



**ORGANIZATION OF  
AFRICAN UNITY**

Secretariat  
P. O. Box 3243

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**ORGANISATION DE L'UNITE  
AFRICAINNE**

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Addis Ababa \* ادیس ابابا

COUNCIL OF MINISTERS  
Twenty-First Ordinary Session  
Addis Ababa, May 1973.

CM/509

REPORT OF THE ADMINISTRATIVE SECRETARY-GENERAL OF THE  
AFRICAN MINISTERIAL CONFERENCE ON TRADE, DEVELOPMENT  
AND MONETARY PROBLEMS (CONSIDERATION OF THE  
AFRICAN DECLARATION ON CO-OPERATION,  
DEVELOPMENT AND ECONOMIC  
INDEPENDENCE)



The African Ministers meeting in Abidjan from 9 to 13 May 1973, on the occasion of the African Ministerial Conference on Trade, Development and Monetary Problems, organized jointly by the Organization of African Unity, the United Nations Economic Commission for Africa and the African Development Bank,

Recommend the adoption of the present African Declaration on Co-operation, Development and Economic Independence to the Tenth Ordinary Session of the Assembly of Heads of State and Government when they meet in Addis Ababa on 25 May 1973, to celebrate the Tenth Anniversary of the founding of the Organization of African Unity.

#### HISTORICAL BACKGROUND

The African Ministerial Conference on Trade, Development and Monetary Problems which met in Abidjan from 9 to 13 May 1973, represented the implementation of decisions contained in the OAU Declaration on UNCTAD III adopted by the Ninth Ordinary Session of the Assembly of Heads of State and Government in Rabat in June 1972.

The Ninth Ordinary Session of the Assembly of Heads of State and Government of the Organization of African Unity noted the extent to which OAU Member States had, through the Addis Ababa Declaration and the many stands characteristic of their general economic diplomacy firmly demonstrated their dynamic adherence to any initiative and any machinery which, while respecting African dignity and sovereignty, would seek to integrate OAU's specific mission for the well-being of its peoples in an undertaking for mutual assistance and universal co-operation.

It also noted that an analysis of the work of the Third UNCTAD showed that the many optimistic expectations held only led finally to disappointing results, and that the resolutions adopted in Santiago fell short of United Nations development strategy and even of resolutions already adopted by previous sessions both of UNCTAD and of other United Nations agencies.

Even more serious was the fact that more than half the Santiago resolutions obtained no support from the governments of developed countries.

The danger - it was deemed - was greater today than ever before of finding a total absence of the latter's active support in the chain of universal co-operation and solidarity that is absolutely necessary for the implementation of the more important choices of policy contained in these resolutions. It had to be recognized that everything occurred as though, for multinational frameworks for negotiation, consultation and research with a view to combatting the injustices in the present system of international trade and development aid that are universally stigmatized the governments of developed countries wished to substitute a preponderance of bilateral relations with the developing countries; it was as though a definite preference had been brutally shown for a return to aid tied exclusively to the overriding political needs and interests of developed countries; this is something which, according to the actual wording of the Rabat Declaration reflects a tendency that is strongly supported by a propaganda campaign whose combined effects could only reduce eventually the effectiveness of the Board, the General Secretariat and the subsidiary bodies of UNCTAD.

There is good reason to fear, the Declaration continues, that there will be a gradual erosion of UNCTAD's ability to reconcile conflicting concepts and interests in the world of international trade and development aid and, in fact, the ability to play a dynamic psychological and political role to attenuate the effects of egoism and prejudice on the part of developed countries with regard to the problem of international development aid.

All this, according to the Heads of State and Government, represents so many elements which must necessarily be of concern to African leaders meeting in the Organization of African Unity, for it is clearer to them today than ever before that their apprehensions were justified and that the reasons which led them in concert with other governments of the Third World, to bring about the meeting of the First UNCTAD were cogent.

Against this general background, the Ninth Session of the Assembly of Heads of State and Government decided that OAU should, as early as possible, convene the Committee of Experts on Trade and Development of the Organization of African Unity and of the United Nations Economic Commission for Africa in order to evaluate, sector by sector, the results of the Third UNCTAD, consider future prospects and outline the framework for action required of Africans to remedy the weaknesses and shortcomings of the Santiago meetings.

In the same context, the African leaders decided that OAU should convene a Conference of African Ministers for Trade and Development to study, adopt and implement any measures they might draw up on the basis of the conclusions of the Committee of Experts. Above all, they made a point of stressing, on the one hand, that the Conference of African Ministers should ensure the strengthening of the common African front with a view to conducting negotiations with other partners in the international community and, on the other, that the solidarity and co-operation thus sought at African level, with the aim of speeding up the internal development of the Continent and giving Africa a place in the modern world commensurate with its immense economic and human potentialities, must be complemented by even greater solidarity and co-operation because it was now being extended to all the other areas of the world where hunger, disease and ignorance still prevailed.

Inspired by this important Declaration by the OAU Heads of State and Government, the Governors of the ADB, meeting in Algiers in July 1972 on the occasion of the Eighth Annual Assembly, also adopted a Declaration reaffirming the need for such a Conference, while laying particular stress on the monetary problems confronting Africa.

The Group of OAU/ECA Experts on Trade and Development met in Geneva in September 1972 and recognized the necessity and urgency of convening a Ministerial Conference which would in the course of 1973, examine both monetary and the problems of trade and development facing Africa. The report and conclusions of the OAU/ECA Committee of Experts are

to be submitted for approval by the Ministerial Conference on Trade, Development and Finance as recommended by the Ninth Ordinary Session of the OAU Assembly of Heads of State and Government.

For its part, the second Conference of African Ministers of ECA, which was held in Accra from 19 to 23 February 1973, unanimously decided to place on the agenda of the African Ministerial Conference on Trade, Development and Finance, the question of "the enlargement of the Association between Africa and the European Economic Community", after drawing the attention of Africans in a spectacular manner to the need henceforth to work out a strategy and to discuss the delicate issues involved through appropriate consultations within OAU, and also to the need to make further use of the African experts available to carry out studies of major strategic scope - or in other words, studies likely to influence the economic advancement of the continent.

The ECA Ministerial Conference adopted resolution E/CN.14/L.420/Rev.1 in which the Administrative Secretary-General of the Organization of African Unity, the Executive Secretary of ECA, the President of the ADB and the President of the Association of African Central Banks, were specially called upon to take all the measures that they deemed necessary to convene the Ministerial Conference so that its results might be presented to the Heads of State and Government at their Tenth Ordinary Session in Addis Ababa on 25 May 1973.

In view of all these decisions, the Co-ordinating Committee comprising the Executive Secretary of ECA, the President of the ADB and the OAU Secretary General, met on several occasions in Abidjan and drew up the draft agenda for the African Ministerial Conference.

We should like to hail the new spirit of co-operation that marked the relations between OAU, the ADB and ECA. It could not, indeed, be otherwise since ECA, the ADB and other specialized continental bodies are, in relation to OAU, technical bodies whose aspirations can only fit into the overall vision of OAU as defined by the Heads of State and Government of Africa in Addis Ababa on 25 May 1963.

Furthermore, the Co-ordinating Committee appointed a group of eminent African experts to review the various items on the agenda of the Ministerial Conference and to prepare studies on trade, development and monetary problems for examination by the African Ministers, as well as a report embodying their findings on the various questions.

The African experts met in Abidjan towards the end of February and beginning of March 1973, and completed their work to the entire satisfaction of the leaders of the three organizations entrusted with preparation of the African Ministerial Conference.

In order to facilitate the work of the African Ministers, the Co-ordinating Committee set up three specialized committees, the first to deal with multilateral trade negotiations, aid and development financing and Africa's relations with the EEC; the second to deal with monetary problems; and the third to deal with intra-African co-operation and the steps to be taken to remove the obstacles which hamper the strengthening of such co-operation and the economic integration of Africa.

The three committees also turned their attention to assessing the results of UNCTAD III and the steps to be taken to implement the decisions of the Ministerial Conference.

The working document on which the specialised committees based their discussion bore the reference ADB/OAU/ECA/CONFMIN/SC/WP/1 and was entitled: "Report on trade, development and monetary problems presented by the African Experts designated by OAU, ADB and ECA to constitute a Drafting Committee". All the other studies distributed were reference studies. The report of the Drafting Committee to which we have referred covered all the items on the agenda of the specialized committees and of the African Ministerial Conference.

Finally, at the end of their deliberations, the specialised committees were requested to put forward recommendations, resolutions and the constituent elements for a draft African Charter on trade, development and monetary problems.

Thirty-seven countries, not to mention African inter-governmental organizations, the African directors in the IMF and the IBRD and African representatives on the Committee of Twenty and the Committee of Twenty-four, took part in the deliberations of the specialized committees in Addis Ababa.

At the end of their meeting, the specialized committees adopted extremely important recommendations on:

- (i) multilateral trade negotiations within GATT;
- (ii) aid and development financing;
- (iii) future relations between Africa and the European Economic Community;
- (iv) reform of the international monetary system and African monetary problems;
- (v) intra-African co-operation in all fields.

All these recommendations, as well as the draft African Charter on co-operation, economic independence and development, were submitted for the consideration of the first African Ministerial Conference on Trade, Development and Monetary Problems held in Abidjan from 9 to 13 May 1973.

That Conference was attended by forty OAU Member States, 40 African Ministers, 275 participants and all the African inter-governmental organizations as well as the African directors in the International Monetary Fund and the IBRD, African representatives on the Committee of Twenty and the Committee of Twenty-Four, African representatives at UNCTAD and five liberation movements.

The agenda of that Conference included:

- (i) The Report on the deliberations of the specialized committees submitted by H.E. Ato Ketema Yifru, Minister of Trade, Industry and Tourism of Ethiopia in his capacity as Chairman of the Meeting of the specialized committees, and by H.E. Adeito Bagbeni, Ambassador of Zaire to Ethiopia in his capacity as General Rapporteur.

- (ii) Consideration and adoption of the draft African Charter on co-operation, economic independence and development;
- (iii) Study of measures relating to the implementation of the Conference's decisions.

Before starting its work, the African Ministerial Conference on Trade, Development and Monetary Problems elected the following officers:

Chairman : Ivory Coast.  
Vice-Chairmen : 1. Ethiopia  
2. Morocco  
3. Nigeria  
4. Tanzania  
General Rapporteur: Zaire.

After fruitful discussions, the African Ministerial Conference on Trade, Development and Monetary Problems unanimously adopted a Declaration on Co-operation, Development and Economic Independence as well as recommendations on the various items included in its agenda. This Declaration as well as the recommendations of the Conference, are reproduced as annexes to this Report.

The African Ministerial Conference on Trade, Development and Monetary Problems recommends to the Tenth Session of the Assembly of Heads of State and Government the adoption of both the African Declaration on Co-operation, Development and Economic Independence and the recommendations on multilateral trade negotiations, aid and development financing, future relations between Africa and the enlarged EEC, reform of the international monetary system, specifically African monetary problems and, lastly, intra-African co-operation in human, natural, agricultural, industrial, transport and communications, telecommunications, insurance, tourism, protection of the environment, scientific, technological, education and other fields which are necessary for the accelerated development of Africa.



The Report of the General Rapporteur, H.E. Baruti wa Ndaale, Minister of Finance of Zaire, which contains a detailed account of the proceedings is reproduced in extenso as an annex.



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COUNCIL OF MINISTERS  
Twenty-First Ordinary Session  
Addis Ababa - May 1973

CM/509  
Annex I

REPORT OF THE AFRICAN MINISTERIAL  
REPORT OF THE AFRICAN MINISTERIAL CONFERENCE  
ON TRADE, DEVELOPMENT AND MONETARY PROBLEMS

Presented by: H.E. Citizen Baruti Wa N'Dwali,  
State Commissioner for Finance in  
the Republic of Zaire.

- General Rapporteur of the Conference.

1. Formal opening session of the Conference:

The formal opening session of the African Ministerial Conference on Trade, Development and Monetary Problems at which H.E. Mr. Houphouet Boigny, President of the Republic of Ivory Coast, took the chair, was held at the Headquarters of the Party in Abidjan on the 9 May 1973 at 4.00 p.m. During the ceremony, the President of the Republic of the Ivory Coast delivered an address, after which he declared the Conference open. In his address, he expressed the pride and joy of the Government and people of the Ivory Coast at acting as hosts to the African Ministerial Conference on Trade, Development and Monetary Problems, thus facilitating the adoption of important decisions in the economic, trade and monetary fields as well as in the fields of African co-operation and economic integration. He called on all delegations to undertake a study in depth of the problems submitted to them for attention with a view to finding the most appropriate solutions.

The Head of State of the Ivory Coast laid particular emphasis on Africa's awareness of its own responsibilities in the field of economic development, in the light of the pious hopes expressed by the developed countries in such bodies as GATT, UNCTAD and other international organizations.

The address by H.E. Mr. Houphouet-Boigny, President of the Republic of the Ivory Coast, was preceded by those of Mr. Nzo Ekangaki, the OAU Secretary-General, Mr. Robert Gardiner, Executive Secretary of the Economic Commission for Africa, the Chairman of the African Development Bank and, Mr. A. Labidi, Chairman of the Co-ordinating Committee.

These three addresses which were distributed, highlighted the following essential factors:

1. The absence of African States at the time of signing the GATT agreements, the Treaty of Rome and other conventions necessitates the adoption of an appropriate policy of co-operation even if this in no way implies re-opening the question of such conventions in their entirety.

2. The refusal of the rich countries to conform with one of the UNCTAD resolutions relating to the transfer of one per cent of their Gross National Product to the countries where capital investment is lacking, to declining prices and price fluctuations for African products - or, in other words, the deteriorating terms of trade and the obvious fact that some assistance accorded to developing countries has no effect on the economic and social development of Africa, represent defects in the existing framework of international co-operation and are also calculated to increase the imbalance between the developed and developing countries, thus seriously compromising international peace and security.

3. Awareness of African possibilities and potentialities, and hence, awareness of Africa's strength to organize itself to act collectively, to enhance its power in the international field, and to reinforce its chances of success by eliminating the risks of exploitation to which countries acting individually are exposed.

4. Taking into account the foregoing, the three distinguished speakers defined the aims of the present Conference. During its course, they should trace and determine Africa's path in development matters, economic integration and intra-African co-operation in all fields with a view to safeguarding African interests.

On behalf of all the delegations, the Vice-President of Botswana expressed his warm gratitude to H.E. Mr. Houphouet Boigny, President of the Republic of the Ivory Coast, for having deigned to honour them with his presence at the formal opening of the Conference and for the wise words he had spoken, rightly emphasizing the importance that the Conference assumed.

The Vice-President also addressed his warm thanks, on behalf of all delegations, to the Government and people of the Ivory Coast for their hospitality and the measures taken to make possible the convening of the Conference.

Before proceeding to actual discussion of the agenda items, he stressed the fact that member States of the Organization were participating on a massive scale in the proceedings of the Conference.

Indeed, 40 out of the 41 member States responded to the appeal and were represented at the high level desired; in addition to 39 Ministers, one Vice-President honoured the Conference with his presence. The very active contribution of the delegations in the sometimes heated deliberations bore witness to the interest shown by the States in considering each agenda item.

## 2. Election of the Bureau:

On the proposal of the Ethiopian Minister of Trade, H.E. Ato Ketema Yifru, the Minister of Finance and Economic Affairs of the Ivory Coast was elected Chairman of the Conference by acclamation. The other members of the Bureau were elected as follows:

- First Vice-Chairman: H.E. Ato Ketema Yifru,  
Minister of Trade, Industry and Tourism (Ethiopia).
- Second Vice-Chairman: H.E. Mr. Guessous Bensalem,  
Minister of Finance (Morocco).
- Third Vice-Chairman: H.E. Mr. Briggs,  
Minister of Finance (Nigeria).
- Fourth Vice-Chairman: H.E. Mr. Amir Habib Jamal,  
Minister of Trade and Industry (Tanzania).
- General Rapporteur: H.E. Citizen Baruti Wa N'Dwali,  
State Commissioner for Finance (Republic of Zaire).

3. Adoption of the agenda:

Of the 20 original agenda items, 13 were adopted; one item covering general statements was omitted, and the former items 9, 11, 12, 13, 14, 15 and 16 were regrouped as one item.

4. Organization of the work of the Conference

In order to facilitate the consideration and adoption of the Specialised Committees' reports and of the draft African Charter on Co-operation, Economic Independence and Development, a drafting committee was set up to draw up recommendations on those points in the light of the observations and suggestions put forward by delegations.

The Committee was composed of the following members:

1. Algeria.
2. Botswana.
3. Cameroon.
4. Ivory Coast.
5. Ethiopia.
6. Egypt.

7. Ghana.
6. Upper Volta.
9. Mauritius.
10. Kenya.
11. Mali.
12. Morocco.
13. Nigeria.
14. Tanzania.
15. Zaire.
16. Zambia.

The committee was divided into two sub-committees to elaborate recommendations on items 9 and 10, as follows:

Item 9: Report of the Specialized Committees;

Item 10: Draft African Charter on Co-operation,  
Economic Independence and Development.

After meeting several times without intermission, the two sub-committees submitted the following recommendations:

V. ITEM 9 OF THE AGENDA: REPORT ON THE DELIBERATIONS OF THE SPECIALIZED COMMITTEES OF AFRICAN EXPERTS - ADDIS ABABA.

In accordance with the mandate given by the Assembly of Heads of State and Government to OAU, ECA and the ADB to consider, adopt and implement measures that would remedy the adverse repercussions of the shortcomings shown by the Third Session of UNCTAD held in Santiago de Chile, the Report of the Experts was submitted for consideration to the Ministerial Conference on Trade and Finance by H.E. Mr. Bagbeni Adeito Nengeya, Ambassador Extra-ordinary and Plenipotentiary of the Republic of Zaire to the Empire of Ethiopia, and General Rapporteur of the meeting of the

Specialized Committees of African Experts, after a brilliant introduction by H.E. Ato Ketema Yifru, Minister of Trade, Industry and Tourism of Ethiopia, who was Chairman of that meeting.

After introducing the Report, which was highly appreciated by the delegates of the participating States, discussions were initiated on details of the analyses and proposals of the Specialized Committees of Experts. A Drafting Committee was requested to record the observations of delegates and to translate into recommendations that would be acceptable in form and substance.

The Report covered four main points:

- (1) Assessment of the results of the Third United Nations Conference on Trade and Development as they affect Africa;
  - (2) Multilateral trade negotiations;
  - (3) Aid and development financing;
  - (4) Monetary problems;
  - (5) International co-operation.
- (a) Assessment of the results of the Third United Nations Conference on Trade and Development as they affect Africa:

In analysing the results of the Third Session of UNCTAD, the African Ministerial Conference on Trade, Development and Monetary Problems noted that the results obtained in Santiago de Chile, had not achieved the initial objectives of the Conference. In fact, the basic aim of UNCTAD is co-operation for development between the advanced countries and the developing countries. The Third Session, however, provided a forum for the rich countries to resist the reasonable proposals made by the poor countries to improve their deteriorating situation. It must now be concluded that from one



session of the UNCTAD to the next, from Geneva in 1964 to Santiago in 1972, taking in New Delhi in 1968, the results have deteriorated like the terms of trade of the developing countries.

Faced with the concentration of power by the wealthy countries, the developing countries unfortunately do not present an effective common front and, at international gatherings, confine themselves to solemn statements which in no way alter the situation.

All this means that the proliferation of international meetings is unlikely to achieve any concrete results for the developing countries in general, and the African countries in particular, until they come together to form regional economic entities, the size and weight of which will command respect and, at the same time, modify the existing vertical relations. These countries could then express their views on world affairs and these views would be taken into account.

(b) Multilateral trade negotiations:

As regards the African position on the preparation of multilateral negotiations which the developed countries promised to open in 1973 within the framework of GATT for the revision of the Convention with EEC and the possible adhesion of the so-called "associable" countries, the Ministerial Conference considered that the participation of African countries should be governed by a certain number of principles constituting a common platform. Such participation should aim at increasing the world trade of African countries. This should imply not only wider access to the markets of the developed countries through the elimination of tariff and non-tariff obstacles and the principles of non-reciprocity and non-discriminatory preferences, but also the stabilization of prices of African commodities at equitable and remunerative levels, especially through product-type agreements.

The generalized system of preferences should be extended to cover agricultural products and be applied by all the advanced countries.

African countries should take a common stand in negotiating with Europe to ensure respect for the principles of non-reciprocity of trade concessions and non-discriminatory technical and financial assistance on the part of the European Economic Community.

(c) Aid and development financing

The African countries had already in Algiers proclaimed to the world that they were primarily responsible for their development. However, the domestic resources which can be mobilized for their quantitative development fall short of requirements. External assistance is therefore needed.

However, the African countries have noted that both the quality and quantity of international assistance have deteriorated. They therefore recommended an increase of such aid in accordance with the target of the developed countries to transfer 0.7 per cent of their GNP as official aid to the developing countries.

To reach the fixed target of 6% annual growth, this project should be attained before 1975.

In this regard, the African Ministerial Conference on Trade, Development and Monetary Problems insisted on the re-constitution of the IDA's resources and on the liberalization of the lending policies of the World Bank group.

The reform of the international monetary system should take into account the financial requirements of the developing countries and establish a link between Special Drawing Rights and additional development financing.

The Ministerial Conference noted with satisfaction the fact that Africa now has an African Development Fund within the ADB.

(d) African stand on monetary problems

The Experts' report on monetary problems was carefully studied by the Conference. The discussions which ensued led members to reach a consensus reflecting Africa's views. The spirit of understanding which prevailed over the deliberations of the Conference facilitated to a great extent the definition of the objectives to be attained as regards Africa's participation in the discussions on reform of the international monetary system and in the preparation of monetary integration among African countries.

The steps to be taken at the regional level show the determination of the African countries to group themselves within institutions to harmonize their stands on current problems. That is the only way we can present ourselves as a united group in present and future negotiations.

The resolutions adopted at the international level include the African countries taking a stand on the reform of the international monetary system in order to obtain, in particular, an improvement of the quota system; the distribution of international liquidities and the access of developing countries to the resources of the IMF. Furthermore, the Conference insisted that a link be established between the creation of SDRs and development financing. However, the establishment of that link should not be a substitute for other development aid.

Lastly, the Conference considered that the compensatory financing of the IMF should be adapted to meet the needs of developing countries for long-term finance. Similarly, the Conference recommended the extension of the creation and operation of buffer stocks to cover an increasing number of primary products.

(e) Regional Co-operation

After analysing the obstacles to intra-African co-operation as identified in the report of the Experts, the Conference adopted the recommendations of the Experts aimed at ensuring regional and sub-regional economic integration.

The various forms of co-operation covering production, monetary co-operation, exploitation of natural resources, the fields of employment, industry, transport and communications, technological researches and vocational training, are a demonstration of the awareness of the African countries of the need to unite still further in order to speed up the development of their economies.

(f) Repercussions of the enlarged European Economic Community on the African countries

On the thorny problem of the repercussions of the enlarged EEC on the African countries, the Conference decided that in future the main objective of relations with this important economic group should be to permit the African countries to apply the economic measures fundamental to their future development.

In that connection, it was felt that the African States should formulate/a concerted approach which would serve as a platform for negotiations regarding the new relationship with Europe, and set forth the principles agreed by common accord by the African countries as a whole.

Accordingly, future negotiations would be based on the following fundamental principles:

- (a) The principle of non-reciprocity in trade concessions and tariffs granted by EEC.
- (b) The extension, on a non-discriminatory basis towards third countries, of the provisions relating to the right of establishment.
- (c) The revision of the rules of origin should be so formulated as to facilitate industrial integration among African countries and, in particular, should confer "product of origin" status on all products produced in one or more African countries (members or non-members of groups) or which mutually accept transformation criteria, whether or not all the countries have a preferential relationship with EEC.
- (d) The revision of the provisions relating to the movement of payments and capital, taking into account the objective of achieving independence for African countries in monetary matters.
- (e) Deleted.
- (f) Liberal and guaranteed access to EEC markets for all African products, including processed and semi-processed agricultural products, whether or not they come under the Common Market agricultural policy.

(g) African countries should be guaranteed stable, equitable, remunerative prices for their main products in EEC markets, to enable them to increase their exports earnings.

(h) Any form of agreement reached with EEC should not have any prejudicial effect whatever on inter-African co-operation.

Although some delegations expressed reservations regarding the principle of non-reciprocity, the Conference nevertheless stressed that the EEC itself did not insist on reciprocal preferences - a fact which, in its view, facilitates the African position in future negotiations.

VI. ITEM 10 OF THE AGENDA: EXAMINATION AND ADOPTION OF THE AFRICAN DECLARATION ON CO-OPERATION, ECONOMIC INDEPENDENCE AND DEVELOPMENT

As is known, the meetings which have just concluded arose from the weaknesses and gaps in the Third Session of UNCTAD held in Santiago de Chile, during which the interests of the developing countries, and in particular those of the African countries, did not have the benefit of the energetic and conclusive defence they deserved. The African Heads of State, conscious of their responsibilities to their peoples, decided unanimously at the Rabat Conference in June 1972 to institute a study of the problem in order to find ways and means of assuring a better defence of Africa's interests. The OAU, ADB and ECA had the signal privilege of being jointly entrusted with the task. Under their auspices draft solutions were drawn up and discussed and were adopted by the present Conference with a view to proposing a framework of solutions and concrete formulae which would form part of the Agenda for the OAU meeting thereby coinciding with

both the OAU Tenth Anniversary and the start of the second decade of Africa's experience in the field of political independence which requires calls for a forceful instrument of economic and cultural independence as well as concerted action in the struggle to bring about the development of the African continent.

It is in this spirit that, as a result of the work of the African experts' meeting at Addis Ababa, a draft of "The African Charter on co-operation, economic independence and development" was drawn up, proposed and submitted by the Co-ordinating Committee for consideration by the Ministers of Finance meeting at Abidjan.

With regard to the basic aim of the Conference, namely, the drawing up of a set of principles and a code of conduct to govern the policies of African States, it should be pointed out that there have been very fruitful exchanges of ideas on the following proposals:

- (1) The preparation of the title of the document for submission for approval by the African Heads of State;
- (2) The content of the preamble to the document;
- (3) The constituent elements of the documents.

#### The title of the document

The reason for the discussion on the title of the document which varies between "Charter, Manifesto and Declaration" is whether or not the document should be binding in character or whether it should simply comprise a collection of fundamental principles sufficiently general for the purpose of gaining easy approval by the African Heads of State, and consequently, by their peoples. There was therefore a wish to facilitate a consensus by going along

with the current of a united front which is the basis objective of the Conference; but there was also a desire on the part of certain delegates to see the document contain a detailed in-depth statement of concrete courses of action so that it would not become a pious hope destined to remain a dead letter, like certain other agreements drawn up in the past. The title of the document therefore needed to reflect to both views.

After a sustained discussion, the Conference decided upon "Declaration of the African Heads of State" as the title of the document.

#### Content of the Preamble

In logical succession to the discussion on the title of the document, various divergent suggestions were put forward. Firstly, it was necessary to affirm economic independence and the desire to ensure the development of the African continent by means of co-operation, integration and concerted action and attitudes towards Africa's foreign partners. The need to formulate principles in a manner which would not limit them to the short term was also stressed. Some delegations proposed that economic independence should be replaced by economic viability; but the majority, advocating its retention, demanded that African countries should proclaim their determination to regard themselves as primarily responsible for their economic and social development and should undertake to carry out structural reforms to mobilize fully their internal resources in a surge of intra-African agreement and co-operation. It was also emphasized that the search for a common front placed a duty on African countries to examine African problems in their own context on the sole basis of African interest, unimpeded by any reference to ties deriving from particular interests or the after-effects



of colonialism. In that context, the principle of non-reciprocity gave rise to lengthy debate as to whether it should be reaffirmed or whether its incidence should be lessened.

Reference to the exaltation and integration of African cultures and languages by means of a movement for propitious exchanges and intermingling, attracted considerable attention. The attached final text is the result of in-depth discussions and of the willingness to compromise which fortunately prevailed in the Conference.

#### Elements in the Declaration

Before the attached text was adopted, there was strongly sustained and useful discussion to clarify, add to, or modify some items. With regard to human resources, there was a demand to emphasize the right to education, adapted to African realities, for the benefit of the people, and to foster the exchange of African trained personnel in order to avoid recruiting personnel from outside Africa except in cases where such personnel cannot be found in Africa. It was proposed that the transfer of personnel should be reduced by submitting each individual case for examination by the countries concerned on the basis of specific requirements. With a view to hastening Africa's technological independence, a recommendation was made

for the development of research and training in all fields. In the chapter on Natural Resources particular emphasis was placed on the indefeasible nature of the African countries' sovereignty over their resources and the need to combine efforts to defend the control of such resources in order to exploit them for the privileged benefit of African interests.

With regard to the exploitation of water courses, lakes and their respective basins in the field of hydraulic power, the utilization of other sources of energy and of natural resources, and also with regard to the grave problem of the landlocked countries and countries threatened with reversion of land to desert, a recommendation was made to intensify intra-African aid co-operation in a spirit of solidarity, in the interests of all the peoples of Africa.

Other important matters caused concern among the participants: agriculture, regarding which there was a demand for the promotion of the exchange of techniques and products and also for a communal effort to modernize and transform structures;

Regarding transport and infrastructure where communal effort is envisaged to modernize, connect and improve conditions by increased co-operation, particularly with regard to air-line companies, there was a demand for an increase in telecommunications and communications, a re-organization of the road networks and of rail and postal services by finding and applying appropriate techniques.

We feel that we have emphasized a number of items on which fruitful discussion took place, particularly as regards the important industrialization sector, intra-African trade, reform of the international monetary system and African finance, environment problems and the financing of development.

The position adopted by the Conference on the various aspects of those items are reflected in the following resolutions and are implicit in the main idea which may be summarised as African unity, co-operation and economic integration.

## VII. CONCLUSION

### Measures for the implementation of Conference decisions

The following points emerged from the debates on the declaration on co-operation, development and economic independence:

(1) The clear awareness and deep pre-occupation of the delegates at this memorable Conference regarding the continued social and economic deterioration in the developing countries.

(2) Their awareness of the need for Africa resolutely to undertake an investigation of all means of MOBILIZING HUMAN AND NATURAL RESOURCES:

- in the agricultural sector
- in infrastructure and transport
- in telecommunications and communications
- in the financial sector
- in the protection of the environment
- in that of trade
- in development finance

both in relations with developed market-economy countries and socialist countries and in Africa's relations with Third World countries.

Research in these various fields points to the organization of CO-OPERATION AND AFRICAN ECONOMIC INTEGRATION within a reasonable period.

(2) The conclusion that such an enterprise calls for total commitment and sincere and adequate political determination on the part of its promoters in order fully to assume this heavy responsibility.

(3) The affirmation that the goal pursued is the realization of long-term economic independence and the development of the African continent by means of concerted mobilization and exploitation of its immense human and natural resources.

(4) The awareness that the road will be long and will demand great sacrifices from all of us here present.

However, the States signing the present declaration must bear in mind the principle that only through unity will they have strength. They will look for means of concerting their efforts with other Third-World countries with similar living conditions, with a view to constant consolidation of their front with brother countries.

On the important question of future multilateral trade negotiations and also on the problem of reviewing the Convention with the EEC and the possible adherence of the so-called "associable" countries, the Conference accepted a set of principles, mutually adopted, to govern both the individual and the collective stands of the African countries.

(5) As is customary in such circumstances, the draft declaration on co-operation, development and economic independence is a compromise solution representing a veritable geometrical link of all the vital interests of countries which took part in the lengthy debates. In this sense, the contents of the present declaration should be considered

as a dynamic objective - in other words, as a document intended to be improved later on.

(6) As to the means of implementing the Declaration, these depend upon the good faith of its signatories and their firm undertaking to participate in the great work of promoting the economies of the African States in the best interests of all their inhabitants.



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Addis Ababa \* \* اديس ابابا

**ORGANISATION DE L'UNITE  
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CM/509  
Annex II

DRAFT AFRICAN DECLARATION ON CO-OPERATION, DEVELOPMENT  
AND ECONOMIC INDEPENDENCE

Abidjan, 12 May 1973.

P R E A M B L E

We the Heads of State and Government of African countries assembled in Addis Ababa on 25 May 1973 on the occasion of the Tenth Anniversary of the Organization of African Unity;

Reaffirming the principles and objectives laid down in the Charter of 25 May 1963 establishing the Organization of African Unity;

Reaffirming the total commitment of our States to the provisions of the Algiers Charter, to the Declaration of Lima, to the African Declaration on Industrialization, to the OAU Declaration on the United Nations Conference on Trade and Development and to the African development priorities as defined by the Addis Ababa memorandum;

Recalling the relevant resolutions of the Organization of African Unity, the Economic Commission for Africa, and the African Development Bank;

Considering the profound and legitimate aspirations of our peoples;

Concerned by the ever-deteriorating economic and social position of the developing countries in relation to the developed countries and convinced of the constantly widening gap between the developed and developing countries;

Believing that the continuance of such a state of affairs generates a deep feeling of frustration with predictably serious consequences for peace and international security;

Concerned by the ineffectiveness of the measures adopted during the past decade to combat under-development and by the inability of the international community to create conditions favourable for the development of Africa;

Convinced that the mobilization of the continent's immense human resources in order to stimulate and orientate the creative spirit of Africans can lead to a rapid transformation of our economies and raise our peoples' standard of living;

Convinced that the effective mobilization of the vast natural resources of the continent will be greatly facilitated by a high degree of economic integration; that regional co-operation is not only an indispensable instrument of regional integration but provides a means of co-ordinating and strengthening the position of African countries in their relations with the outside world and thus enables them to play an effective role in influencing the international context so as to foster the creation of conditions more favourable for development;

Believing that neither language differences nor differences of economic size or structure constitute insurmountable obstacles to economic co-operation and regional integration, and that all barriers to intra-African co-operation, especially those which are remnants of colonialism or by-products of the vertical relations of dominance exercised over Africa by the developed countries, can be eradicated;

Believing that the prospects of far-reaching changes in the international environment, the important events taking place in the world and the efforts being made to find durable solutions to long-standing problems offer African countries an exceptional opportunity to establish a concerted approach and to participate fully in the establishment of a more equitable international order in the economic, commercial and monetary fields;

Aware of the serious threat arising from the constant wish of the developed countries to reserve themselves, particularly in Africa, spheres of influence that are not only political but also economic, and determined to defend the economic independence of Africa;



Convinced that the developing countries, by strengthening their common front, are capable of achieving their development targets;

Solemnly proclaim our firm determination to achieve the economic independence and development of the continent through the effective mobilization of its immense human and cultural resources;

Decide, therefore, to adopt the present Declaration setting out the basic principles of collective and individual action by all African countries on Co-operation, Development and Economic Independence.

## AFRICAN ECONOMIC CO-OPERATION AND INTEGRATION

### I. MOBILIZATION OF HUMAN AND MATERIAL RESOURCES

- A.1 The Governments of African countries, with a view to making maximum use of Africa's potential human and natural resources, undertake to:-

#### Human Resources

- A.2 Guarantee to the entire population the right to education and training based on African realities and provided in a form suited to Africa's need and development objectives, and take all necessary measures to respect this right;
- A.3 Direct university and higher education programmes to the training and research needed to ensure Africa's scientific and technological independence (as towards an applied research that will be required) and to effect radical changes in the economic and social environment in the interest of development;
- A.4 Facilitate the free movement of persons essential for the exchange of ideas and economic integration and give priority to co-operation in the exchange of professional manpower and skilled and unskilled labour among African countries;
- A.5 Take appropriate measures to put an end to the braindrain from Africa and to prompt qualified Africans living abroad to return, with a view to the rapid phasing-out of technical assistance from outside Africa;
- A.6 Accelerate the implementation of an Africanization policy in each country and ensure effective and equitable African representation in international organizations and the United Nations agencies in Africa;

A.7 Give full support, through their respective States and the Organization of African Unity, to the programmes of the Association of African Universities and other institutions for the fostering of co-operation in particular areas of training and research, most especially the teaching of African and relevant foreign languages, the extension of training facilities to meet specific shortages of middle and high-level African personnel, the investigation of economic, social, cultural, scientific and technological problems that are of particular importance for African development, and the exchange of university teachers and students;

#### Natural Resources

- A.8 Undertake a systematic survey of all Africa's resources, with a view to their rational utilization and joint exploitation, where appropriate, in order to accelerate the continent's development;
- A.9 Defend vigorously, continually and jointly, the African countries' inalienable sovereign rights and control over their natural resources;
- A.10 Intensify co-operation in the multinational exploitation of rivers and lakes and basins;
- A.11 Promote the exchange of information concerning the exploitation and use of water for supplying towns and industries;
- A.12 Exploit, for development purposes, Africa's hydroelectric potential on a multinational, sub-regional and regional basis, wherever possible;
- A.13 Intensify the use of new sources of energy such as solar and thermal energy as substitutes for other fuel;  
(Pursue measures to restore African forests through afforestation in order to halt the southward advance of the Sahara desert);

- A.14. Protect Africa's sea and ocean resources coming within national jurisdictions effectively and jointly from international over-exploitation (by the developed countries);
- A.15 Rationally harness, on a continental basis, the research of the sea-bed and ocean floor outside national jurisdiction for the benefit of Africa's development and of its peoples and ensure full participation of the African land-locked countries;

## II - AGRICULTURE

- A.16 (Promote the modernisation of African agriculture through the introduction of modern and advanced techniques and through the exchange, among African countries, of experience and materials in the field of production, distribution and storage);
- ~~A.17~~ Promote efforts to ensure a rapid and substantial increase in Africa's food production;
- ~~A.18~~ Make special efforts to expand rural infrastructure and improve the conditions in rural areas in order to raise the standard of living of the rural populations;
- A.19 Provide rural extension service so that small-scale farmers can be helped to produce surpluses that can be used for the financing of processing industries;
- A.20 Take necessary steps to ensure that African products are processed to the greatest possible extent in Africa prior to exportation;

## III - TRANSPORT AND INFRASTRUCTURE

- A.21 Accelerate efforts to create a modern infrastructure of roads, railways, airlines, and inland waterways, which is one of the fundamental requirements for development and intra-African co-operation, through methods such as standardization of guages for railway development and the linking of road networks;

- A.22 Establish, as a matter of priority, links between national road systems in order to facilitate movements of persons and goods between the hinterland and coastal areas, recognizing the additional hardships placed upon the landlocked countries;
- A.23 Eliminate all forms of obstacles to the regular movement of vehicles especially by simplifying formalities at the frontiers and harmonizing highway codes and transit regulations;
- A.24 Take steps to establish consortia of African shipping companies which will enable them to operate with greater efficiency, share the use of terminal and maintenance facilities, explore in common the possibilities of technical innovation in the transportation of African exports and influence the level of freight rates for inter-continental and coastal services;
- A.25 Adopt a common stand in favour of early negotiations so as to obtain favourable freight rates and exert an influence on freight rate levels, in respect of maritime and coastal shipping services;
- A.26 Take all necessary measures to establish shippers councils in Africa and to associate landlocked countries with them as much as possible;
- A.27 Set up adequate freight systems designed to promote intra-African trade and African exports;
- A.28 Effectively strengthen co-operation between African airline companies with a view to the rationalization of the continent's air services, particularly as regards the harmonization of time-tables, the setting up of special reduced rates, exchange of air traffic rights, the standardization of types of aircraft used, the sharing of aircraft repair and maintenance facilities and joint organization of research and personnel training;

TELECOMMUNICATIONS AND COMMUNICATIONS

- A.29 Intensify efforts towards the implementation of the Pan-African telecommunications network, including the eventual installation of a Pan-African satellite, and take steps to secure the standardization of equipment, the improvement and co-ordination of operational arrangements and the provision of appropriate personnel training facilities;
- A.30 Define common general policies on all questions relating to intra-African postal communications problems and policies, particularly as regards the standardization and co-ordination of postal procedures and practices, and the establishment of vital intra-African postal systems;

V - INDUSTRIALIZATION

- A.31 Promote the industrialization of Africa, in particular by the expansion of national markets and accelerating the development of technology, taking due account of the growing importance of transnational companies in this field;
- A.32 Identify the economic regions of Africa so as to promote a systematic development of the entire continent through regional planning with national planning on a rational basis; and identify areas of common interests, so as to promote their development through planning and programming;
- A.33 Take adequate measures to ensure rational industrialization, within the context of subregional and continental economic entities, on the basis of an equitable sharing - out of costs and benefits by co-ordinating industrialization policies and harmonizing development plans, paying special attention to the problems of the least developed and landlocked countries;

- A.34 Organize exchanges of information among African countries on matters pertaining to industrialization, promote co-operation and assistance by competent international institutions, and take adequate steps to put an end to practices of foreign transnational companies that are contrary to Africa's interests;
- A.35 Call upon the developed countries, with a view to promoting African industries, to apply the generalized system of preferences in a loyal and non-discriminating manner and to abolish effectively all tariff and non-tariff barriers and restrictive business practices;
- A.36 Promote co-operation between developing regions, with special regard to the export of processed and semi-processed products, in order to change the vertical structure which dominates relations between developing countries and developed countries;
- A.37 Promote, through a policy of training, guidance and extension services, the involvement of Africans in the industrial sector;
- A.38 Adopt suitable measures to encourage the rapid transfer of appropriate techniques to Africa both from the developed market-economy countries and from the Socialist countries and their incorporation in production processes, and set up continent-wide institutions capable of promoting applied scientific research and the use of techniques resulting from local research; eliminate middlemen in the realm of imports in order to reduce the high-cost of imported products,

MONETARY AND FINANCIAL MATTERS

- A.39 Take all necessary measures to promote effective monetary co-operation among African countries especially by:
- (i) Organizing mutual consultation on monetary matters between African countries,
  - (ii) Giving a more important role to African countries in intra-African payments,

- (iii) Instituting payments arrangements among African currencies in intra-African payments,
  - (iv) Setting up, at the regional or subregional level, one or more payment unions with an African external settlement fund; to this end, study in a concrete manner all possibilities of financing the fund in collaboration with appropriate international institutions.
- B. Rapidly strengthen effective financial co-operation in Africa by setting up subregional capital markets, and by inviting ADB to give priority to the financing of multinational projects and those which foster African economic integration.

#### ENVIRONMENT

- A.40 Take all necessary measures for the protection of nature and the environment which constitute one of Africa's irreplaceable resources, and to counteract the effects of natural disasters of which other countries are constant victims,
- A.41 Adopt a common front to combat drought, which constitutes a threat to the entire continent;
- A.42 Take all steps to ensure that tourism policies do not result in the destruction of the environment and nature in Africa, since any damage done is irremediable.
- A.43 Ensure that the problems of environmental protection are seen within the context of the economic and social development of the African countries whose development policies should accordingly pay greater attention to questions of natural resource conservation and management, the improvement of physical and human conditions in urban and rural areas, and the eradication of endemic diseases which have been extensively eliminated in many parts of the world;



- A.44 Ensure that African countries are always guided by the principles adopted by the Stockholm Conference on Human Environment.

#### TOURISM

- A.45 Set up joint organizations for the promotion of the tourist trade through such measures as joint advertising, the establishment of agreed tariffs for excursions and holiday travel, and the simplification of frontier formalities to facilitate inter-State tours.

TRADE AND DEVELOPMENT FINANCING

B.1 INTRA-AFRICAN TRADE

- I. (a) intensify efforts to establish procedures and mechanisms for co-ordinating trade policies;
- (b) intensify efforts to promote co-operation in the field of the general integration of economic infrastructure, particularly through the restructuring of production structures, distribution systems and market integration on a subregional basis;
- (c) establish common trade and development institutions to consider, co-ordinate and supervise, where necessary, the implementation of agreements and arrangements among African countries on co-operation, trade and development.
- II. Adopt modern marketing techniques in respect of African products with a view to promote intra-African trade;

B.2 INTERNATIONAL TRADE

1. Take necessary precautions in their negotiations with developed countries either collectively or individually to ensure that they had not become subjected to any foreign economic power.
2. Concert and organize plan action, in advance of all negotiations with the developed countries, and in order to assess all the implications which the proposed agreements might have on the future of their economic independence, (regarded as an inviolable principle).
3. Act collectively in multilateral trade negotiations in order to safeguard the following objectives:

- (i) The adoption of effective concerted measures a definite end to the constant deterioration in the terms of trade of African countries;
- (ii) The adoption of effective measures for the stabilization of relative prices of African commodities and for the dynamic stabilization of export earnings, in the light of the increasing needs of African countries for development financing;
- (iii) The adoption of effective measures designed to lead to the vertical diversification of production so that the African countries can process their products through as many stages as possible before exporting them, it being considered that horizontal diversification - consisting of the substitution of a number of primary products for a single one merely postpones the day of reckoning without solving any of the real problems;
- (iv) The abolition by the developed countries of all tariff and non-tariff barriers and restrictive trade practices which those countries have hitherto placed in the way of the penetration of their markets by products from the African countries;
- (v) Non-reciprocity in trade and tariff concessions accorded to African countries by the developed countries;
- (vi) The adoption and effective implementation by all the developed countries of the generalized system of preferences, the suppression of all escape clauses, the extension of the system to cover all African exports and its adoption by all countries that have not yet done so;

- (vii) the conduct of negotiations by groups of products and not individual product;
- (viii) The completion of negotiations within a reasonable period.

B.3 DEVELOPMENT FINANCING

In order to achieve economic independence and to ensure effective development, African Governments undertake to:

- (i) Mobilize Africa's domestic resources rapidly and effectively so as to serve as the main basis of African development;
- (ii) Encourage, in every way, efforts directed towards African participation in investments in all sectors, so as to ensure effective national control of the economy.
- (iii) promote the establishment of continent-wide insurance and reinsurance institutions and a Pan-African Insurance and Reinsurance Company;
- (iv) Take measures to ensure that foreign private investment respects national priorities drawn up by the African States;
- (v) Co-ordinate domestic investment policies to avoid competition among African countries in offering foreign investors incentives and tax concessions that are liable to be prejudicial to their economies with the aim of laying down the basis for a single investment code for all African countries;
- (vi) Take measures to reduce expenditure on research and studies provided by the developed countries which absorb a very large proportion of foreign aid and ensure that the costs of such studies are borne by donor countries and not counted as part of the credit element of the aid granted;

- (vii) To participate actively and directly in the research currently being conducted on the reform of the international monetary system with a view to establishing a more equitable system designed to provide them with resources for development;
- (viii) Promote measures through general or specific agreements to limit the harmful effects of monetary developments outside the continent on African economies and, where possible, seek compensation for resultant losses by African countries and at the same time strengthen intra-African monetary co-operation to counteract the harmful effects of external monetary developments;
- (ix) Defend a common African stand in all international economic and monetary negotiations.

C.1 INTERNATIONAL CO-OPERATION

Take all necessary measures, side by side with efforts at the international level, to promote intra-African co-operation within the context of a strategy for development which should be the primary responsibility of the African peoples themselves. (To this end, African governments undertake)

C.2 In their relations with the other developing countries of the world to:

- (i) consolidate their effort with the Group of 77 in order to defend the principles laid down in the Algiers Charter and the principles of action in the Lima Declaration;
- (ii) constantly promote the harmonization of the positions of developing countries within the institutions they have established for the defence of their common interest;
- (iii) Encourage by all possible means, the exchange of information on development and scientific and technical co-operation between developing countries and between their respective national or regional institutions;

- (iv) Encourage the associations of producers in developing countries, for the collective defence of their common interests.

C.3 In relations with the developed market economy countries and their economic groupings (undertake to)

- (i) Co-ordinate and harmonize their stand during all negotiations in order to safeguard their interests against decisions which are prejudicial to African economies or inter-African co-operation;
- (ii) conclude trade agreement on the basis of mutual interest and the assistance duly made available by the developed market economy countries and their economic groupings;
- (iii) ensure that in agreements with developed market-economy countries, the provision of aid is not conditioned on a particular form of relationship;
- (iv) ensure that multilateral and bilateral financial and technical assistance agreements are adapted to the development requirements of African countries;
- (v) take concrete measures to regulate the repatriation of profits which considerably reduces the investment resources of African countries and limit the positive effects of aid to Africa;
- (vi) take measures to facilitate the transfer of appropriate technology to African countries on easy terms, and to control the restrictive practices which militate against such transfers;

C.4

In relations with the Socialist countries, African countries (undertake to)

- (i) co-ordinate the stand and information on the possibilities of trade, co-operation and assistance between African countries and the Socialist countries;
- (ii) promote measures to intensify trade and facilitate payments between African countries and the Socialist countries;
- (iii) require Socialist countries to facilitate the mobilization of credits granted to African countries, in particular as regards the use of such credits to finance the local cost component of projects and to purchase goods from any Socialist country;
- (iv) take steps to facilitate the marketing of African products in Socialist countries within the framework of long-term agreements and under conditions which permit periodic adjustment in response to changes in market conditions;
- (v) intensify industrial, scientific and technical co-operation between African countries and the Socialist countries and take specific measures to facilitate the transfer of technology from such countries.

IN FAITH WHEREOF, We, African Heads of State and Government call upon African Governments, African economic co-operation, Organizations, African institutions and African representatives in all international organizations, institutions and bodies to be guided in their actions by the provisions of the present Declaration on Co-operation, Development and Economic independence;

TO WHICH WE have appended our signatures:

ALGERIA	LIBYA
BOTSWANA	MADAGASCAR
BURUNDI	MALAWI
CAMEROON	MALI
CENTRAL AFRICAN REPUBLIC	MAURITANIA
CHAD	MAURITIUS
CONGO	MOROCCO
DAHOMEY	NIGER
EGYPT	NIGERIA
EQUATORIAL GUINEA	RWANDA
ETHIOPIA	SENEGAL
GABON	SIERRA LEONE
GAMBIA	SOMALIA
GHANA	SUDAN
GUINEA	SWAZILAND
IVORY COAST	TANZANIA
KENYA	TOGO
LESOTHO	TUNISIA
LIBERIA	UGANDA



UPPER VOLTA

ZAIRE

ZAMBIA

DONE at.. ..... May 1973.



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CM/509/Annex III

RECOMMENDATIONS OF THE AFRICAN MINISTERS' CONFERENCE ON  
TRADE, DEVELOPMENT AND MONETARY PROBLEMS

Abidjan, 9 - 13 May 1973



## I. Multilateral Trade Negotiations

The Committee reviewed the preparations for the proposed Multilateral Trade Negotiations. It noted that the operations and outcome of meetings of GATT and UNCTAD clearly revealed that little purpose would be served in attending further meetings without assurances from the advanced countries given through GATT that they are prepared to make substantial concessions to the African States in many fields that may allow these States to adapt themselves to the fluctuations in international trade.

1. Multilateral trade negotiations should have as a basis, a model product agreement to be used as a guide in the adoption of agreements on individual products; the latter should include a certain number of principles considered to be fundamental and which should permit, in particular, the diversification and expansion of trade in accordance with the trade and development needs of African countries.
2. The African countries consider that their participation in the multilateral trade negotiations should be governed by the following principles:
  - (a) Multilateral trade negotiations should have no unfavourable or harmful effects for African economies. Negotiations should be governed by the principles of non-reciprocity, non-discriminatory and preferential treatment and should have, as a result, substantial improvement in the conditions of access for African agricultural products, including processed and semi-processed agricultural products, into the markets of the developed countries;
  - (b) An increase of African participation in world trade;
  - (c) The maintenance of prices at stable, equitable and remunerative levels;

- (d) The adoption by developed countries of measures to modify agricultural and foreign trade policies inimical to Africa's interests and the institution of adjustment assistance measures when necessary;
- (e) Solutions to stop the steady worsening of terms of trade through an appropriate policy concerning all products of interest to the African countries;
- (f) Concessions which the developed countries grant to each other (either bilaterally or multilaterally) should automatically and immediately be extended to all developing African countries;
- (g) Concessions granted by developed countries to developing African countries shall not, at the same time, be extended or granted to the developed countries;
- (h) Absolute priority should be given to the removal and suppression of all major obstacles, regardless of their nature, existing in the markets of developed countries to products of developing African export interest. The removal of these impediments should be undertaken no later than 1975 in order to facilitate access into those markets with a view to increasing African foreign exchange, raising their standard of living and enabling them to achieve the global objective of growth of at least 6 per cent in keeping with the development strategy adopted for the Second United Nations Development Decade;
- (i) The concessions granted to African countries during these negotiations must come into force as soon as the negotiations are conducted;

(j) Concessions agreed upon in favour of African countries during the Multilateral Trade Negotiations should not be contingent on the present or future position of non-participating African countries in relation to GATT;

(k) Commodity by commodity agreements should be concluded, in particular in respect of the following products:

(a) Agriculture

Cotton

Fruits and vegetables (bananas, citrus fruit, pineapples, etc.)

Grains (maize, rice, wheat, sorghum, etc.)

Hard fibres and jute

Hides and skins

Meat and meat products

Pyrethrum

Wood

Oil seeds, oils and fats (palm, palm-kernel, groundnuts, sesame, etc.)

Rubber

Tobacco

Vanilla

Tea

Sugar

Wine

Cocoa

Coffee

Cashewnuts

Pulses

(b) Minerals

Iron ore

Soda ash

Manganese ore

Potash

Phosphates

Bauxite

Tungsten

Zinc

Gold	Lead
Colombite	Copper
Tin	Fluorspar
Petroleum products	

(c) Manufactures and semi-manufactures

Textiles  
 Clothing  
 Wood products  
 Leather and leather products  
 Manufactured tobacco  
 Plastic products  
 Metal manufactures

(d) Processed food products

Processed cocoa and cocoa products  
 Processed coffee

(I) Market sharing: where products of developing African countries compete with the domestic production of developed countries; the latter should allocate a defined percentage of their consumption of such products to developing African countries; in any case, a substantial share of any increase in domestic demand for primary commodities in developed countries should be reserved for the output of the developing African countries;

3. The African countries recognize the advantage of the Generalized System of Preferences extended by the developed to the developing countries and emphasize that the agricultural products that appear in Chapters 1 to 24 of the Brussels Nomenclature should appear in the lists. The United States and Canada should publish the lists of products covered by their Generalized System of Preferences in the very near future.

Furthermore, multilateral trade negotiations should in no way result in the erosion of concessions granted under the Generalized System of Preferences but should rather extend the margins of preferences and the range of products covered.

4. Taking note of the large number of least developed countries in Africa and their continuing dependence on one or two export products, which in itself is a direct result of the commodity pattern of demand for imports by advanced countries, the Committee considers that severe hardships are liable to be imposed on some of these countries by measures of trade liberalization and that advanced countries, must, therefore, accept the principle of providing compensation for loss or reduction of trade opportunities. The utmost priority should be accorded to the removal of all barriers to products of export interest to the least developed among the developing African countries in the market of developed countries.

5. Developed countries should unconditionally accept Part IV of the GATT and not demand reciprocal concessions.

6. The Conference is aware that the reduction or removal of certain barriers under universal systems of general preferences are often accompanied by the erection or retention of non-tariff obstacles already identified. Since the effect of these internal obstacles is to nullify the tariff preference granted, it is clear that they must be removed.

## II. AFRICA'S RELATIONS WITH THE EUROPEAN ECONOMIC COMMUNITY

1. The main objective of future relationships with EEC should be to permit African countries to promote economic measures that are fundamental to their future development such as the diversification of their economies, the expansion of their exports, the maximization of their export earnings, the extension of their economic and social infrastructure, and the promotion of economic co-operation and integration among themselves.

2. African countries should draw up a common approach which might well provide a platform for the negotiation of a new relationship with the EEC and which would embody a number of principles on which all African countries could agree.

3. To this end, future discussions between the African countries and the EEC should include the following principles:

- a) The principle of non-reciprocity in trade and tariff concessions given by EEC;
- b) The extension, on a non-discriminatory basis, towards third countries, of the provisions on right of establishment;
- c) The revision of the rules of origin must be formulated so as to facilitate the industrial integration of African countries and, in particular, they must grant the status of original products to all goods which have been produced in one or several of the African countries (whether or not they are members of African groupings) or which have been processed in accordance with mutually accepted criteria, irrespective of whether or not they enjoy preferential relations with EEC;
- d) A revision of the provisions on the movement of payments and capital to take account of the objective of monetary independence in African countries, and the need for monetary co-operation among African countries;
- e) The disassociation of EEC financial and technical aid from any particular form of relationship with EEC;
- f) Free and assured access to EEC markets for all African products including processed and semi-processed agricultural products, whether or not they are subject to the common agricultural policy of EEC;



- g) The guaranteeing to African countries of stable, equitable and remunerative prices in EEC markets for their main products in order to allow them to increase their export earnings;
- h) Any form of agreement made with EEC should not in any manner adversely affect intra-African co-operation.

### III. AID AND DEVELOPMENT FINANCING

As stated in the Algiers Charter, African countries recognize that the primary responsibility for their development rests with them.

However, the level of domestic resources which can be mobilized falls short of the requirements for achieving the growth objectives of the Second Development Decade. External assistance is, therefore, required to supplement the domestic effort.

The Conference notes that the efforts made by the developed countries in transferring development resources to the developing countries in general and to Africa in particular have fallen far short of expectations. While the volume of aid has remained relatively stagnant, its quality as well as the terms and conditions have markedly deteriorated. Even the modest target of transferring 1 per cent of their Gross National Product as net development aid has not been achieved.

In view of the deterioration in the quality and effectiveness of aid particularly to Africa, African countries feel that for international assistance to be effective, it should be based on the following objectives:

- a) A substantial increase in the volume of external development assistance, taking into account the special requirements of African countries;
- b) The promotion of the structured transformation of African economies with a view to achieving a self-sustaining growth within the shortest time possible;
- c) Mobilization and development of human and natural resources.

1. Developed Countries

The developed countries should:

- a) Seek to attain, before 1975, the target of providing 1 per cent of their GNP as net aid to the developing countries;
- b) Implement, before 1975, the provision of the International Development Strategy of the **Second** United Nations Development Decade as regards the transfer of 0.7 per cent of GNP as net official resources transfers to developing countries;
- c) Take immediate steps for the fourth replenishment of IDA funds and ensure that a higher proportion of these funds is allocated to financing the development of African countries;
- d) Take urgent measures to soften the terms and conditions of external assistance with the ultimate objective of matching these with the existing IDA terms;
- e) Take steps to steadily increase the grant element of aid;
- f) Provide, in advance, programmed commitments of aid so as to enable African countries to avoid the disruption of their development plans;
- g) Increase, to the fullest extent possible, the share of resources channelled through multilateral financing institutions such as IDA, and particularly ADB and ADF;
- h) Jointly and severally take immediate steps to untie their financial assistance to African countries so as to enable the latter to purchase on the cheapest markets;
- i) Co-operate effectively with the developing countries in checking commercial and financial malpractices such as over-invoicing of imports and under-invoicing of exports.

## 2. The World Bank Group

- a) The Group should start channelling loans through programme-lending rather than project-lending, without prejudice to national development plans;
- b) It should increase its financing of the local costs of development projects and programmes. In the case of the least developed of the developing countries, the Group should finance the entire cost of development projects;
- c) It should apportion its loans in such a way that Africa receives an increasing proportion of IDA resources and to maintain an equitable geographical distribution of its funds;
- d) The Group, especially IFC, should refrain from discriminating in any way against the public sector of the African countries and should channel a greater proportion of its funds through national development banks or similar institutions;
- e) The Group should relax, to the extent possible, procurement of supplies within the recipient countries;
- f) The Group should provide full financing of project preparation and processing costs as grants;
- g) IDA should adapt its lending policies and procedures to the economic circumstances and characteristics of individual African countries and increase its financial support to the least developed among developing countries;

- h) The World Bank should, if necessary, associate itself with the operations of the compensatory financing facility and the financing of buffer stocks to enable long term financial arrangements to be established.

### 3. International Monetary Fund

- a) As a means to facilitate and enhance the flow of real resources for development from developed to developing countries on a multilateral basis, a link should be established between the SDRS and development financing as envisaged in the International Development Strategy.
- b) African countries, especially the least developed and land-locked ones, should be given priority over the resources made available through IMF as a result of the reform of the international monetary system.

### 4. Technical Assistance

- a) The primary objective of technical assistance should be to facilitate the immediate transfer of know-how and technology to Africans in the field of technical, managerial and entrepreneurial expertise.
- b) African Governments should make the necessary arrangements and facilities to take advantage and make effective use of the transfer of know-how and technology by providing appropriate training, research and development of African consultancy services.
- c) Developed countries should liberalize the terms and conditions of the use of patent and proprietary rights by African countries.
- d) The remuneration for management and consultancy contracts should be at cost basis and not be related to either turnover or profit criteria.

## 5. Indebtedness

a) The hard terms on which loans are given are largely responsible for the problem of indebtedness facing developing countries.

b) Developed countries should assume responsibility for suppliers' credits originating from their countries and extend the repayment period on the basis of the ability of developing countries to pay from their unstable earnings and having regard to the development needs of the debtor.

## 6. Regional Development Banks

The Conference notes the establishment of the African Development Fund by the African Development Bank and 14 developed and developing countries to provide financing on concessional terms for development projects in African countries. It welcomes the pledges of subscriptions to the Fund and appeals to those developed countries which have not yet joined the Fund to do so. It also expresses the hope that donor countries would increase their respective subscriptions to the Fund in order to provide it with adequate resources to fulfil its purpose.

## 7. Mobilization of domestic resources

a) African countries reaffirm their determination to make all the necessary efforts to mobilize fully their basic resources and make the necessary reforms in their economic and social structures to ensure that their people participate in the development process and obtain the utmost benefits from it;

b) An effort should be made to take stock of existing and potential resources and prepare a plan for the utilization of these resources in conformity with national, regional and continental priorities with a view to fostering intra-African co-operation.

#### IV. MONETARY PROBLEMS

Confirmed by recent events in the belief that after functioning for several years, the Bretton Woods system proved incapable of fulfilling the functions required of it, and conscious of the fact that every time a monetary crisis occurs the developed countries close ranks in institutions from which developing countries are excluded with the result that no account is taken of the effects of all these crises on the economies of the developing countries, noting the repercussions of such decisions on their exports and terms of trade as well as development programmes and plans whose implementation requires a minimum degree of stability and depends mainly on export earnings and on aid, the Conference recommends that African countries should take the following measures at regional and international levels:

##### I. Regional level

Immediate steps should be taken to establish new and strengthen existing regional organizations so as to enable African countries to take the necessary measures to protect themselves against monetary decisions that are taken without the participation of Africa. In this connexion the Conference recommends:

- 1) a) That the African representatives taking part in technical discussions on the reform of the international monetary system, e.g. IMF Executive Directors, members of the Group of 24 and members of the Committee of 20, should participate in all regional deliberations;
- b) That these representatives be instructed to set up effective machinery for consultation and collaboration with a view to drawing up genuinely African proposals, and to ensure that their actions are co-ordinated with those of the Group of 77.

2) In view of the fact that discussions about the reform of the international monetary system are already in progress and may soon reach a crucial stage, it is proposed that a Council of Ministers responsible for monetary affairs in African countries be established forthwith. This Council will have as its immediate tasks the following:

- a) To draw up a monetary strategy which will neutralize the adverse effects of monetary manipulations abroad on African economies;
- b) To discuss and harmonize positions of African countries on monetary matters in order to safeguard their interests and provide the necessary conditions of stability in which they could realize their economic objectives;
- c) To initiate whenever appropriate and review proposals for monetary co-operation and integration among African countries;
- d) To ensure the establishment on a sound technical and financial basis of the African Centre for Monetary Studies mentioned hereafter within the shortest possible time;
- e) To ensure the reorganization and strengthening of the Association of African Central Banks in order to make it an effective forum for discussions of monetary problems among African Central Banks on a regional and continental basis.

In view of the urgency of the monetary problems and ongoing international discussions and having regard to the importance of the work of the proposed Council of Ministers of Finance, the Conference recommends that the Council be established forthwith and requested to commence its work within sixty days from the date the decision of the Heads of State and Government of the OAU thereafter shall have been taken.

- 3) The establishment of an African Centre for Monetary Studies (ACMS) which will study on a continuous basis monetary problems of African countries as well as the impact of international monetary developments on African economies. The Centre will enable African countries to promptly put forward their own proposals on a regional basis and to ensure that the international monetary system will not work against the interest of African countries. It will also be a source of independent and impartial advice to individual African countries on monetary matters.
- 4) That a study be carried out forthwith on practical ways and means of establishing an African External Settlement Fund and an African Payments Union.

## II. International Level

Having agreed to participate in the reform of the present monetary system, the African countries, the Conference noted, must make clear their views and jointly seek acceptance of these by the international community. Their representatives on the Board of Executive Directors, on the inter-governmental Group of 24 and on the Committee of Twenty of the IMF should be fully acquainted with the harmonized views of the African countries and be supported by all possible means in the discharge of their onerous duties.

The Conference recommends:

- 1) With regard to the effects of changes in the monetary arrangements including exchange rates on reserves that, African countries should insist that appropriate clauses are inserted in future agreements with a view to guaranteeing them compensation for reserve losses that may arise;
- 2) The African countries should pool their efforts together with those of the other developing countries in order to ensure that their share of world reserves does not fall but rather keeps pace with their requirements for rapid economic and social development;



- 3). As regards the reform of the international monetary system, African countries should adopt the following broad common stand:
- a) Pending the institution of a reformed monetary system, all decisions modifying existing monetary arrangements should be taken within the framework of organizations representing all the countries concerned and, in particular, of the IMF Group of 20;
  - b) African countries should ensure that they participate effectively in the drawing up of an equitable monetary system;
  - c) The new system must give due regard to the needs of the developing countries in their efforts to achieve rapid economic and social development;
  - d) That a new and equitable formula for allocating quotas must be found;
  - e) That Drawing Rights facilities should be based on a formula different from that of Bretton Woods. The new Drawing Rights formula which should serve as a basis for the distribution of international liquidities should take account not only of cases of individual countries but also of the categories of countries depending on their position on the development ladder; this would be tantamount to modulating the distribution of international liquidities in accordance with regions;
  - f) Voting Rights should also be dissociated from quotas and made more flexible inasmuch as it is acknowledged that developing countries occupy an important place in the functioning of the world economy, although their share in the distribution of income is low;

- g) That African countries should support the principles of the creation of SDRs based on international agreement to serve as the new numeraire for purposes of settlement of international transactions and as a **corollary** to this, the eventual elimination of gold and reserve currencies for this purpose;
- h) With particular regard to the creation of SDRs, the Conference observes that the present volume of SDRs was established and allocated without regard for the specific requirements of the developing countries. Therefore, the African countries, together with other developing countries should look for a formula for the allocation of new international liquidities on the basis of an international agreement, which will take the special needs of the developing countries into full consideration. In this connection, the Conference recommends that African countries should insist on the early realization of the "link" concept. The "link" however, should not be a substitute for any part of the present volume of aid but should ensure additional resources for development of developing countries;
- i) If SDRs are allocated globally to developing countries through the "link", the administration of African share of such allocations should be left to the discretion of Governments of African countries;
- j) With regard to the possible uses of SDR, the Conference felt that a portion of the SDR allocations could be used as a substitute for suppliers' credits as part of the efforts to reduce the growing debt burden of developing countries. This should of course be considered along with other appropriate measures to ensure that suppliers' credits serve the genuine development purposes of developing countries and that the terms and conditions on which such credits are granted are improved;

k) That the compensatory financing facilities of the IMF should be adapted to meet the needs of developing countries for long-term finance to cope with their peculiar situations;

l) That the arrangements for the creation and operation of buffer stocks should be extended to cover more primary products. Further, that the IMF should provide adequate long-term finance for buffer stock arrangements.

4. That the African countries recommend the establishment of an effective permanent institution in which the developed and the other developing countries will participate and which will be designed to ensure the co-ordination of solutions proposed for monetary, trade and financial problems in view of the inter-dependence of these problems.

## V. REGIONAL CO-OPERATION

The rationale for intra-African co-operation

The Conference felt that the benefits to be reaped from intra-African co-operation were so self-evident and the role that economic co-operation could play in the development of each African country so fundamental, that it should become a central feature of national development policy. Recent experience with the world monetary system and commodity markets and the generally limited results of UNCTAD-III confirms that the external sector was too erratic to depend upon as an engine of internal growth. Africa's growth could be steadier and more assured if it was based on schemes for joint or harmonized production of goods and services by groups of countries and intra-continental trade. To this end, the Conference identified the following obstacles impeding intra-African economic co-operation :

- (i) firstly, there are the doubts and uncertainties about possible gains and losses to individual countries;
- (ii) secondly, there is the lack of sufficient financial resources to invest simultaneously on a wide range of integrated projects, and to cushion possible initial adverse effects of integration on some of the participating countries;
- (iii) thirdly, there are the differences in commercial policies as well as in the attitudes towards foreign investors, some of them arising from different colonial experiences;
- (iv) fourthly, there is the insufficiency of integrated infrastructure (roads, air transport, shipping and telecommunications), a consequence of the colonial pattern of economic relationships;
- (v) fifthly, there is the adoption of different economic systems in the various countries, particularly differences in the relative roles of government and private enterprise (particularly foreign private enterprise) in domestic economic activity;

- (vi) finally, the existence of special economic relations between African countries and the outside world, particularly those between African countries and former colonial powers.

The Conference believes that in view of the urgency of the issues facing Africa at the present time, solutions to these issues must be found immediately. One most appropriate method of approach is the creation of institution which, while allowing for certain fears and doubts of individual countries, would nevertheless work to the mutual advantage of all the countries concerned. Such institutional arrangements could be conceived at three levels: continent-wide, regional and sub-regional.

In the light of the foregoing, the Conference recommends as follows :

1. Institutional aspects

a) A great degree of mutual trust and readiness to arrive at necessary political agreements are essential, particularly as regards key institutions, which are indispensable to the successful operation of economic co-operation schemes. 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 implementation and operation of co-operation agreements. In respect of differences between States, which cannot be settled through the established system, recourse should be had to a court of arbitration or tribunal.

b) At the national level, there is a critical need to create a special department to deal, on a continuous basis, with the co-ordination of economic co-operation efforts.

c) The Conference recommends that under the auspices of OAU, permanent technical and economic institutions should be set up at the regional and subregional level to foster and assist the implementation of African multinational schemes.

## 2. Natural resources: minerals and energy

a) 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. The Conference, therefore, recommends that African countries should 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.

b) 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. Considering that one of the main constraints to development in all these fields is the lack of trained technical and managerial manpower, the Conference recommends that African States should support proposals for the establishment of appropriate institutions for the development of such manpower.

## 3. Agriculture and utilization of water resources

a) The Conference strongly supports the view that there is no inherent technical or economic reason why African should not itself be able to supply an increasing proportion of its own food requirements which are now imported from other continents. The Conference therefore, recommends an increased production of such food items from within the continent, and towards this end, invites

the African States to participate fully in such important ongoing activities as :

- i) research in tropical foods;
- ii) cereal production, livestock improvement and development of sugar;
- iii) food storage and distribution;
- iv) intra-African trade in agricultural products.

b) The Conference further recommends that African States should co-operate in the production, processing and marketing of agricultural commodities and in the utilization of ~~their by-~~ products. Such co-operation should be intensified in the field of ~~export~~ commodities.

c) In view of the large number of international drainage basins in Africa, the considerable land surface occupied by such basins, the hydrological interdependence of those basins and the high cost of water resources development schemes in general, the Conference recommends that riparian States, with the assistance of OAU, ECA, ADB and other competent international and bilateral organizations should embark on systematic development planning of the common water resources. Towards this end, the countries should adopt and implement multilateral agreements to govern the equitable sharing and utilization of common water resources (for irrigation, fishing, etc.), and their general rights and obligations in this respect.

#### 4. Industries

a) In the African region, the sector in which the inhibiting effects of small markets are most strongly felt is the industrial sector. In most cases, besides the factors that combine to prevent an expansion of these markets, there are increasing tendencies towards their fragmentation.

- b) The Conference recommends that African countries should, in formulating their industrialization policies, underscore the importance of harmonization of industrial policies and programmes.
- c) Since independence, the countries to the continent, in an endeavour to attract foreign capital, have been continually trying to outbid each other in offering the best terms to foreign capital in respect of taxation, rights of establishment and guarantees against additional imposition even if these are of a social character.
- d) The Conference recommends that the African countries should adopt a common investment code or at least harmonize the general principles governing the terms allowed to foreign capital.
- e) The Conference also recommends that African countries should encourage the promotion of African multinational companies.
- f) As regards foreign multinational industrial enterprises, the Conference recommends that African Governments should reach agreement on minimum rates of taxation on their profits.
- g) A comprehensive plan of co-ordinated industrial development could demonstrate the magnitude of benefits to be derived from co-operation, but it is not implementable all at once and hence does not appear to provide a suitable means for decision-making on industrial distribution among the partner countries. The Conference recommends that the African countries adopt the project-by-project method, which seems to present a more promising and realistic approach. Action would nevertheless be required to draw up suitable criteria and methodologies by which the participating countries could evaluate the benefits and costs over time of a specific proposal for implementing a package of projects. In negotiations on multinational industries,



the group of countries concerned should provide for special assistance to the least developed partner States in such matters as:

- i) Natural resources surveys;
- ii) The search for new industrial investments;
- iii) Fiscal incentives to attract additional industries;
- iv) Development of overhead facilities.

These measures should contribute to the equitable sharing of benefits.

## 5. Tourism

a) The increasing balance of payments problems of most African countries and the possibility of ameliorating them through tourist earnings place tourism on the list of high-priority development sectors for some countries.

b) The Conference therefore recommends that required action in this area should include joint organizations for the promotion of tourist trade through such measures as :

- i) Formulation of plans for joint advertising and publicizing of the tourist attractions in member countries;
- ii) Reducing air fares through the establishment of agreed tariffs for excursion and season travel;
- iii) Arranging inclusive tour rates with airlines and hotel owners;
- iv) Organizing inter-state tours;
- v) Arranging joint training of personnel in tourism.

c) The Conference further recommends that frontier formalities should be simplified, and cumbersome procedures eliminated in order to facilitate the movement of tourists within the region.

## 6. Science and technology

a) In the light of the fact that more rapid development of African countries' economies will continue to depend to a great extent on the modernization through the application of science and technology to development, the Conference recommends that African States should:

- i) Set up a 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 OAU/ECA 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;
- v) Establish or strengthen their national or multi-national organizations for project identification, formulation and evaluation purposes.

b) The Conference also feels that while there have been many studies on the transfer of technology, these studies are often short on operational ideas that take account of the market structure. The Conference, therefore, recommends the following measures :

At the regional level:

- i) The establishment of joint institutions for training research workers, in co-ordination with existing universities;
  - ii) Organization of exchange of information;
  - iii) Secondment of personnel from African countries with a surplus to those where such personnel is lacking;
  - iv) In addition to basic research, the inclusion in university programmes of practical and technological research;
  - v) The organization and encouragement of technological institutes for engineering studies. In this connexion, the Conference is of the opinion that African States should encourage African companies and ensure their direct participation in the study of major projects such as roads, railways, dams and so on.
- c) The Conference further recommends that, at the international level, wholly or partially State-owned enterprises in the African countries should conclude technical agreements with similar firms in the developed countries, for the transfer of patents, etc. Alternatively, vigorous efforts should be made to hire patents, which will be remunerated according to the establishment practice. The high cost of this sort of arrangement is a further reason why the Conference recommends multinational action in this matter.

7. Education and training

a) The Conference recommends that full support should be given by African States to the programme of the Association of African Universities for fostering co-operation through under-graduate and post-graduate promotion of specialized disciplines in certain African Universities.

b) 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.

c) In view of the serious adverse effects of shortage 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, the Conference recommends that African States should :

- i) Undertake urgent and serious steps to deal with the problem of the brain-drain which is becoming more ;
- ii) Include in agreements for the construction of technologically advanced projects, effective training of African counterparts to foreign experts;
- iii) Arrange whenever possible for trainees from neighbouring countries to be attached to national schemes of projects;
- iv) Make provision for the training of African personnel in the identification, analysis, formulation and evaluation of multinational projects.

8. Labour and migration

In view of current developments which threaten to disrupt inter-country relations, the Conference recommends that African States should take appropriate measures with the assistance of ILO, OAU and ECA to facilitate the mobility of labour in the region and define the conditions and the rights of migrant labour; in particular, mutually acceptable measures regarding the right of establishment of nationals of African countries.

9. Transport - general

Having reviewed the adverse impact of African transport problems on the economies of African countries, particularly the land-locked and the island countries, the Conference recommends that urgent attention should 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 intra-African transport links.

10. Road transport

a) In order to intensify efforts already being made, the Conference recommends that member States should 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 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. In this regard, there is a need for multinationally organized research into standards, construction materials and processes relating to road surfaces and foundations.

b) 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 Conference recommends that the OAU, ADB and ECA should take appropriate measures such as :

- 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 subregional transport conferences;
- iii) The study of ways and means of establishing a Road Fund to finance intra-African road links;
- iv) The establishment of the proposed African Highway Association.

c) The role which will, inevitably, be played by private foreign enterprise in the very large road construction programme required for national and multinational integration over the next ten to fifteen years suggests that studies on the economies of road construction will yield **valuable policy and operational guidelines**. It is recommended that OAU, ADB and ECA undertake the required studies.

## 11. Railways

The Conference recommends that 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 railway 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 promoting the construction of links between existing unconnected lines where this is justified;
- iii) By promoting the construction of extensions particularly for the development of land-locked countries.

## 12. Maritime transport and coastal shipping:

a) A study of the main problems confronting African maritime transport and coastal shipping, leads to the following conclusions :

- i) Negotiations over freight rates, cargo sharing, etc., with conference lines are unlikely to yield much unless these are conducted from a position of strength;
- ii) A position of strength, in the present context, requires nothing less than a combination of national shipping lines, preferably one covering the East African shipping range (from Sudan to Tanzania) and another covering the West and Central African shipping range (from Senegal to Zaire); developments of this kind are already under way in North Africa;
- iii) Strategy might take the form first of organizing and developing coastal shipping along these ranges; detailed studies on potential traffic, port development and administration (including the question of location of container ports) would be required, as would a more precise definition of the types of vessels required in the light of the character and distribution of cargoes and the situation and development of ports.

b) In the light of the foregoing, the Conference recommends that an association of ports management should be formed to serve the Eastern shipping range and help it bring about more efficient management of ports, as has been done in Northern Africa and Western and Central Africa.

c) The Conference recommends that national shippers' councils should be established with membership made up of both coastal and land-locked countries. A regional federation of national councils should be formed to enhance their effectiveness.

d) The Conference recommends that subregional 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.

e) The Conference recommends that, under the auspices of OAU, ADB and ECA, African countries should organize an African conference on maritime and coastal shipping to consider these matters and put forward recommendations for early implementation. The agenda should include consideration of the combined transport system as proposed by UNCTAD.

### 13. Inland waterways

a) The multinational exploitation of the numerous inland waterways in Africa will depend on the negotiation and adoption of international agreements which define the right and obligations of riparian States.

b) The Conference therefore recommends that African States should co-operate in securing loans and grants for improving the physical infrastructure of inland waterways; in the organization (e.g., through joint companies) of river and lake transport services; in the co-ordination of freight rates and port dues; in the standardization of traffic regulation; in the design of customs and transit procedures and documents; in the training of port and river craft personnel. Since the subject is of great importance to land-locked countries, it is recommended for high priority on the agendas of the competent regional subregional bodies. The Conference recommends that African States should seek the assistance of OAU, ADB, ECA and other appropriate



multilateral and bilateral agencies in the implementation of the required programmes.

14. Air transport

a) The dominance of the North-South (Europe and USA/Africa) axis over the East-West (Trans-African) axis is one of the most striking characteristics of air transport patterns in Africa. Another is the persistence of almost exclusive links between African countries and the former colonial powers with which they were linked in contrast to the slow emergence - in spite of the large number of land-locked countries in Africa - of air transport links between African countries. A third is the extensive dependence of African national airlines on extra-African airlines for finance, technical assistance and management.

b) These three factors would seem to account for the continued absence of an integrated air route system, for the substantial volume of African air traffic handled by external airlines and for feebleness of attempts at intra-African co-operation and integration.

c) The development of new types of aircraft and new and more efficient forms of organization and management now in process of adoption by extra-African airlines provide challenges which could best be met through intra-African co-operation.

d) The Conference recommends that such co-operation should be on the following lines :

- i) Rationalization of time-tables, 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, co-ordination of research, and personnel training;

- ii) The operation in common of their international services and the eventual amalgamation of their airlines.

In this connexion, the Conference recommends that the 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.

#### 15. Postal communications

a) The Conference recommends that 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 routines, annual intergovernmental 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.

b) It further recommends that the OAU, ADB and ECA should assist the African countries in the establishment of an African Postal Union to pursue appropriate action in the above areas.

16. Telecommunications

a) Telecommunication facilities presently available in Africa are still, to a large extent, a legacy of the past, not only with respect to the international routes served and the equipment used but also as regards the prevailing forms of commercial exploitation. The marked preponderance of vertical north-south radio and telegraph links has resulted in a substantial intercontinental routing of intra-African communications which even continues today. Indeed, ITU statistics for 42 African countries show that in 1968 (January) nearly half of all intra-African telecommunication routes passed via Europe (380 out of 832).

b) To remedy this situation, the Conference recommends that the African States should intensify their efforts towards the implementation of the Pan-African telecommunication network. In this regard, they should, in collaboration with OAU, ADB, ECA and ITU, give special attention to the proposals for the establishment of an African Telecommunications Development Fund. African States should further take steps to secure the standardization of equipment, the improvement and co-ordination of operational arrangements, and the provision of appropriate personnel training programme. It further recommends that steps should be taken to expedite the establishment of the proposed African Telecommunication Union. In this connexion, African States should request ITU to undertake a study in consultation with OAU, ADB, ECA and the Pan-African Telecommunication Union, on the eventual installation of a Pan-African satellite.

17. Intra-African trade, money, banking and fiscal

a) Obstacles to the expansion of intra-African trade, the development of industry and of regional markets, and of other forms of co-operation are by now well-known. Obstacles in the fields of trade, payments, money and banking are increasingly acknowledged. The simultaneous existence in African monetary zones, some in formal relationships with non-African monetary systems, accentuates problems of expanding intra-African trade and strengthening co-operation in monetary matters.

b) The Conference, having reviewed the various impediments to the rapid growth of intra-African co-operation in the fields of trade, monetary affairs and industrial development, recommends the following general principles for the guidance of African States in their future negotiations amongst themselves and with third countries.

c) It is recommended that :

- i) African States should actively promote trade among themselves as a basic element in their strategy for national and regional development;
- ii) African States should not enter into agreements with third countries affording preferences to the latter that are superior to those they grant to other African countries;
- iii) No privileges afforded to third countries or regions should have the effect of endangering industrial development in Africa;
- iv) No preferences or privileges should be granted to third countries or regions which may impede rapid progress towards the development of free trade and economic integration in Africa.

18. A. Money, Banking and Fiscal Institutions

i) The Conference recommends that the African countries endeavour to achieve a greater measure of autonomy in the management of money and credit and of control over monetary and financial institutions since this would both facilitate effective utilization on Africa's monetary resources, for African development, and provide a basis for developing trade and monetary relations among African countries.

ii) The Conference recommends the strengthening of national monetary, banking and fiscal institutions and the expansion of formal and informal consultation and collaboration among them through an enlargement of the research capabilities and the operational activities of the Association of African Central Banks.

iii) The Conference recommends the strengthening of the physical and financial infrastructure for trade and payments through improvements in transport and communications, in the dissemination of and accessibility to commercial information and reductions in both the cost of obtaining information, and the legal and administrative obstacles to intra-regional trade and the settlement of accounts.

B. Payments unions

The Conference recommends :

i) After due examination of their rationale and modes of operation, the establishment of regional and sub-regional payments unions which would facilitate the adjustment of member countries external payments and the settlement of intra-regional trade and payments transactions;

- ii) The establishment of a Monetary Co-operation Fund comprising contributions by member countries of agreed amounts of external assets, and contributions of convertible liquidities by bilateral donors and international organizations. The Fund organization would generally administer and supervise proposed schemes of monetary co-operation, and specifically operate towards the rationalization of relations among member countries' exchange rates and stability in their currencies and external payments and form the basis for eventual creation and management of regional liquidities.

cC. Capital markets

The Conference recommends active examination of initial steps towards the unification of subregional capital markets and the creation of regional markets - such steps to include standardization of national exchange control regulations, the progressive elimination of restrictions on capital movements within subregional, and limited provision of exchange and convertibility guarantees for specified categories of capital transactions.

D. Harmonization of fiscal and investment policies

- i) The Conference notes the difficulties occasioned by the existence of substantial disparities in African countries' investment legislation and the increasing cost of competitive variations of their provisions as a means to attract foreign private capital.

ii) The Conference recommends harmonization of tax incentive systems the structure of investment allowance, and schedules of tax exemption, together with active collaboration among member countries in tariff policy with respect to harmonization of customs duties and internal fiscal arrangements. In particular, it also recommends early steps towards the harmonization of their policies towards foreign private investment.

iii) Noting that such harmonization may be best carried out within regional or subregional co-operation frameworks and that harmonization of tariffs and internal taxes may accentuate disparities in their incidence, the Conference recommends the establishment of mutually acceptable mechanisms for compensation and for equitable distribution of the costs and benefits of fiscal harmonization.

#### E. Trade and insurance

The Conference recommends:

- i) Intensification of efforts to establish procedures and mechanisms for co-ordination of trade policies;
- ii) Intensification of efforts in the field of general infrastructural and economic integration particularly regarding the restructuring on a subregional basis of production structures, distribution systems, and the integration of markets;
- iii) The establishment of an African Trade & Development Board to consider, co-ordinate and where necessary supervise, agreements and arrangements among African countries on co-operation in trade and development;

- iv) That the ADB, with the assistance of other appropriate African multinational organizations, should expedite preparations for the establishment of a Pan-African Insurance and Re-insurance Company;
- v) - That member States, in view of the importance of this project, should take urgent and positive steps towards its implementation.

#### 19. Economic groupings

Noting that concepts of free trade areas, common markets and economic communities as presently used within Africa were developed in Western Europe to solve problems which are different from the specific development problems in Africa, and that the use of such concepts may inhibit the development of economic groupings in Africa, the Conference recommends that in creating new economic groupings and in strengthening the existing ones, African countries should formulate new conceptual frameworks to take into account African needs which are primarily development oriented.

#### 20. Information

Noting the advantages of exchange of information for the promotion of economic co-operation in Africa, the Conference recommends that the OAU undertake the collection and dissemination periodically of information bearing on the subject.



ASSESSMENT OF THE RESULTS OF THE THIRD UNITED NATIONS CONFERENCE  
ON TRADE AND DEVELOPMENT AS THEY AFFECT AFRICA

The African Ministerial Conference on Trade, Development and Monetary Problems notes with regret that the results obtained at UNCTAD III come nowhere near the initial objectives of the Conference. In short, the whole Conference has been regarded as a failure. This has also led to a general feeling of frustration after the promising inauguration of UNCTAD at Geneva in 1964. The underlying concept of UNCTAD is that of co-operation for development among the developed and developing countries. But UNCTAD III turned out to be a process of the rich resisting the reasonable proposals of the poor for achieving enduring improvements in their deteriorating situation.

In face of this concentration of power by the wealthy countries, the developing countries have not adopted an effective common front and confine themselves to solemn declarations at international gatherings. In fact, they make no effective change in the international situation which, based as it is on extremely rapid technical progress by the developed countries, can only result, in the final analysis, in still more uneven distribution, thus widening the gap separating the rich from the poor countries.

All this means that the proliferation of international meetings is unlikely to achieve any concrete results for the developing countries in general or for African countries in particular, until the day these countries come together to form regional economic entities, the size and weight of which will command respect and, at the same time, modify existing vertical relations. They will then be able to express their views on world affairs and these views will be taken into account.

1973-05

Report of the Administrative  
Secretary-General of the African  
ministerial conference on trade,  
development and monetary problems  
(consideration of the African  
declaration on co-operation,  
development and economic independence)

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