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REPORT OF THE PANEL OF EXPERTS ON INTRA-AFRICAN
ECONOMIC CO-OPERATION AND AFRICA'S RELATIONS
WITH THE EUROPEAN ECONOMIC COMMUNITY
(Accra, 10-15 February 1973)

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Agreed conclusions

A. PREAMBLE

8. On the matter of international and intra-African co-operation, the Declaration on the questions of current political import adopted at the twentieth session of the OAU Council of Ministers, affirms the importance of international and intra-African co-operation based on equity and a respect for the principles of independence, sovereignty and non-interference in the internal affairs of State. The efforts being made by African States in their attempts to strengthen their economic and political independence and to adapt the framework of their co-operation to the requirements of development and the interests of their peoples should find full support within the context of African solidarity.

9. African countries should act in concert in an appropriate framework and show solidarity in their efforts to adjust the existing inequality in their co-operation with extra-African countries and groups.

10. The lack of political will and indifference shown by the developed countries in respect of the search for efficient solutions to the problems of development of the Third World countries in general and African countries in particular is a cause for concern.

11. The responsibility for African development is essentially in the hands of Africans. The development of the region should therefore not depend on foreign assistance and good will.

12. Intra-African co-operation which serves the purposes of foreign industrialists and investors represents a danger. It should rather be used exclusively to promote the accelerated development of the region. In this connexion, African countries should exercise the greatest caution.

13. By dispersing their efforts in isolated action, African countries cannot carry the weight they should in a world where vast economic blocs have emerged.

14. African countries must therefore work together to form a strong economic community of African peoples. Up to now this task has been made hard because it has been difficult to escape from the pattern in which modern African development was set in the nineteenth century. Thus separated from each other, African countries have been attracted towards the world's major economic, political and cultural centres. This has had far-reaching effects on Africa's present situation.

15. In order to overcome these and other obstacles which stand in the way of development, African countries must combine forces so as to achieve their major common objectives. They must organize common action to create a stronger economic base and to widen the scientific and technological horizons of their peoples.

16. A policy of African integration and regional action is not an alternative to structural changes in individual national socio-economic systems. Such changes are already going forward and must be given greater impetus and scope. It would be easier to cope with the required structural changes in economies which, as a result of bold and clear-sighted policies of integration and regional co-operation, are growing at a rapid rate.

17. Such policies of integration and regional co-operation require major political decisions. The objectives and programmes of co-operation contained in resolutions of the Economic Commission for Africa and the Organization of African Unity have not so far been implemented at a pace which matches the magnitude of the problem. The practical obstacles are great, but not insuperable.

B. INTRA-AFRICAN ECONOMIC CO-OPERATION

Types of co-operation

18. The diversity of development needs of the African countries and the complexity of international economic relations make it imperative that African States strengthen and develop their links of economic co-operation. Cases of successful bilateral and multinational co-operation exist and these should be encouraged and promoted. In this context preference should, wherever possible, be given to those multi-purpose types which foster the establishment of basic equilibrium between States within the same groupings. In order to establish markets large enough to absorb the goods manufactured or to ensure outlets for a wider range of agricultural products, the simplest solution would be to transform national markets into larger ones by incorporating those of certain member countries belonging to Customs unions or free trade areas which have entered into agreements on monetary and revenue matters.

Institutional considerations

19. A great degree of mutual trust and readiness to arrive at necessary political agreements are essential particularly as regards key institutions, without which a grouping can neither be established nor operated. The consideration of the provision of such institutions should include such matters as their composition, functions, financing, staffing and location. Primarily machinery should be established to ensure the maintenance and operation of co-operation agreements. In respect of differences which cannot be settled through the established system between States, recourse should be had to arbitration. The arbitration body should be constituted by the officers of the Conference of Heads of State of OAU.

Apportionment of costs and benefits

20. Inter-country co-operation between countries at different levels of economic development nearly always proves unworkable if restricted to

trade matters only, without provision of formulae and machinery for compensatory measures, which take fully into account both the special problems of the less developed members and the general economic interdependence of all partners. It is therefore essential that all groupings give full attention to the adoption of measures for ensuring equitable distribution of costs and benefits among the partner States. Such measures should, wherever appropriate, include:

- (a) accelerating the industrialization of the less developed members, with due regard to considerations of efficiency and equity, particularly through an intensification of the search for new industrial investments;
- (b) special protection of the industries of these countries;
- (c) the establishment of multinational enterprises;
- (d) larger concessionary loans to the less developed countries and the operation of a system of fiscal incentives to facilitate the attraction of investments to these countries; and
- (e) arrangements for the transfer of funds to the less developed partner States through community common services and the allocation, on an agreed formula, of Customs revenue collected by the community Customs administration.

Transport - general

21. African transport problems and their adverse impact on the economies of African countries, particularly the land-locked and the island countries, demand that urgent attention be paid by African States to schemes for rationalizing and developing intra-African transport, including co-ordination of all modes of transport. A first step is agreement on transport policies to be followed by inter-country negotiations on transport links.

22. The present ad hoc approach to the solution of transport problems is inadequate. Therefore a permanent Ministerial Conference on Transport should be established and this body should co-operate with existing sub-regional functional committees, under the joint auspices of OAU and ECA to promote regional transport development.

Road transport

23. In order to intensify efforts already being made, member States are urged to establish bilateral and regional machinery for dealing with road transport development, in particular:

- (i) the formulation and adoption of a code of road transport rights and obligations which would provide for road transport sharing and licensing and which would establish bilateral and regional freight pooling arrangements;
- (ii) the regulation and standardization of frontier formalities, providing for the uniform treatment of road vehicles and

containers used in intra-African transport of goods so as to facilitate the free circulation of road vehicles across frontiers on a reciprocal basis;

- (iii) the adoption of minimum technical standards for intra-African roads and bridges;
- (iv) the standardization of the rules and regulations of road traffic, road signs and signals, driving licences and technical requirements for vehicles;
- (v) the development of capabilities in research and application of research results in road design, construction and maintenance.

24. The initial impetus of trans-African highway projects should be used not only for the timely implementation of programmes for road extension, improvement and maintenance, but also to set standards of inter-country co-operation and co-ordination which should be applied to other African highway projects and transport schemes. In this regard, the measures to be taken by the OAU and ECA should include:

- (i) the organization of working parties, and co-ordinating committees composed of transport planners, experts in trade and economic co-operation, engineers and economists for work on new inter-country road links, thus ensuring an inter-disciplinary approach;
- (ii) the provision of technical backstopping services to the various highway projects, assisting the participating States in negotiations with international and bilateral sources of finance and performing secretariat functions to regional and sub-regional transport conferences;
- (iii) the study of ways and means of establishing a Road Fund to finance intra-African road links;

Railways

25. Under the joint auspices of OAU and ECA the Union of African Railways should assume responsibility for the co-ordination of work in the field of railways development in order to facilitate the establishment of intra-African linkages:

- (i) by introducing uniform standards when new railway lines are constructed or rolling stock is to be replaced, or new tracks laid;
- (ii) by constructing links between existing unconnected lines where this is justified;
- (iii) by constructing extensions particularly for the development of land-locked countries.

Maritime and inland waterways transport

26. An association of ports management such as have recently been established in Northern Africa and Western and Central Africa to serve the Eastern shipping range could help bring about more efficient management of ports.

27. National shippers' councils should be established both in the coastal and neighbouring land-locked countries with such countries. A federation of national councils into a regional body would enhance their effectiveness.

28. Sub-regional and other multinational African economic groupings should take steps to establish special consortia of African shipping companies for the operation in common of new shipping lines and terminals and the establishment of multinational African shipping lines both for intercontinental and coastal liner services.

29. African States should seek the assistance of ECA and other appropriate multilateral and bilateral agencies for the development of international inland waterways with reference to such aspects as finance, traffic regulations, transit facilities, personnel training and infrastructural improvements.

Air transport

30. To provide a better service for Africa, African States should agree on the appropriate measures for co-operation, mergers and the eventual amalgamation of their airlines and the operation in common of their international services.

31. In preparation for such arrangements, steps should be taken to carry through multinational co-operative measures in such matters as the technical supervision and licensing of civil aviation, rationalization of timetables, reduction of fares within the continent, elimination of privileges enjoyed by foreign carriers, exchange of air traffic rights, the standardization of types of aircraft used, sharing of aircraft repair and maintenance facilities and joint organization for ground safety services and accident investigation.

32. OAU and ECA in collaboration with the Association of African Airlines (AAFRA) and the African Civil Aviation Commission (AFCAC) should propose measures for dealing with the existence of excess capacity in African airlines, the heavy losses incurred by many of them, the persistence of a north-south axis at the expense of an east-west axis and the possibilities of developing air freight and postal services.

Postal communications

33. Under the sponsorship of OAU, ECA and UPU and in collaboration with the various African postal unions and the signatories of the special agreements establishing the existing schedules and routings, annual inter-governmental consultations should be held by African postal authorities to:

- (i) review the bilateral and multilateral postal traffic arrangements contracted by, and between, African States with a view to developing a common approach to intra-African postal communications problems and policies;
- (ii) concert measures for standardizing and co-ordinating postal procedures and practices;
- (iii) authorize and subsidize vital intra-African postal systems improvements by use of professional consultative feasibility studies.

Telecommunications

34. African States should take steps to expedite the establishment of the proposed African Telecommunications Union, pay special attention to the proposals for an African Telecommunications Development Fund and ensure the rapid implementation of the recommendations of ITU, OAU and ECA for the establishment of an African telecommunications network. African States should further take steps to secure the standardization of equipment and the improvement and co-ordination of operational arrangements. ITU should be requested to undertake a study on the eventual installation of a Pan-African satellite.

Natural resources: minerals and energy

35. The exercise by African States of permanent sovereignty over their natural resources will play a vital role in the achievement of the goals and objectives of the Second United Nations Development Decade. They should therefore take concerted action in the systematic exploration and evaluation of their natural resources, particularly primary energy resources, with a view to elaborating without delay a common African policy for the exploitation of the region's mineral and energy resources. In view of the significance of electric energy for large-scale industries, African States should seek to establish arrangements for the joint exploitation of such resources wherever possible.

36. In industrialization policies, action should aim not merely at the extraction of minerals but also at their processing to an advanced stage before export as well as the establishment of mineral-based industries. In this regard, special attention should be paid to African national and multinational ventures. The main constraint in all these fields is the lack of trained technical and managerial manpower. African States are therefore called upon to support proposals for the establishment of appropriate institutions for the development of such manpower.

37. In the trade field, African States are urged to form or join producers' organizations such as has been created for petroleum and copper.

Science and technology

38. African States are urged to:

- (i) set up machinery under the auspices of OAU and ECA in collaboration with the specialized agencies for the implementation of the African portion of the World Plan of Action for the Application of Science and Technology to Development;
- (ii) give high priority to the implementation of the ECA/OAU programme for the establishment of specialized institutions for applied science and technology;
- (iii) give generous support to the programmes of the Association of African Universities (AAU) for promoting intra-African exchange of research workers;
- (iv) encourage collaboration on research projects of common interest and the exchange of information on results of research and the adaptation of foreign technology to meet the needs of the region.

African States are urged to facilitate co-operation in the foregoing areas by the compulsory teaching of English and French in all schools where these are not the medium of instruction.

Agriculture and utilization of water resources

39. Attention of African States is drawn to important ongoing activities such as:

- (i) research in tropical foods;
- (ii) cereal production, livestock improvement, trade in meat and trade and development of sugar;
- (iii) food storage and distribution;
- (iv) intra-African trade in agricultural products;
- (v) promotion of producers' organizations to protect the interests of African producers in the world commodity markets.

It is recommended that African States should establish links with such projects, draw upon their experiences and support them.

40. African States should co-operate in the production, processing and marketing of agricultural commodities and in the utilization of their by-products.

41. In view of the large number of international drainage basins in Africa, the considerable land surface occupied by such basins, the hydrological interdependence between the various parts of these basins and the high cost of water resources development schemes in general, riparian States, with assistance of OAU and ECA and other competent international and bilateral organizations should adopt and implement multilateral agreements to govern the equitable sharing of common water resources and their general rights and obligations in this respect.

Intra-African payments

42. The Association of African Central Banks, in collaboration with OAU and ECA, should continue its efforts to design solutions to the payments problems encountered in intra-African trade. In particular it should:

- (i) bring up-to-date the studies carried out by ECA, especially the one undertaken by Prof. Triffin in 1964;
- (ii) study the possibility of establishing one or more African monetary funds;
- (iii) study the possibility of establishing, on a national or multinational basis, export credit financing and export credit insurance facilities;

and submit these studies to African trade and monetary experts for consideration and appropriate recommendations to the Conference of Ministers at its next session.

Education and training

43. Full support should be given by African States to the programme of the Association of African Universities for fostering co-operation through undergraduate and post-graduate promotion of specialized disciplines in certain African universities.

44. Every endeavour should be made to overcome the language barrier to intra-African co-operation through such measures as the compulsory teaching of English and French in all secondary schools where these are not the medium of instruction.

45. In view of the serious adverse effects of shortages of necessary African middle- and high-level personnel on African development, particularly the rate and direction of industrial expansion, African States should review existing training arrangements with a view to exploiting every opportunity for improvements in quality and quantity of such personnel. In this connexion, African States are urged:

- (i) to include in agreements for the construction of technologically advanced projects, training schemes which would enable nationals to act as counterparts to foreign experts;
- (ii) whenever possible, to arrange for trainees from neighbouring countries to be attached to national schemes or projects;
- (iii) to take urgent and serious steps to deal with the problem of the brain drain which is becoming more acute.

Labour and migration

46. In view of current developments which threaten to disrupt inter-country relations, African States are called upon to take appropriate measures with the assistance of ILO, OAU and ECA to define the duties

as well as the rights of migrant labour, in particular mutually acceptable measures should be taken on the right of establishment of nationals of African countries.

Tourism

47. African States should take steps to establish or strengthen existing tourism promotion centres on a regional basis and devise measures for co-operation in tourism generally so as to reap the full benefits of this expanding industry.

C. RELATIONS BETWEEN AFRICA AND THE EUROPEAN ECONOMIC COMMUNITY

48. Twenty-four African States are associated with the European Economic Community. Thirteen African members of the Commonwealth have under Protocol 22 of the Treaty of Brussels been invited to negotiate relationships with the Community. Four of the thirteen associate countries, namely Kenya, Uganda, Tanzania and Mauritius are already associated with the Community.

49. In view of the forthcoming negotiations in respect of the future relationships between African countries and the European Economic Community, African States are urged to weigh carefully the advantages and disadvantages of the different forms of relationship that could exist between themselves and the enlarged Community before reaching their final positions. It is essential that African Governments concert their efforts in all matters relating to the examination and determination of these relationships. In particular, they should strive to establish an appropriate framework for concerted action. Such a framework should be established at a meeting at a high political level of all interested African countries, particularly countries at present parties to the Yaoundé Convention, African countries invited to establish relationships under Protocol 22 of the Treaty of Brussels, and countries having an option to establish relationships under the Declaration of Intent issued in connexion with the first Yaoundé Convention and should basically ensure that any arrangements arrived at should:

- (i) be an instrument for more rapid economic development of the African region;
- (ii) not be a divisive element in the building of a stronger and more united Africa;
- (iii) not leave any African country any worse off than it was under the previous arrangements.

50. In the negotiations the following points need to be given special attention:

(a) Economic co-operation

The new arrangements should not in any way impede economic co-operation among African countries. In particular they should include clear provisions favouring the maintenance or establishment of Customs unions, free trade areas, economic communities or other groupings between African countries, whether associated to EEC or not. The new relationships should permit African groupings to conclude and implement agreements among their partner States without having to extend the same treatment accorded under such agreements, to the members of EEC or any other developed country.

(b) Trade

(i) Any new arrangements should provide for a favourable and precise treatment of agricultural processed and semi-processed products exported from African countries to the EEC market. In particular, African products similar to and competing with EEC agricultural products should receive the same treatment as exports of EEC members under the Community's common agricultural policy.

(ii) Future arrangements should assure African countries the opportunity of filling agreed shares of present and future consumption requirements of the EEC market at fair, stable and remunerative prices for their important export commodities.

(iii) The rules of origin in the future trading arrangements should be so formulated as not to discriminate against multinational industrial integration projects between developing African countries. In particular, they should confer "originating product" status on all products wholly produced, or which meet mutually accepted transformation criteria, in one or more of the member countries of African groupings, whether or not all countries of the grouping have a special preferential relationship with EEC.

(iv) In any new relationship African countries should be allowed to obtain liberal access to the EEC market on a basis of non-reciprocity. African countries should make every effort to implement the Declaration adopted by the African Ministerial Meeting in Addis Ababa in October 1971 to the effect that "those preference-giving countries who now enjoy reverse preferences and those who demand their abolition should between them work out and propose solutions". It is necessary to ensure that the solutions arrived at do not affect either the level of financial or technical assistance granted to an African preference-giving country, or the special preferential advantages it may receive, so long as fully equivalent solutions are not found.

(c) Aid

(i) It is essential that the financial and technical assistance given by EEC to African countries should be maintained and increased. Such assistance should be kept separate from the problems of reverse preferences. It is particularly important that EEC deliberately direct an increased portion of financial and technical assistance resources towards multinational African projects so as to support the exploitation of potentialities for economic co-operation among African countries.

(ii) The new arrangements should have built-in provisions which introduce greater flexibility into the financial and economic infrastructure of African countries such as their financial systems or transport, both of which are at present to a great extent geared to economic relations with non-African countries. Greater attention will need to be paid to industrialization.

(iii) African countries should be adequately represented on the institutions of the European Development Fund so as to ensure that they can participate fully, effectively and continuously in the decision-making within the Fund. Modalities should be established to permit the Fund to allocate country and regional shares of its assistance on a long-term basis, on the basis of country programming and the Indicative Planning Figures of the United Nations Development Programme, to enable African countries to plan with confidence on such a basis.

(d) Division of labour

The present division of labour between the EEC member countries and African countries should be modified to include adequate arrangements for sub-contracting whereby the EEC member countries may sub-contract the production of certain components of products to African countries. Such arrangements could confer considerable mutual benefits if they permit the expansion of employment opportunities through the use of labour-intensive techniques and lead to the transmission to Africa of advanced industrial skills.

Annex - LIST OF DOCUMENTS

E/CN.14/L.409	Intra-African Economic Co-operation and Africa's Relations with the European Economic Community - a report prepared by a team led by Professor Kjeld Philip
CEC/WP/1	Reverse Preferences
CEC/WP/2	The Trade and Economic Implications of Africa's Association with the Enlarged European Economic Community
CEC/WP/3	Intra-African Economic Co-operation and Africa's Relations with the EEC - Some Issues Raised and Proposals Made in the Philip Report
E/CN.14/493/Rev.3	Africa's Strategy for Development in the 1970s
E/CN.14/525	Report on the ECA/OAU Conference of Ministers of Industry
E/CN.14/545	Report of the African Ministerial Meeting Preparatory to UNCTAD III
E/CN.14/576	Report of the Seventh ECA/OAU Meeting on Trade and Development
E/CN.14/CEC/1/Rev.1	Directory of Inter-governmental Co-operation Organizations in Africa
