

CM/580(XXIII) Add.1

COUNCIL OF MINISTERS
Twenty-Third Ordinary Session
Mogascio, Somalia
June, 1974

PAN AFRICAN TELECOMMUNICATIONS FUND



1. In document CM/580 it was stated that the Coordinating Committee of the Pan African Telecommunications Network was organizing a meeting with the representatives of sources of finance. Therefore, the Ad Hoc Committee composed of the Coordinating Committee and representatives of France, Federal Republic of Germany, Canada, Sweden, UNDP, IBRD and the EEC met in Geneva on 9 and 10 May 1974. The terms of Reference of the Ad Hoc Committee are Annex III of document CM/580.

2. This addendum to document CM/580 now contains the Second Report of the Coordinating Committee (Annex I) Report of the Ad Hoc Committee (Annex II) and the Agenda of the Ad Hoc Committee (Annex III).

3. The report of the Coordinating Committee reiterates once again the availability of 75% of the Fund required for the Network. The Ad Hoc Committee affirms the need for financial and technical coordination and this is a most welcome improvement in the situation.

4. It is noted that further explorations are needed to secure funds for the less viable parts of the Network. It is in this respect that the creation of the Special Fund might constitute a solution to this problem. The Coordinating Committee in its future meetings and contacts is determined to pursue this vigorously.

5. In accordance with the communication from the International Telecommunications Union the amount required for financing those considered less viable is in the neighbourhood of US \$47 million. Those that fall in this category at the moment are attached to this addendum as Annex IV.

SECOND REPORT OF THE COORDINATING COMMITTEE
ON THE IMPLEMENTATION OF THE PAN-AFRICAN TELECOMMUNICATION NETWORK

In accordance with Resolution CM/Res.309(XXI) of the Council of Ministers adopted by the tenth Heads of State and Government of OAU (Addis Ababa, May 1973), the Coordinating Committee has the honour of submitting the following report:

At its last meeting, held at ITU Headquarters in Geneva on 10 and 11 April 1974, the Coordinating Committee for the implementation of the Pan-African Telecommunication Network decided:

- to convene on 9 and 10 May 1974 an Ad Hoc Committee with terms of reference laid down by the Coordinating Committee: "to recommend adequate machinery to ensure technical and financial coordination of the project under the best conditions"
- to meet on the same dates to examine the conclusions of the work of the Ad Hoc Committee and to prepare a report to the OAU on the evolution of the project.

The Ad Hoc Committee met on 9 and 10 May 1974 at ITU Headquarters, and at the end of its meeting prepared a report to the Coordinating Committee which after careful examination decided to adopt the report as shown in Annex.

The report clearly spells out that the technical coordination responsibility of the network would be entrusted to the ITU while the financial coordination responsibility would be that of the ADB and this irrespective of the source of financing. The Coordinating Committee believes that this is a major positive step forward towards the orderly and effective realization of the project.

As regards the availability of finance the inventory made by the ADB shows that so far 75% of the required funds are available. Now that the principal sources of capital have acknowledged the role of ADB in particular and that of the Coordinating Committee, the Committee is confident that the remaining funds will be available. With a view to continuing its responsibility of exploring all potential sources of financing, the Coordinating Committee has decided to reconvene the Consultative Committee in Geneva at the beginning of July 1974.

With regard to the creation of a Special Fund, the Coordinating Committee proposes, as stated in its first report, that this question remain open as the Fund could be a complementary source of finance especially for those sections of the project where the immediate viability is not evident.

Finally, the Coordinating Committee would like to note that its task would be greatly facilitated if the Governments concerned were able to supply it with the necessary information on their plans of execution as well as their intentions on the financing options they are considering. Such information would help the Coordinating Committee to advise the African countries on the best possible source of finance and enable it to carry out effective technical and financial coordination to ensure the speedy realization of this long-awaited network.

REPORT OF THE AD-HOC COMMITTEE
FOR THE IMPLEMENTATION OF THE PAN-AFRICAN TELECOMMUNICATION NETWORK

Geneva, 9-10 May 1974

At the last meeting of the Consultative Committee on 19-20 November 1973, organized by the African Development Bank, Organization of African Unity, International Telecommunication Union and Economic Commission for Africa, an Ad Hoc Committee was set up to examine a proposal designed to ensure the technical and financial coordination necessary for the implementation of the project.

The Consultative Committee decided that this Committee, consisting of the Coordinating Committee and the representatives of France, Federal Republic of Germany, Canada, Sweden, UNDP, IBERD and the EEC, would meet in due course and draw up a report for submission to the next meeting of the Consultative Committee.

The Coordinating Committee met in Geneva on 10 and 11 April 1974 and fixed the meeting for 9 and 10 May in Geneva, the terms of reference of the Ad Hoc Committee being to recommend adequate machinery to ensure the technical and financial coordination of the Pan-African project under the best conditions.

The Secretary-General of the ITU invited the Ad Hoc Committee to nominate a Chairman and a Rapporteur and presented a draft agenda.

Mr. MILLI, Secretary-General of the ITU, was unanimously appointed Chairman and Messrs Langer and Noreau (France) were appointed Rapporteurs.

The Ad Hoc Committee adopted the agenda with certain amendments (see Annex I). The Committee then examined the agenda item by item.

I. Definitions

The definitions to be given to the various bodies mentioned in the document or in the discussion were agreed.

II. Technical coordination

After a thorough exchange of views, the Committee recommended that the technical coordination be ensured by the ITU assisted by experts. It would have the following aspects :

- a) The ITU will ensure coordination in the field of technical assistance. In particular for Administrations who so desire; to the extent possible :
 - it will supply the expertise required for the successful implementation of the project;
 - it will advise the persons responsible during the various phases of execution of the project;
 - it will provide support in the field of regional coordination (frequencies, planning, interconnection of equipment, signalling);
 - it will assist in establishing accounting and international operational procedures in order to make the best possible use of the installations.
- b) Administrations may request the ITU to carry out supervisory missions, covering :
 - the preparation of invitations to tender
 - the analysis of tenders
 - the execution of the project.

Any supervision it might exercise over civil engineering work, factory tests, installation and tests of equipment, provisional and final acceptance will provide assurance to Administrations of the quality of the services rendered.

Finally, it will send to each country the recommendations it considers useful to ensure that equipment is maintained under the best possible conditions.

III. Financial coordination

Financial coordination will be ensured by the ADB assisted by experts. In this respect it could on the one hand act as a source of information and as a catalyst and on the other provide technical assistance on financial matters to recipient countries.

1) In its role of source of information and catalyst it will draw up periodically an inventory of direct bilateral and multilateral financing for the various sections of the Pan-African network and will explore sources of funding to meet countries' investment demands.

2) In the frame work of its assistance to recipient countries it may be consulted by those countries on the quality of financing proposed.

Similarly, it will make every effort to assist them with the invitations to tender, the receipt of proposals, the negotiation of contracts, with recourse if necessary to the experts or consultants of the African Development Bank.

It may act in liaison with the ITU and the technical coordination experts to give advice on the life of equipment and maintenance costs.

IV. Financing of less profitable arteries

The Committee considered that special efforts should be made to ensure the necessary homogeneity of the network. In addition, as economic development is closely linked with the installation of telecommunication equipment, the Committee considered that the ADB assisted by experts should study ways of orienting towards the less profitable sectors financing on favourable terms. Should viable networks be able to support less viable parts, co-financing formulae might be possible.

The technical assistance and staff training necessary for the network should be sought in association with the ITU assisted by experts.

V. Meeting of the Consultative Committee

The Ad Hoc Committee suggested that the Consultative Committee hold its next meeting as quickly as possible and hoped that it could be fixed for Tuesday 9 July, 1974.

The Committee decided to leave aside items 6 and 7 of the agenda.

IMPLEMENTATION OF THE PAN-AFRICAN TELECOMMUNICATION NETWORK

Geneva, 9-10 May 1974

MEETING OF THE AD HOC COMMITTEE SET UP
BY THE CONSULTATIVE COMMITTEE

1. Precise definitions of terms used :
Consultative Committee, Coordinating Committee, etc.
2. Technical coordination
3. Financial coordination
4. Financing of less profitable arteries
5. Meeting of the Consultative Committee
6. Plan of action
7. Any other business

LIST OF CIRCUITS FOR WHICH FINANCING MIGHT BE DIFFICULT
DUE TO LOW VIABILITY

Country	Routes	Cost (per US\$000)
1. <u>Somalia</u>	Chisimaio - Lamu	1.365
	Mogadishu - CT3	930
2. <u>Ethiopia</u>	Shashamene - Moyale	3.508
3. <u>Kenya</u>	Mombasa - Lamu	2.523
	Moyale - Isiolo	1.500
4. <u>Botswana</u>	Gaborone - Francistown	2.685
	Francistown - Zambia border	1.370
5. <u>Tchad</u>	Fort Lamy - Moondou Sahr	4.078
	Fort Lamy - CT3	260
6. <u>R.C.A.</u>	Bouar - Pacta	1.076
	Bossemembe - Paoua - junction Tchad Congo/Bangui	2.243
	Bangui - CT3	220
7. <u>Congo</u>	Brazzaville - Ouesso - Impfando - Jonction RCA	5.620
8. <u>Cameroon</u>	Yaounde - Ebolowa	1.392
9. <u>Niger</u>	Maradi - Kano (Nigeria border)	270
	Niamey - Dosso (Dahomey)	1.355
	Niamey - Upper Volta border	569
	Niamey - CT3	714
10. <u>Upper Volta</u>	Ouagadougou - Niger border	1.560
	Koupela - Sango - Togo border	598
	Boho - Sikasso (mali border)	424
	Ouagadougou - CT3	747
11. <u>Mali</u>	Bamako Kayes (Senegal border)	2.081
	Bamako - Sikasso (Upper Volta border)	1.605
	Bamako - Mopti (National route)	2.638
12. <u>Togo</u>	Lama Kara - Upper Volta border	962
13. <u>Mauritania</u>	Nouakchott - Rosso (Senegal border)	32
	Akjoujt - Afar - Choum	1.582
	Nouadhibou - Choum - F. Derik	3.294
T O T A L		47.201



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