ECONOMIC COMMISSION FOR AFRICA
Item 6 of the agenda

RELATIONS WITH OTHER INTERGOVERNMENTAL ORGANIZATIONS

The Secretary-General has the honour to circulate to the Members of the Economic Commission for Africa the following communication received from the Representative of the United Arab Republic.

"To the Executive Secretary of the Economic Commission for Africa

I would like please to circulate to the members of the Economic Commission for Africa the attached note by the Secretariat of the Arab League on the "Consultations which take place or have taken place among Arab States in the Economic Field within the framework of the League" in connection with the item on the Agenda on "Relations with other intergovernmental organizations".

Yours sincerely,

Leader of the United Arab Republic

(Signed) Dr. M.B. CHIATI

1 January 1959"
A NOTE

Prepared by
The General Secretariat of the
League of Arab States

on

Consultations which take place or have taken place among
Arab States in the Economic Field within the framework of
the League

I. Consultation as a general basis in the Pact of the League of Arab States

The League of Arab States was formed on 22nd March 1945, in order to secure the co-operation of member states on the basis of consultation and the adoption by the League Council and its permanent committees of resolutions and recommendations covering economic, political, social, cultural, legal and other fields. This co-operation on the basis of consultation stems from the foundation of the Pact on the principle of the complete sovereignty of each member state. The League Council passes its recommendations unanimously as regards co-operation in such fields. It also passes other organizational and constructive resolutions by a majority.

II. Consultation on Economic Affairs within the League Council and its ancillary committees

Article 2 of the League Pact states that one of the objectives of the League is to secure the close co-operation of member states in accordance with the constitution of each one of them, and in the light of its financial and economic conditions. This includes mutual commercial exchange, customs currency and other affairs pertaining to commerce and industry. The Council passes its resolutions after due consultation and exchange of views have taken place between member states during the meetings of the Council. The recommendations of the Council are binding on the member states who accept them. Such states implement these recommendations in accordance with their internal constitutional systems.

Each member state is represented in the League Council by one or more than one delegate but it has only one vote. The Council may also invite delegates from Arab countries who are not members of the League to participate in its work as prescribed by a special Annex attached to the Pact.

III. Consultation in the Permanent Economic Committee

Article 4 of the League Pact provides for the formation of permanent technical committees each undertaking to lay down the rules of co-operation in one of the activities of the League. The Committee of Financial and Economic Affairs was formed according to this article. It is a permanent committee of the Council; it performs its functions as prescribed for it by the Pact. It prepares draft conventions and
submits them to the Council of the League. It can also submit to the Council any recommendations and proposals which may result from its studies. Each state is represented in the Committee by one or more than one delegate but it has only one vote. The Committee has a chairman appointed by the League Council for a period of two years. It passes its resolutions by the majority vote of those present.

The Committee can also convene meetings of experts representing member states of the League Council in order to consult in matters lying within its competence. It can also invite delegates from Arab states who are not members of the League to participate in its work as prescribed by a special Annex attached to the Pact. Consultations and deliberations which take place in this committee have a regional scope covering the Arab countries who are members of the League as well as those who send delegates. The Committee is also competent to collect special data pertaining to economic co-operation in the different fields referred to in article II of the League Pact.

IV. The Role of the Economic Council and its Ancillary Committees

Article 8 of the Treaty of Joint Defence and Economic Collaboration between the Arab States provides for the formation of an Economic Council composed of the Ministers concerned with economic affairs in the contracting Arab states or of their representatives if necessary in order to propose to the Governments of States what the Council deems essential for realising the objectives stated in Article 7 in the said Treaty. Such objectives aim at the spread of security and prosperity in Arab countries and at raising their people's standard of living through the co-operation and the collaboration of the contracting parties for the development of their economies and the exploitation of their natural resources as well as by providing facilities for their products. States organize their economic activities by the conclusion of treaties and conventions between themselves tending to realise these objectives as required by their conditions.

The Economic Council holds an ordinary session in the first week of December every year. The General Secretariat prepares the draft agenda and the explanatory notes on the items to be discussed. Resolutions are considered valid by a majority vote, but they are usually and practically adopted unanimously.

The Economic Council forms at the beginning of its session, ancillary committees for dealing with agriculture, industry, commerce, tourism, communications, finance, etc.

Consultations which aim at securing economic co-operation between member states of the Council are made within the limits prescribed by the by-Laws of the Council and those of its committees. Such consultations and deliberations usually end by the adoption of resolutions and recommendations which are submitted to the Governments. As a matter of fact, the meetings of the Council during its last four sessions have produced excellent results in the field of Arab Economic Co-operation. All the resolutions were unanimously adopted and all Arab States are bound to implement them.

V. The Duty of the General Secretariat at the League

The Economic Department of the Secretariat has been constituted in order to study the economic conditions of Arab countries, to prepare statistical data concerning the
and to contribute whatever strengthens economic relations among member states. It also aids the Permanent Economic Committee in its work and in its examination of the subjects discussed. The Economic Department as well as the Permanent Economic Committee, if required, aid the Economic Council in its work as well as the Committees of Experts which discuss and draw up the rules of economic co-operation and the formulae to be embodied in the convention to be discussed by the Council.

VI. The Practical Results of Economic Co-operation within the Framework of the League of Arab States

The establishment of the above-mentioned organs and the role played by each in coordinating economic policy within the framework of the League has been very effective in achieving economic co-operation and in concluding conventions aiming at perfecting such co-operation. Particular reference should be made in this connection to the Convention for Facilitating Trade Exchange and the Regulation of Transit between states of the Arab League, to the Convention for the Settlement of Payments of Current Transactions and the movements of capital between states of the Arab League, to the Convention for the Adoption of a Unified Customs Tariff Schedule and the approval of the Contract founding the Potassium Company. To the conclusion of all these conventions all the organs mentioned above have contributed.

The Fourth Session of the Economic Council has also approved the Convention of Economic Unity among Arab States which was prepared by Arab experts after consultations which lasted a whole month, as well as the project for the foundation of an Arab Development Bank with a capital of twenty million pounds in gold. The Organization of the Bank has been completed after competent authorities in Arab countries have been consulted. A questionnaire on the project was sent to Arab states and the relevant answers of member states were received after due consultation with experts had been completed and proper use made of the experience of the International Bank of Development and Reconstruction. The project was put by Experts in its final form. It stands out as one of the most fruitful results of consultations between member states and such International Organizations as the International Bank. Mention should be made of the fact that the above-mentioned conventions which have been approved by the Economic Council and which have been concluded by member states do not provide for continued consultations thereon. Nevertheless the Secretariat of the League continues, if necessary, to examine how far the resolutions adopted have been implemented by Arab states and in case of differences arising amongst them, seeks to put the issue before the Council of the League so that it may try to bring the different points of view more closely to each other.

VII. Co-operation with International and Regional Organizations in Economic Affairs

Apart from the individual co-operation of each Arab state with international organizations and its effort to benefit from their experience as in dealing with the International Bank, the League of Arab States, as a regional organization, performs its duty by co-operating and collaborating with regional and international organizations in the economic field. Article 10 of the Arab League Pact states that one of the functions of the League Council is to make co-operation with international organizations close. The League has therefore co-operated with regional organizations working in the area by participating in the Conferences they hold and by supplying them with
competent experts. The League has also undertaken to co-ordinate consultations among delegations of Arab States attending those conferences hoping thereby to lay the foundations of united co-operation between Arab States on one side and the other states of the Middle East Area on the other.

VIII. The Agreements and Conventions concluded between member states within the framework of the Arab League have been published in a book, a copy of which is being forwarded with this report.