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1. The Fifth ECA/OAU Joint Meeting on Trade and Development held in August 1970 recommended that the Africa Trade Centre should assist African countries in establishing an association of African trade promotion organizations.
2. The main objective of such an association would be to obviate the lack of contact and regular flow of information and communication between African countries in trade matters. If in addition it could be made to serve as a practical instrument for the promotion of trade and investment, the association could turn out to be a major institution in African economic development. But the achievement of these very desirable objectives is not an easy task and will require major efforts not only from the constituent members of such an association, but also from African governments and international agencies. The task is made all the more difficult because a number of industrial and trading enterprises in Africa are wholly or largely owned by foreign interests. The chambers or associations formed of such enterprises may therefore not reflect national interests.
3. Since independence, African governments have been actively engaged in re-orienting the foreign enterprises to national needs and promoting indigenous enterprises. The latter, however, are in most cases still small-size firms and may not be fully effective in their national organizations. A primary requisite is to have the existing trade promotion associations and chambers of commerce and industry reflect truly national interests.
4. Another difficulty in making the proposed association a really creative and operational institution would be the adequacy of financial resources. A preliminary inventory of chambers of industry and commerce in developing African countries shows that there at present exist 82 chambers in 27 countries. Although this inventory is neither comprehensive nor complete, it serves to give an order of the magnitude of membership that can be expected. Of the 82 chambers, no less than 24 are sited in Nigeria. With so few members, the regular membership fee budget is not likely to exceed US\$5,000. As against this the annual budget for the Association for the Advancement of Agricultural Sciences in Africa is US\$27,280. The major operational activity envisaged by that Association is annual meetings at which research papers by noted agricultural scientists are read, and publication of an annual volume of such papers. It is clear that the proposed trade promotion association in its first years at least would have to limit its scope of activities and lean heavily on other organizations for supporting facilities.

5. Within these constraints, an organizational structure has to be devised which will maximize the objectives aimed at. A review of a few comparable organizations may help in formulating ideas for the organization of the proposed Association.

6. The International Chamber of Commerce (ICC) was established in 1919. It is a world federation of business organizations, business firms and businessmen. Membership in 1967 stood at 7749, consisting of 1523 business associations and 6226 individual companies (companies are associate members). The membership covered 80 countries. It is the only world body organized to represent private enterprise with respect to all problems which affect it and as such has been accorded the highest consultative status - Category A - with the Economic and Social Council, UNCTAD and UNIDO. It works also in closer association with the UN specialized agencies and other international agencies like the EEC, the GATT, OECD, etc. The programme of work of the ICC has two main features; that of expressing the views of business on current economic issues and that of making recommendations and drafting regulations to meet the needs of all branches concerned to facilitate the adoption of uniform practices in the various sectors of international trade. The items placed on the programme are studied by 25 international commissions and one regional commission set up within the Chamber. The Governing body of the Chamber, the Council, meets at least twice a year to lay down Chamber policy, to discuss topical issues and supervise the work of the commissions. The General Assembly of ICC meets every two years and approves the programme of work. In addition it discusses special themes of immediate importance. The Headquarters of ICC is in Paris.

7. A feature of the ICC organization is the National Committees. The National Committees comprise the Governing Council. There are 42 such community. The National Committees are representative of the business committee in each country and its functions are to express the views of its members on the ICC programme of work and make the policies of the Chamber known to national authorities and businessmen. One such National Committee has been organized for Africa and comprises Cameroon, Central Africa Republic, Chad, Congo (Brazzaville), Dahomey, Gabon, Ivory Coast, Madagascar, Mali, Niger, Réunion, Senegal, Somaliland, Togo, Upper Volta. The office of this Committee is in Paris.

8. The ICC has also a regional commission for the ECAFE region. While its functions are similar to that of the National Committees, it is organized as a special commission for regional affairs, and devotes special attention to such problems as agricultural development, trade liberalization, mobilization of capital resources, standardization of commercial practices, and promotion of small industries within the region. Its headquarters is at Tokyo with a liaison office at Bangkok of ECAFE, the Headquarters of ECAFE.

9. Another comparable organization is the Afro-Asian Organization for Economic Co-operation. It was founded in 1980 to achieve economic co-operation among Afro-Asian countries, foster collaboration among national chambers of commerce, industry, agriculture, their federations and similar institutions. The membership consists of two kinds, ordinary and associate. The national federations of chambers of commerce, industry or agriculture in independent Asian and African countries, or where such federations are absent, existing chambers may choose one member to represent them or failing such agreement, the Council of the organization will choose one member to represent the chambers of that country. Associate members are national chambers of commerce, industry, agriculture in independent African and Asian countries or territories which have not yet attained independence. Associate members have no voting rights. The Organization consists of a Conference, a Council and a Centre. The Conference is the supreme authority of the organization and is composed of delegates appointed by member^s and associate members. The Conference meets once every two years in a venue determined by the Council. The Conference elects a President and two Vice Presidents. The Council consists of the President and Vice Presidents and 12 other members elected by the Conference. The Centre is the executive organ of the organization and consists of a Secretary General and his staff. Its present headquarters is at Cairo. Its major activity, besides the biennial conferences, is to publish an Economic Review containing studies, information and statistical data on Afro-Asian countries.

10. Two other organizations have a bearing on the proposed association of trade promotion organizations. They are the Federation of Commonwealth Chambers of Commerce and the General Union of Arab Chambers of Commerce, Industry and Agriculture. The Federation of Commonwealth Chambers consists of 350 chambers in 43 countries. It has in addition business firms and related organizations. All African Commonwealth countries are represented as associate members. Major objectives are to provide permanent links between chambers of commerce and promote trade between Commonwealth countries and with other countries and to assist in the provision of technical and commercial training. The organization comprises of a biennial congress of delegates, a council which meets twice a year consisting of a chairman, vice chairman, treasurer, secretary, a director and deputy director and an executive committee of fifty elected by the congress of delegates meeting four times a year. It publishes annual reports and has also several other special publications. Its head office is at London.

11. The Arab Union of Chambers consists of 14 members in 13 countries. African countries represented are Libya, Morocco, Sudan, Tunisia, and UAR. It was founded in 1951. The major aim is to foster Arab economic collaboration. It has an annual conference of members, and a council appointed by member countries which meets twice a year. Its headquarters is at Beirut.

12. The Association for the Advancement of Agricultural Sciences in Africa was inaugurated in 1968. Its objectives are to foster development of agricultural sciences throughout Africa, exchange of experience between scientists engaged in agricultural research and training in various fields of agricultural sciences. Any person who is engaged in agricultural research, teaching or extension is eligible for membership. There is an annual membership fee. The Association is organized in different sections of agricultural sciences. Each section has a chairman elected by the section membership. A President, Vice President and Secretary, Treasurer are elected annually by the entire membership. The Board of Directors consist of the elected officers the past President and the Chairmen of the different sections. There is an Executive Committee consisting of the elected officers, past President and one additional member from among the Chairmen of sections elected by the Board. There are regular annual meetings of the Association at venues and dates to be decided by the Board of Directors. The annual meetings are rotated to different African countries. The principal events at the meeting, besides election of office bearers, are the presentation of research reports, open discussion of agricultural problems and informal exchange of information. An annual volume of the proceedings at the conferences is printed.

13. The Association of African Central Banks (AACB) appears to be the most suited model for the proposed trade promotion association. AACB was inaugurated in December 1969 with the objectives (a) of promoting co-operation in the monetary, banking and financial sphere in the African region (b) of assisting in the formation of guidelines along which agreements among African countries in the monetary and financial fields shall proceed (c) to help strengthen all efforts aimed at bringing about and maintaining monetary and financial stability in the African region and (d) to examine the effectiveness of international economic and financial institutions and suggest ways of possible improvement. Its functions are:

- (a) providing for periodic meetings of Governors of Central Banks;
- (b) promoting the exchange of ideas and experiences in the monetary and banking field;
- (c) facilitating the collection, pooling and dissemination of information on monetary, banking, and financial matters;
- (d) undertaking the study of monetary and financial problems in the African region;
- (e) organizing seminars, courses, training programmes for personnel;
- (f) providing technical assistance and advice.

14. Membership is open to all Central Banks in independent African countries and where such banks do not exist, appropriate monetary institution. The Association has an Assembly of Governors, an Executive Committee and Sub-regional Committees. The Assembly of Governors is the governing body of the Association and consists of Governors of the Central Banks. The Executive Committee consists of the President, and Vice Presidents elected by the Assembly and the Chairmen of the Sub-regional Committees. The Sub-regional Committees consists of the Governors of Central Banks of each sub-region. The Sub-regional Committee elects a Chairman from among them. Provision is made for a permanent Secretariat, though none has been established as yet. Expenses involved in running the Secretariat are to be shared on an agreed formula. The Assembly of Governors have to meet at least once in two years, the Sub-regional Committee once a year. Venue of these meetings and servicing of these meetings are to be decided in the previous meeting. Quorum for any meeting is a simple majority of membership, and decision should as a rule be by consensus, but in any matter concerning the running of the Association by a 2/3 majority of those present. Each Sub-regional Committee is to determine its own rules of procedure. Expenses involved in running the Association and Executive Committee are to be shared equally among all members. Expenses involved in running the Sub-regional Committees are to be shared on an agreed formula.

15. The survey of the above institutions indicates that the constitution for the proposed trade promotion association has to be flexible. Its budget is likely to be limited unless generous grants are forthcoming. It would be unwise to burden the Association with a diversity of functions, which though they may be written into the constitution, will by and large be inoperative. While in trade promotion itself a well organized Association with adequate financial resources and personnel, can undertake a host of functions, there is a much wider field both in industry and agriculture. In view of the paucity of member organizations, it would be logical to have an African Association both for Trade Promotion and Industry. But in the early stages, it may be desirable for the Association to concentrate on trade promotion, while leaving industrial promotion to be included at a later stage. This should not however preclude Industrial Associations and Agricultural Production Promotion Associations such as Planters Associations or small holders union from being members. This would give added strength to the proposed Association and enable it to widen its horizon at a later date.

16. The following framework for the proposed Trade Promotion Association is suggested as a basis for discussion.

- (i) Objectives: To promote trade by and between such national chambers of commerce, industry and agriculture, their federations, and other similar institutions.

To achieve increased co-operation and trade liberalization among all African developing countries.

(ii) Functions: A whole list of functions can be spelled out in the constitution, but in the early years the only operative functions are likely to be:

- (a) provide for meetings of the Association and its organs;
- (b) promote the exchange of ideas on and experience in African trade and trade promotion;
- (c) assist African Governments in the formulation of trade policies conducive to trade expansions and increased intra-African trade;
- (d) make recommendations to its members on the standards of commodities exported or imported by them;
- (e) formulate a code of commercial conduct to be observed by members.

(iii) Membership: As indicated earlier, all organizations interested in the promotion of trade, industry or agriculture or similar institutions should be eligible for ordinary membership. So also federations. African regional or multinational institutions should be equally eligible.

As associate members, the association could have business firms, industrial manufacturing units and agricultural producers. Associate members will have no vote.

(iv) Organization of the Association: There could be a General Council, an Executive Committee and sub-regional committees.

The General Council will consist of one delegate from each of its constituent members, whether ordinary or associate. It could meet once in two years. The Council may have one chairman and two vice chairmen. It could review the work of the association as reported by the Executive Committee, determine the annual contribution to be paid by each type of membership, draw up guidelines for the policy and work programme of the Association and deliberate on topical themes of importance to developing economies. The major item in the agenda of the General Council should be the discussion of such themes, the conclusions of which could be transmitted to appropriate authorities for suitable action. The delegates could also be organized into small committees or discussion groups to deal with particular problems of importance to them.

The Executive Committee will consist of the Chairman, two Vice Chairmen and the Chairmen of the Sub-regional Committees. The Executive Committee will be entrusted with the responsibility of executing the functions of the Association. In particular it will arrange for the biennial Council meetings, prepare a suitable agenda with appropriate themes with suitable background material, make recommendations to Governments for appropriate policy formulation, draw up a code of commercial conduct and standards of commodities exported or imported. The Executive Committee will also prepare a report on its activities to the council, make suitable recommendations for annual contributions, draw up a budget and a draft programme of work. It should meet at least twice a year.

The Sub-regional Committee will comprise of one delegate representing each country of the Sub-region elected biennially from among the members of the Association in such country. A Sub-Committee so formed could elect a chairman and vice-chairman. Its major function would be to facilitate trade exchanges among the member associations. In pursuit of this function, it could perform all the functions of the Executive Committee related to the region and in addition organize a trade intelligence bureau for the sub-region. The expenses of the trade intelligence bureau will be met exclusively by members of the sub-region in such proportion as they may like to distribute among the constituent members. The Sub-regional Committee should meet at least twice a year. Since it is in effect to function as the operational arm of the Association, it may be desirable for it to meet even more frequently. It is also suggested that the expenses of the Sub-regional Committee be separately budgeted and paid for on a prorata basis to be determined by the Committee.

- (v) Secretariat: While the draft constitution may provide for a permanent Secretariat to be established, it will be wise in the first few years if supporting facilities from other organizations are obtained. As mentioned earlier even the small secretariat budget for the Agricultural Association for Advancement of Sciences was \$27,280 of which \$16,400 were for salaries and office supplies. Balance was for travel expenses \$8,400 and \$2,480 for contingencies. It is suggested that the Executive Committee uses the Africa Trade Centre for the time being as the base secretariat.

This will have the advantage of a ready made organization devoted to the objectives of the proposed Association and also may help to give the Trade Centre a practical approach to trade problems. This could be done with the consent and approval of the Executive Secretary of ECA.

For the Sub-regional Committee, it is suggested that a well organized Trade Chamber in each sub-region be used both as a Secretariat and Intelligence Bureau. The extra expense¹ incurred by the Chamber may have to be reimbursed.

- (vi) Budget: This will have to be under two headings, one for the Executive Committee and General Council the other for the Sub-regional Committees. For two meetings of the Executive Committee each year, the travel and per diem will at US\$500 per member cost US\$7,000.¹ US\$5,000 will have to be allowed for interpretation, documentation and incidentals. In a Council year it may be more. Assuming that a council meeting will cost US\$10,000 to organize this will be largely the cost of interpretation and documentation, the biennial budget US\$7,000 + US\$3,500 + US\$5,000 + US\$10,000 = US\$25,500. It is assumed that the Executive Committee will bear its own travel cost as any other delegate to the Council session and therefore only \$3,500 is provided for the Executive Committee's travel in the second year.

It is doubtful whether members Associations will pay more than US\$100 per annum and Associate member US\$50. Assuming 50 ordinary members and 50 Associate members, the biennial contribution will be only US\$15,000; leaving a gap of US\$10,500 per two years.

The Sub-regional Committee's budget will depend on its operational activities. The effectiveness of the Association will depend on the Sub-regional Committee organizing trade intelligence, trade promotion and investment promotion services. Its budget to be is shared by members in the sub-region on an agreed formula to be decided by the Sub-regional Committee.

- (vii) Incidental provisions: The most important of these provisions is to decide when the Association will become inaugurated. It is suggested that the Association becomes effective when the draft constitution is accepted by any trade promotion or similar organizations in each of seven African States.

¹ One Chairman, two Vice Chairmen, four Sub-regional Chairmen.

A ~~formal~~ letter of acceptance of the constitution may be deposited by each organization accepting the constitution with the Executive Secretary of ECA.

Steps to be taken to initiate the Association

17. When the Association for the Advancement of Agricultural Sciences in Africa was formed, a preliminary conference of two hundred scientists was convened at Abidjan. The Conference was financed by USAID. There were observers from international organizations and financial institutions like the Rockefeller Foundation. The Conference elected an interim Executive Committee which drafted the constitution, made preparations for the first meeting of the Association, drew up a budget and the programme of activities. The Committee was supported by representatives of international organizations like ECA and FAO, besides aid giving organizations like the USAID and the Rockefeller Foundation.

18. An Intra-African Trade Symposium is being organized by the ECA between 28 February - 3 March 1972 at Nairobi in conjunction with the All African Trade Fair organized by the OAU. It is hoped that the Symposium will be financed by UNDP. Opportunity can be taken of this conference to discuss a draft constitution of the African Trade Promotion Association and obtain endorsement by the country participants. It is therefore of great importance that the Sixth ECA/OAU Joint Meeting on Trade and Development ensures adequate and competent representation at this Symposium by alerting the Governments and through such Governments the Trade Associations. The Symposium delegates can also elect a small committee say of seven persons who could prepare inauguration of the association. The Committee could co-opt representatives of the International Chamber of Commerce, World Trade Centre, and probable donor agencies. The ECA Secretariat, through the Africa Trade Centre could act as the convener of this Committee. Till such time as assistance is obtained, each member of the committee will have to bear his own expenses.

Summary and conclusion

19. The formation of an Association of African Trade Promotion Organizations faces three major difficulties - the adequacy of national chambers to represent national interests, the relatively small number of chambers, the need for a sizeable budget to make the Association a creative organization. However, the need for such an organization to ensure contact and regular flow of information in trade matters, and for assisting in harmonization of the commercial policies of African developing countries is obvious.

20. In view of the limitations of membership and finance, the proposed Association should initially take on only a limited number of functions.

21. The organization best suited for the Association appears to be the following:

- i) Membership: All Chambers in Trade, Industry, Agriculture or related institutions in independent developing countries of Africa. Associate membership for business, industrial, agricultural firms in all member countries of the ECA. Associate members have no vote.
- ii) Organization:
 - (a) A general Council consisting of a delegate from each member to meet biennially. It is the supreme authority and will decide policy, programme of work, budget and discuss at its sessions special topics of importance in the Africa context.
 - (b) An Executive Committee which will meet twice a year consisting of a chairman and two vice chairmen and the chairmen of the Sub-regional Committee to supervise the work of the Association and advise national governments, frame programme of work and budget, draw up standards of commercial conduct and standards of commodities imported and exported.
 - (c) An operational Sub-regional Committee consisting of an elected delegate from among constituent members in each country of the sub-region. The Sub-regional Committee will be responsible for trade intelligence, besides the functions of the Executive Committee for the sub-region.
 - (d) A permanent secretariat is not initially recommended. Initially the Africa Trade Centre could service the Council and Executive Committee. A Trade Chamber could service the Sub-regional Committee.
- iii) A tentative budget shows that there will be a gap of US\$10,500 even for the first two years of operation of the General Council and Executive Committee. No budget has been worked out for Sub-Committees, but it is clear that this would require substantial subsidization. The budget for the General Council and Executive Committee would be partially met by membership fees of US\$100 per ordinary member and US\$50 per Associate member. The budget of a Sub-regional Committee should be met on an agreed formula to be determined by the Committee from levies on constituent members in the sub-region.

22. The Association should come into existence on acceptance by seven ordinary members from seven different African countries.

23. As preparatory steps, the proposed Intra-African Trade Symposium which is scheduled to take place between 28 February - 3 March 1972 in Nairobi could be used to obtain endorsement of guidelines for a draft constitution. ECA/OAU Joint Meeting on Trade and Development is requested to alert Governments and through Governments the Trade Associations on participation in one Symposium.

24. A preparatory small committee could be nominated at this Symposium to draw up a draft constitution, canvass membership and appeal for aid. To this Committee is to be co-opted representatives of ICC and potential aid giving agencies.