yet no sooner had the Articles been declared open for signature than signatures and instruments of acceptance came in close succession. The following list, in chronological order, shows the names of the Central Banks or Institutes of Issue which signed or accepted the Articles of Association before 31 December 1968, as well as the date of signature or of deposit of the instruments of acceptance. The signature and deposit documents are kept in the ECA secretariat.

List of African Central Banks and Institutes of Issue which signed or accepted the Articles of Association of African Central Banks before 31 December 1968

Bank of Ghana (signed in Accra)  
National Bank of Ethiopia (signed in Accra)  
Banque nationale du Rwanda (23 August 1968)  
Banque du Maroc (18 September 1968)  
Bank of Mauritius (23 September 1968)  
Banque centrale des Etats de l'Afrique de l'ouest (BCEAO) (7 October 1968)  
Bank of Sudan (5 November 1968)  
Banque centrale des Etats de l'Afrique équatoriale et du Cameroun (BCEAEC) (6 November 1968)  
Reserve Bank of Malawi (11 November 1968)  
Gambia Currency Board (14 November 1968)  
Banque de la République du Burundi (5 December 1968)  
Institut d'émission malgache (9 December 1968)  
Central Bank of Nigeria (17 December 1968)  
Somali National Bank (17 December 1968)  
Bank of Sierra Leone (18 December 1968)  
Banque centrale de Tunisie (19 December 1968)  
Central Bank of Kenya (23 December 1968)  
Banque centrale d'Egypte (24 December 1968)  
Bank of Tanzania (31 December 1968)

8. Thus, in accordance with Article 10, the Articles of Association of the Association of African Central Banks entered into force on 17 December 1968,

after having been signed or accepted by the required minimum, that is to say, by 14 institutions. This date was notified by telegram to all the signatories, and in my letter dated 10 January 1969, reference ECO 410/1/2, I officially confirmed the contents of the telegram, namely: "Statutes of Association of African Central Banks come into force on 17 December 1968". I also drew attention to the fact that, in accordance with the provisions of Article 9.1 of the Articles adopted in Accra, the list of founder members had been left open for signature or acceptance up to 31 December 1968. At the close of the statutory period, nineteen of the eligible institutions, i.e., more than two-thirds, had signed the Articles of Association or deposited the requisite instruments of acceptance. My above-mentioned letter was accompanied by a list of Central Banks or Institutes of Issue which had signed or accepted the Articles.

9. I am particularly glad that we can now see the successful outcome of the efforts of the two Conferences of Governors of African Central Banks in the formal institution of the Association of African Central Banks. As I observed in my opening address, this occasion marks the conclusion of the formative stage of our work. A new phase now begins. Let us hope that activities in your field in the months and years to come will reflect a marked emphasis on practical arrangements and operational schemes geared to realization of the Association's objectives. Above all we should regard the inauguration of the Association as a renewal of your will and determination to intensify your co-operative effort and to strengthen the intra-regional links. The secretariat of ECA, on its part, renews its willingness to stand by in readiness to co-operate with your Association at all times and to extend assistance whenever necessary.

ANNEX V

SPEECH DELIVERED BY MR. J.H. FRIMPONG-ANSAH,  
GOVERNOR OF THE BANK OF GHANA, AT THE INAUGURATION  
OF THE ASSOCIATION OF AFRICAN CENTRAL BANKS

Distinguished Governors,

I believe that I have been asked to speak today merely to provide some form of continuity between the two Conferences of Governors in 1966 and 1968 and this all-important Meeting of our Association. Whereas the Addis Ababa and Accra Conferences sought to give birth to an Association, we are today met here to nurse a child which we have created. My function being merely to take your minds back to 1966 and 1968 I should of necessity be brief.

Let me first express my personal satisfaction that the final inauguration of the Association of African Central Banks is taking place here in Addis Ababa. It was here that we first met in 1966 to discuss the formation of such an Association. And it is only proper that we should regroup here to see the actual birth of the Association. Let me also on behalf of my fellow Governors express thanks to the Economic Commission for Africa for their part in initiating the concept of an Association of African Central Banks, and for the excellent secretarial and depository functions performed by this able institution up to now, and also for convening this Meeting. I have no doubt in my mind about their continuing support in the years to come.

In this Association the emphasis has been on the need for co-operation among African Central Banks. It has been a common feeling that co-operation, if provided in a positive spirit, must necessarily result in a general benefit to all, through time. It is the understanding, therefore, that as a primary basis for realizing the advantages to be derived for our Association, each member institution will be able to play an active role, in the matter of attending meetings, putting forward ideas and in sharing in all attendant responsibilities. In the drafting of the Articles of Association, the need for limiting attendance to the highest level was carefully considered and

was decided upon as a means of ensuring that the greatest importance and respect are from the beginning instilled into the Association. If for good reasons this objective cannot be achieved, I believe that it should be our personal responsibility that in all cases representation is kept at the highest level.

Since we first met here in 1966 many events of prime interest to central bankers have taken place which have emphasized the need for establishing an Association such as this one. International trade and payments which is a basic factor eliciting decisions and action from central bankers has shown some serious swings within the group of nations that trade on multilateral basis. Thus the currencies of three major industrial countries have undergone parity changes. We are all aware of the uncertainties to our own respective national economies during the period that pressure and speculation built up against these major currencies and heavy losses that some of us sustained. The worldwide repercussions of these currency problems are still with us. The Euro-dollar market is obviously an important reality today in the matter of international financing, and operations on this money market are now a factor to be reckoned with by smaller nations which seek short-term financing on the world's major money markets. The much-discussed SDR is now a reality.

Distinguished Governors, developments such as these mentioned here and others unmentioned affect our respective national economies in one way or another, and it is my view and I believe, the view of all of us gathered here, that our ability to modify the difficulties arising therefrom, or to take advantage of monetary developments of these types would be greatly facilitated by the existence of a forum for discussion and exchange of ideas. Such a forum is at last with us, and it is our duty to make it work.

Many developing countries have been active in applying the control measures developed in advanced countries. More important, in several instances, some developing countries have left the beaten track to try their hand at tools of economic management of comparatively recent origins.

Their experiences differ as to results. Under the auspices of an Association such as we are here to inaugurate, there will be room for studying more closely the experiences accumulated in the performance of our basic function of monetary administration.

Distinguished Governors, I would like to end my brief address with a modest prediction, but nevertheless an irrevocable conviction, that we are today embarking on another course which should propel African countries further on the road to development.

Thank you.

ANNEX VI

SPEECH DELIVERED BY H.E. ATO MENASSE LEMMA,  
GOVERNOR OF THE NATIONAL BANK OF ETHIOPIA

Distinguished Governors, Excellencies, ladies and gentlemen:

I am indeed honoured and privileged to be elected Chairman of this first Meeting of the Association of African Central Banks and would like to assure you that I shall do my best to serve the purposes of our Association. Let me take this opportunity to welcome you to Addis Ababa. I hope that during your stay here you will feel at home as usual and that we will have a fruitful and pleasant conference.

I would also like to express my appreciation and sincere thanks to Mr. Gardiner, the Executive Secretary of the Economic Commission for Africa, the Depositary of our Articles of Association, whose untiring efforts made it possible for us to meet first in Accra last year and now that it has become possible for us to complete in time all the formalities required to hold this Meeting.

In addition to the many problems and obstacles that stand in the way of our rapid progress and that are particular to the developing world, we must now take into account new and formidable difficulties brought about by uncertainties in the highly industrialized countries, such as shortage of liquidity, rising rates of interest, deterioration of the prices of primary commodities, quantitative restriction on our exports, etc. While it could not be expected from us to solve all these problems, I firmly believe that in our field of endeavours we can certainly play an important role towards this end and bring to our peoples the benefits they expect more rapidly.

We all agree that intra-African trade must fast expand and we notice with satisfaction that more investments are made in intra-African road construction, telecommunications and air services destined to link us closer together and which are bound to expand the exchange of goods and services between the African nations. However, this effort of bringing closer our peoples would remain incomplete if we do not succeed in providing

the exchange and financial mechanisms needed to accelerate the expansion of the intra-African trade.

Our Association provides, in my opinion, the forum where we can learn from each other's experience, co-operate more fully and closely to secure for our peoples higher standards.

Fellow Governors,

In closing my brief remark, I would like once more to thank the Executive Secretary of ECA, the Governor of the Bank of Ghana for his many imaginative suggestions during our working Meeting of last year, and the distinguished central bankers attending this Inaugural Meeting of our Association.

Thank you.

ANNEX VII

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

Mr. Chairman,  
Distinguished Governors and Delegates:

It gives me great pleasure on behalf of the Commission and its secretariat and my own behalf to welcome you to Africa Hall for the inauguration of the Association of African Central Banks.

The first meeting of Governors of African Central Banks took place here in February 1966, almost four years ago. Last year in Accra you were able to formulate the text of your constitution. I should like to mention that efforts by the secretariat to bring into clear focus the importance of regional co-operation in the monetary and financial sphere and to assist in the creation of means and instruments of co-operation date back almost to the very beginning of the Commission. Activities by the secretariat in this field have been undertaken pursuant to a series of resolutions adopted by the Commission since its third session. Work had also been initiated in response to the wish of African Heads of State and Governments who, at their first Summit Conference held in Addis Ababa in May 1963, unanimously resolved to establish a preparatory Economic Committee to study in collaboration with Governments and in consultation with ECA a wide range of monetary and payment questions. Some of you will probably recall the Meeting of the Expert Group on an African Payments Union which was convened by ECA in January 1964 in Tangier. The Group of Experts examined the possibility of creating machinery for consultation and co-operation among African countries in the monetary and payment field, on the basis of proposals formulated by Professor Robert Triffin, whose services as special consultant were secured by the secretariat in 1963. Both the Triffin report and the report of the Expert Group were submitted to and approved by the sixth session of the Commission which, in turn, recommended further action by the secretariat, resulting in the first Meeting of Governors of African Central Banks. The work which we are to accomplish at this Meeting marks a definite stage in our joint endeavour.



Regional co-operation in the monetary and the financial field poses many serious problems to African countries individually and collectively. There are several issues of policy as well as some national and international institutional problems which need to be resolved. Commitments arising from programmes of economic and social development, in the course of implementation in many African countries, have resulted in considerable financial strains, both domestically and in external economic relations. There have been, furthermore, certain fundamental constraints on the expansion of international liquidity with unfavourable repercussions on the growth of world trade and on the stability of the international monetary and payment system. The impact of these limitations on African countries has been further aggravated by their obligation to maintain formal or informal links with certain leading world currencies.

World monetary crisis has been a common feature for a number of years now. Since your first Meeting, there have been a sterling crisis, a dollar-and-gold crisis, a franc crisis and a mark crisis. Both the Pound sterling and the French franc have been devalued, while the mark had to be revalued; it also became necessary to establish a two-tier world price for gold. Fortunately however, these international strains have sharpened the sense of urgency of the need for sustained co-operation among world monetary authorities to reform the international monetary system. As a first result, the SDR scheme has finally been formally approved at the last annual meeting of the IMF. Further co-operation will undoubtedly be called for as the scheme enters the implementation stage. It is hoped that your own co-operation will lend a vital support to the international co-operative effort and throw into clear relief the necessity of recognizing the special needs of developing countries. I am happy to observe that, with the formation of your Association, the initiative for further action passes directly into the hands of an African body. Of course, this is only a beginning, and it is expected that serious thinking and examination as well as fundamental policy decisions of governments will now begin.

The Articles of the Association of African Central Banks which were adopted in Accra provided that the Executive Secretary should act as Depositary for signatures of acceptance of the Articles. I have the honour to inform you now that nineteen African Central Banks and institutions had accepted the Articles before 31 December 1968. I will, at a later stage, give you my full report as Depositary.

The setting up of the Association has been a collective effort with the ADB and IDEP making valuable contribution during the preparatory work of the Joint Interim Committee.

The proposed agenda for this Meeting is set out in document E/CN.14/AMA/17/Rev.1. There are constitutional matters to which I have no doubt you will give primary attention. Among these are the establishment of the Assembly of Governors and the election of the officers of the Association. Suggestions have been made on future activities of the Association for the consideration of the present Meeting. Document E/CN.14/AMA/22 places before you matters which have arisen in connexion with Article 5 of the Articles of Association. You will recall that we were obliged to postpone the meeting last August on the strength of stipulations of Article 5. I am pleased to note that, so far as attendance is concerned, the situation is now very different compared with last August; indeed it is far better than at any of the previous gatherings. Thus, almost all the central banking institutions of Africa are today present; this Meeting can also boast of all-time high number of fourteen Governors. Items 5(a) and (b) of the agenda deal with terms and procedures for accession of monetary institutions to the Association. In the course of the Meeting, I will report in my capacity as Depositary of the Articles of the Association. You may deem it practical to determine these procedural matters after adopting the statutes.

As we move on across the continent with renewed emphasis on the sub-regional approach to economic development, we need to be sure that our monetary and financial institutions are adequately prepared in terms of strategy and policy to play their indispensable role. This need will

become evident as you take up items of the agenda pertaining to payments and multilateral clearing arrangements and possibilities of promoting intra-African trade. The secretariat has prepared a study suggesting certain general guidelines on payments arrangements in Africa - document E/CN.14/AMA/20/Rev.1. It is hoped that the Sub-regional Committees to be established under your statutes will formulate practical operational arrangements to meet the needs which I have already mentioned.

Perhaps one of the most important questions before you, yet a question that so far seems to have been attended by considerable uncertainties, is that of determining whether it would be opportunate at present to consider the establishment of a permanent secretariat of the Association. The secretariat of ECA has put some alternative suggestions which you may wish to examine in connexion with secretariat services for the Association. These are given in document E/CN.14/AMA/18. I would like to assure you, distinguished Governors and delegates, that the secretariat of ECA, while hoping that your Association will eventually succeed in providing a permanent servicing centre of its own, will spare no effort to lend all the assistance needed by the Association at all times.

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