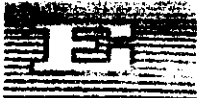


UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



Distr.
GENERAL
E/CN.14/154
1 December 1961
Original: ENGLISH

ECONOMIC COMMISSION FOR AFRICA
Addis Ababa, February-March 1962
Fourth session
Provisional Agenda item 12

TECHNICAL ASSISTANCE ACTIVITIES OF THE
INTERNATIONAL MONETARY FUND IN AFRICA

TECHNICAL ASSISTANCE ACTIVITIES OF THE
INTERNATIONAL MONETARY FUND IN AFRICA

The activities of the International Monetary Fund in Africa are growing in importance as an increasing number of the newly independent African countries acquire Fund membership. At the end of 1960, Fund members in the continent of Africa were eight in number: Ethiopia, Ghana, Libya, Morocco, the Republic of South Africa, the Sudan, Tunisia, and the United Arab Republic. Since then Nigeria has become a member of the Fund; furthermore, the Board of Governors of the Fund recently approved the terms and conditions of membership for Liberia, Senegal, Sierra Leone and Togo and these countries should become members of the Fund in the near future. Other African countries which have applied for Fund membership and whose applications are now being processed include the Republic of the Congo (Brazzaville), the Republic of the Congo (Leopoldville), Dahomey, Somalia, and Tanganyika.

An important segment of the Fund's technical assistance work is connected with the periodic consultations which the Fund holds with its member countries. These consultations are mandatory for those member countries which maintain exchange restrictions under Article XIV of the Fund Agreement. Other Fund members, which have established full convertibility of their currencies, have voluntarily accepted the principle of periodic consultations with the Fund. The consultation discussions are characterized by a full and frank exchange of views on economic and financial developments between the Fund staff and responsible officials in the member country, and have frequently been used as an occasion by member countries to seek the technical advice of the Fund staff on specific problems in the financial and exchange field. Through these periodic contacts the Fund is able to strengthen its bonds of contact with its member countries and to increase its effectiveness as a center for monetary cooperation. Consultation discussions were held with Morocco,

the Republic of South Africa, and Tunisia at the end of 1960, and with Ghana, the Sudan, and the United Arab Republic in 1961. Consultations with Ethiopia and Libya are scheduled for early 1962.

In July 1961 a special Fund Mission visited several African countries, including the Republic of the Congo (Brazzaville), Dahomey, Ivory Coast, Liberia, Nigeria, Senegal, Sierra Leone, and Togo. The primary object of this Mission was to establish a first contact between the Fund and these countries, and to assist them in taking the steps necessary for acquiring membership. In some of the newly independent countries, the Mission discussed, at the country's request, certain problems related to the establishment of new monetary and credit systems.

The Fund also provides, at the request of its member countries, technical advice and assistance directed towards specific problems and tasks in the financial and exchange field. Accordingly, Fund staff teams have assisted several member countries in the formulation of appropriate monetary, fiscal and exchange policies, and in certain cases have assisted in the preparation of comprehensive stabilization programs. At times the services of Fund staff have been made available to member countries to help them build up an efficient institutional and statistical framework for financial policy making.

Over the past few years technical assistance has been provided to Ethiopia in the field of banking, to Morocco in the field of exchange matters, and to Tunisia in the matter of establishing a new central bank. Early this year, a Fund technician visited both Morocco and Tunisia to assist the respective central bank authorities in the preparation and improvement of monetary statistics.

In the Republic of the Congo (Leopoldville) the Fund has been providing technical assistance and advice in its own special field of competence since the country became independent. This work, which was initiated at the request of the Government of the Congo, has been carried on in close cooperation with the United Nations. The Fund staff

has been periodically consulted and has advised on the formulation of appropriate monetary, fiscal and exchange policies designed to prevent the deterioration of the economic situation and prepare the ground for eventual stabilization and recovery. In June 1961 a Fund team made an appraisal of the country's essential import requirements so as to provide some measure of the need for international financial assistance to the Congo. Technical assistance has also been provided to the Congolese authorities in the task of developing an independent institutional framework in the financial field. The Fund staff has participated in the work connected with the liquidation of the old Central Bank of the Congo and Ruanda-Urundi, in the drafting of legislation for a new National Bank of the Congo, and in the technical preparation of a national currency. It has also assisted in the establishment and staffing of a Monetary Council which acts as the interim monetary authority until the new Bank can fully start its operations.

For the past several years, the Fund has conducted a training program at its headquarters for a selected group of persons with the expectation that they will return to their countries to serve with increased competence in the economic and financial field. The program is designed to familiarize the participants with alternative economic and financial policies and their relationship with the process of economic development, and with new techniques of monetary and financial analysis. Specialized instruction is imparted on the compilation and analysis of balance of payments, social accounting and financial statistics. The number of persons from any one area admitted to the program is limited in any one year since all member countries have a claim to representation on the training program. The 1961 Fund Training Program includes participants from Ghana, Nigeria and the Sudan.

.