

No. 11546

**FRANCE
and
DAHOMEY**

**Agreement on co-operation in economic, monetary and
financial matters. Signed at Paris on 24 April 1961**

Authentic text: French.

Registered by France on 2 February 1972.

**FRANCE
et
DAHOMEY**

**Accord de coopération en matière économique, monétaire
et financière. Signé à Paris le 24 avril 1961**

Texte authentique: français.

Enregistré par la France le 2 février 1972.

[TRANSLATION — TRADUCTION]

AGREEMENT ¹ ON CO-OPERATION IN ECONOMIC, MONETARY AND FINANCIAL MATTERS BETWEEN THE FRENCH REPUBLIC AND THE REPUBLIC OF DAHOMEY

The Government of the French Republic and
The Government of the Republic of Dahomey,

Being resolved to maintain their relations in a spirit of mutual understanding, reciprocal trust and co-operation, particularly in economic, monetary and financial matters,

Have agreed on the following provisions:

PRELIMINARY TITLE

Article 1

The Republic of Dahomey declares that it wishes to continue its development in close association with the French Republic and the other countries in the franc zone, while at the same time taking advantage of opportunities for trade offered to it in other countries of the world.

Article 2

The contractual association between the Republic of Dahomey and the French Republic shall be based on two fundamental principles:

- Each State shall retain all the economic, monetary and financial powers recognized as belonging to sovereign States.
- The Parties shall agree to co-ordinate their external trade, monetary and financial policies as between themselves and with the other States of the franc zone, so as to assist each other and to promote the most rapid possible economic development of each of them.

Article 3

The French Republic shall continue to provide the Republic of Dahomey with the material and technical assistance it requires to attain the economic and social objectives which it has set for itself.

¹ Came into force on 6 October 1961, the date of entry into force of the Treaty on co-operation of 24 April 1961 (see p. 83 of this volume), in accordance with article 39.

Article 4

This Agreement has been freely discussed and concluded with the intention of establishing close co-operation between the French Republic and the Republic of Dahomey, taking into account their different structures and the disparity in their level of development, in order to enable them to normalize relations between them and to make those relations more beneficial to both Parties.

TITLE I

THE FRANCO-DAHOMEAN COMMISSION

Article 5

A Franco-Dahomean Commission, of equal membership, shall be established to supervise the implementation of this Agreement, with the exception of the provisions in Title II.

Article 6

The Franco-Dahomean Commission shall meet once every three months, as a general rule. In the intervals between such meetings, it may be convened at the request of either Party.

Article 7

The Franco-Dahomean Commission shall establish the conditions governing the organization and preparation of its meetings.

TITLE II

AID FROM THE FRENCH REPUBLIC
TO THE REPUBLIC OF DAHOMEY*Article 8*

In accordance with the wish expressed by the Republic of Dahomey, the French Republic shall continue, for a period of five years which may be renewed, to provide aid and assistance to the Republic of Dahomey for its economic and social development and the operation of its public services.

Aid from the French Republic shall consist, *inter alia*, of assistance each year in the carrying out of studies and research, the supply of equipment, the secondment of experts and technicians, the granting of financial support and the training of professional staff.

The arrangements for such aid shall be so designed as to permit, *inter alia*, the implementation of single or multiple operations included in the programmes adopted by the Republic of Dahomey.

Aid from the French Republic shall not exclude aid which the Republic of Dahomey may receive from other States or international bodies.

Article 9

The portion of financial assistance for economic and social development allocated for studies, the purchase of equipment or supplies and the execution of works shall be the subject of contracts which shall normally be reserved for enterprises of French or Dahomean origin.

TITLE III

TRADE

Article 10

The Republic of Dahomey shall have the sovereign right to determine its external trade and financial policies. In particular, it shall have the right to negotiate and sign trade agreements or trade treaties, customs conventions and financial agreements with all countries, whether or not they are members of the franc zone, and with all international bodies. Under the same conditions, the Republic of Dahomey shall freely determine its quota and tariff policy.

Article 11

The Republic of Dahomey and the French Republic agree to maintain their trade relations, for a period of five years which may be renewed, within the framework of a reciprocal preferential system based on the following principles:

- Freedom of movement and exemption from customs duty, subject to the laws and regulations relating to health, security and public morality and to respect for State monopolies and marketing organizations;
- Privileged markets mutually agreed upon for the principal products and goods, to be assured in particular by quotas and guaranteed prices;
- Co-ordination of trade policies with respect to third parties;
- Protection of Dahomean industries.

The quantities and prices of products imported into the territories of the French Republic and the Republic of Dahomey for which marketing organizations exist shall be established each year in sufficient time to enable the budget estimates and marketing schedules to be drawn up.

Article 12

The schedules in effect as of 1 January 1961 shall be maintained pending the entry into force of a protocol of application of the provisions of article 11 above.

Article 13

The Republic of Dahomey intends to maintain its association with the European Economic Community in a form to be agreed upon with the competent authorities of the Community and shall arrange to be represented directly with those authorities.

In the meantime, it shall continue to be represented by the representative of France to the Community, acting in accordance with the instructions he receives from the Government of the Republic of Dahomey.

Article 14

All receipts and expenditures of the Republic of Dahomey involving countries outside the franc zone shall take the form of the sale or purchase of foreign exchange on the central currency market of the franc zone.

Article 15

A “dollar account” entitled “Dahomey — drawing rights” shall be opened with the Exchange Stabilization Fund of the franc zone.

This account shall be credited, *inter alia*, with the equivalent of settlements in foreign currency corresponding to exports and of any gifts and loans in foreign currency which the Republic of Dahomey obtains from countries outside the franc zone or from international bodies. The account may, if necessary, be granted supplementary drawing rights on the general reserves of the franc zone, whose amount shall be determined by the Joint Commission provided for in article 5 above.

The account shall be debited, *inter alia*, with the equivalent of settlements in foreign currency corresponding to imports from countries outside the franc zone, participations in or contributions to international bodies and repayment of loans granted by such countries or bodies.

Article 16

The Republic of Dahomey shall apply within its territory the general exchange regulations for the franc zone.

It may make such adjustments to those regulations as may be required by local conditions, but must bring before the Joint Commission any adjustments which substantially affect the interests of the other States of the franc zone. In all cases, it shall inform these States of any adjustments.

The competent authorities of the French Republic and the Republic of Dahomey shall co-operate in seeking out and taking action against violations of the aforementioned regulations.

Article 17

The Dahomean agency responsible for the regulation and control of foreign exchange shall maintain contact with the central foreign exchange organs of the franc zone for the purpose of maintaining the desirable solidarity and ensuring the necessary co-ordination through the exchange of information and data on, *inter alia*, operations, the position of the account and any violations which have been noted.

The Republic of Dahomey may, for this purpose, request that the services of an official of the said central organs should be made available to it.

Article 18

Within the limits of its international commitments and subject to the provisions of this Title, the Republic of Dahomey shall have free use of the foreign exchange resources credited to the account referred to in article 15.

TITLE IV

CURRENCY

Article 19

The Republic of Dahomey affirms its intention to remain a member of the West African Monetary Union, which has a Joint Bank of Issue.

The currency which shall be legal tender throughout the territory of the Republic of Dahomey shall be the franc of the African Financial Community (CFA) issued by the Central Bank of the said Monetary Union.

Article 20

The reforms provided for in articles 21 to 27 below shall enter into force upon the conclusion of an agreement negotiated between all member States of the zone of issue within six months from the date of signature of this Agreement.

Article 21

Convertibility between the CFA franc and the French franc shall be unrestricted and guaranteed by the opening of a working account in the name of the Bank of Issue to be registered with the French Treasury. This account shall be the subject of an appropriate agreement.

There shall be free transfer of funds between the two States.

Article 22

The nature and par value of the monetary unit shall be maintained. They may be changed only by agreement between all member States of the Monetary Union and the French Republic.

Article 23

The monetary tokens issued in each State shall be identified by a special marking.

Article 24

The Bank of Issue shall maintain, for each member State of the West African Monetary Union, separate accounts for the issue of currency and for its backing.

Article 25

The Bank of Issue shall be a multinational institution whose headquarters shall be established in Paris.

The Bank shall be governed by a Board of Directors which shall hold meetings in the territory of member States.

The Board of Directors shall comprise representatives of the member States of the West African Monetary Union and of the French Republic; the member States of the Union shall hold approximately three fifths of the seats, distributed evenly among them.

There shall be established in the territory of each member State of the West African Monetary Union a National Currency Committee which shall include one of the officials of that State serving on the Board of Directors and one representative of the French Republic.

The managers of branches of the Bank shall be appointed following agreement between the Governments concerned.

Article 26

The statutes of the Bank of Issue shall establish, *inter alia*, the transactions giving rise to an issue of currency, which shall be the same for the entire zone.

The Board of Directors shall have sole competence to deal with any problems affecting the value of the currency and to determine the general rules applicable to the distribution of credit, decisions being taken by a two-thirds majority.

The National Currency Committees, acting in particular in accordance with the general rules drawn up by the Board of Directors within the framework of the statutes applying to the zone of issue as a whole, shall be competent in the following fields:

- The control of credit institutions;
- The distribution of credit.

Article 27

The credit transactions effected by the Bank of Issue shall take the following form:

- in the short term, the rediscounting of commercial bills and the granting of advances against temporary deposits of Government paper made by banks;
- in the medium term, the rediscounting of bills constituting capital development credits extended in connexion with operations included in the economic and social development programmes adopted by the Republic of Dahomey and bills representing credits relating to transactions for the export of industrial products.

Article 28

The Republic of Dahomey may, if it deems fit, become a member of any international monetary body as a sovereign and independent State.

Article 29

Pending the entry into force of the agreement provided for in article 20, no change shall be made in the existing monetary relations between the French Republic and the Republic of Dahomey or in the existing monetary system.

TITLE V

MISCELLANEOUS PROVISIONS

Article 30

The Republic of Dahomey or its public corporations shall have access to the French capital market. Accordingly, they may, within the framework of the laws and regulations in force, take out loans on the capital market or from French credit institutions. They may also, subject to the applicable exchange regulations, take out loans in third countries and from international finance agencies.

Article 31

In the case of operations included in the economic and social development programmes adopted by the Republic of Dahomey, medium-term rediscounting may be supplemented by non-monetary assistance from French specialized institutions, where such assistance cannot be provided by Dahomean institutions.

Article 32

In the event that the Republic of Dahomey should establish a national development bank, the French Republic declares its willingness to assist the said bank, under conditions to be determined by special agreement.

Article 33

Modification of the statutes of public and semi-public companies established in the territory of the Republic of Dahomey with the participation of the Caisse centrale de coopération économique shall be the subject of agreements concluded with that institution.

Article 34

At the highest level, the French Republic and the Republic of Dahomey shall consult together on questions relating to economic, monetary and financial policy and on development problems. Such consultation may extend to other States in the franc zone.

Article 35

The Republic of Dahomey shall be represented in the Monetary Committee of the franc zone. It shall, where necessary, participate in any other joint organizations of the States of the franc zone as well as in any economic and financial multilateral grouping.

Article 36

Relations between the French Treasury and the Dahomean Treasury shall continue to be governed by a special agreement.

Article 37

The French Republic and the Republic of Dahomey shall consult together with a view to finding a solution to the problem of the assumption of debts incurred by the territories of the former French West Africa to the Caisse centrale de coopération économique in connexion with the implementation of FIDES programmes.

Article 38

Any problems relating to State property which might arise between the French Republic and the Republic of Dahomey shall be settled by special agreement.

Article 39

This Agreement shall enter into force at the same time as the Treaty on co-operation signed on today's date. ¹

DONE at Paris, on 24 April 1961.

For the Government
of the French Republic:

[Signed]

M. DEBRÉ

For the Government
of the Republic of Dahomey:

[Signed]

HUBERT MAGA

¹ See p. 83 of this volume.