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REPORT OF THE COMMITTEE OF 19 ON
ASSISTANCE TO THE FRONTLINE STATES



CM-1186

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REPORT OF THE COMMITTEE OF 19 ON
ASSISTANCE TO THE FRONTLINE STATES

The Committee of 19 on Assistance to Frontline States met on February 24 and 25 in Addis Ababa under the Chairmanship of H.E. Mr. De Medeiros Kodjo Victor, Inspector-General of the Ministry of Foreign Affairs and Cooperation of the Republic of Togo.

2. The Committee had the following documents to consider:

1. Report of visit to Arab Countries and to BADEA and ADB by the Mission of the Sub-Committee of the Committee of 19 on Financial and Material Assistance to Frontline States:

DOC CM/1186(XXXVIII)

2. Report of the Chairman of Committee of 19

PL/DEC/32(IV)73.82

3. In the absence of the Leader of the Mission to the Arab Countries, ADB and BADEA, H.E. General Mirghani Suliman Khalil, Ambassador of Sudan to Socialist Ethiopia, Mr. De Medeiros, a member of the Mission, introduced the Report.

4. He outlined the purpose of the mission and gave an account of the activities of the mission in the various capitals that they visited. He said they were warmly received by the countries and institutions they visited. The receiving countries and institutions,

he said, also showed considerable sympathy and understanding for the problems confronting the Frontline States. He requested the Frontline States to endeavour to submit their priority projects to the countries and institutions visited because those countries and institutions made it clear that assistance could only be offered on the basis of specific projects. The Chairman pointed out that while the Committee was trying to secure financial and material assistance to the Frontline States, Member States of the OAU should also endeavour to offer assistance in accordance with the pledge they have made for the total liberation of Africa.

5. The discussion that ensued consisted mainly of commendation for the Sub-Committee for the work of the mission. On the question of projects, the Frontline States informed the Committee that they had already submitted their projects to those countries and institutions. There was therefore no need to resubmit them. The Committee subsequently adopted the Report without amendments.

Report of the Chairman of the Committee of 19

6. This Report was also introduced by Mr. De Medeiros, who gave an account of the activities of the Committee since its inception. Certain developments which he said had taken place in the last few years had prompted the Chairman of the Committee of 19 to make the proposal which was before the Committee. The Committee was therefore free to decide on how best the mandate of the Committee could be reviewed, so that it could more effectively pursue its objectives.

7. Almost all the delegations that intervened warmly commended the Committee and its Chairman in particular for the work it had done. Most delegations felt that in view of the extensive missions conducted by the Committee, enough sensitization of the international community to the plight of Frontline States had been done. Most delegations felt that the creation of the SADCC by the Southern African States would seem to make the activities of the Committee of 19 an unnecessary duplication of efforts. It was also felt that the successful implementation of the Arusha Plan of Action on Namibia would make the activities of the Committee superfluous.

8. In the light of these views expressed generally and in particular by the Frontline States, it was the consensus that the Committee of 19 had accomplished the task assigned to it. Consequently, the Committee recommended that since the Committee of 19 had successfully accomplished its task, its mandate should be terminated.

COUNCIL OF MINISTERS

THIRTY EIGHTH ORDINARY SESSION

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CM/1186(XXXVIII) Annex

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REPORT OF VISIT TO ARAB COUNTRIES AND TO BADEA AND ADB BY
THE MISSION OF THE SUB-COMMITTEE OF THE COMMITTEE OF 19 ON
FINANCIAL AND MATERIAL ASSISTANCE TO FRONTLINE STATES

REPORT OF VISIT TO ARAB COUNTRIES AND TO BADEA AND ADB BY
THE MISSION OF THE SUB COMMITTEE OF THE COMMITTEE OF 19 ON FINANCIAL AND
MATERIAL ASSISTANCE TO FRONTLINE STATES

(6 January 1982 - 26 January 1982)

1. By its Resolution CM/637(XXXI) adopted in Khartoum in 1978, the Council of Ministers mandated the Committee of 19 on Assistance to Frontline States to "..... find ways and means to obtain from foreign source a concrete financial and material assistance and to undertake missions for that purpose" The resolution further authorised the holding of consultations with the Frontline States, (BADEA) and the African Development Bank (ADB) and other project financing agencies of the Arab World "..... so as to quickly finish the preparation of the projects which have already been the object of bilateral agreement".

2. In the implementation of this mandate the Committee of 19 during its Fifth Session in Lome in June 1980 established two Sub-Committees at Ministerial level, one on the financial and material aspects and the other on the supply of oil to the Frontline States. The Sub-Committees on financial and material assistance was composed of Togo (Chairman), Sudan (Rapporteur) and Nigeria (Member). The appointment of the two sub-committee was endorsed by the Council of Ministers at its Thirty Fifth Session held in Freetown in June 1980.

3. The Sub-Committee of 19 on Financial and Material Assistance to the Frontline States met at expert level in Addis Ababa from 17-19 September 1980 under the Chairmanship of H.E. Mr. De Medeiros Kodjo Victor, Inspector General, Ministry of Foreign Affairs of Togo and drew up its work programme. The Sub-Committee established some groups to carry out the various programmes of visits Group III was to visit Qatar, United Arab Emirates, Iraq, Saudi Arabia, Kuwait as well as BADEA and ADB to seek financial and technical assistance and the rapid implementation of development projects already approved. The composition of the Delegation was as follows:-

Sudan - Chairman
Togo
Nigeria
Frontline States (Botswana - Coordinator)
Secretariat.

4. It was decided that the missions should begin by the 15 October 1980 and end not later than 15 December 1980. As it turned out however these dates could not be met by the mission to the Arab Countries due to the political situation prevailing in the area. Throughout 1981 the Chairman and the Secretariat spared no effort in trying to arrange a satisfactory itinerary for the mission but unfortunately to no avail. Finally a breakthrough was made towards the end of 1981 when positive replies were received by some of the Countries to be visited and it was decided to undertake the mission in January 1982.

5. Due to other commitments, Botswana which was to act as the Coordinator of the Frontline States could not participate in the Mission and did not provide the necessary documents. Due to other previous commitments the Ministers of the respective countries were represented by their Ambassadors at plenipotentiaries level. The delegation that undertook the Mission was composed of as follows:-

1. H.E. General Mr. Mirghani Suliman Khalil - Ambassador of Sudan in Socialist Ethiopia.
2. H.E. Mr. De Medeiros Kodjo Victor - Inspector General, Ministry of Foreign Affairs - Togo.
3. H.E. Mr. Kalenga Kangwa - Ambassador for International Cooperation, Ministry of Foreign Affairs - Zambia.
4. H.E. Mr. Miguel Neto - Ambassador of Angola to Nigeria.
5. Mr. Domingos J.A. Silva - Third Secretary, Embassy of Angola, Lagos.
6. Mr. Frank X. Njenga - Director, Political Department - OAU.

ACCOUNT OF VISIT TO RESPECTIVE COUNTRIES AND INSTITUTIONS

6. The delegation carried out its mission from 6 January 1982 to 26 January 1982 and visited Abu Dhabi, United Arab Emirates, Qatar, Kuwait, BADEA (Khartoum) and ADB (Abidjan). Despite all efforts exerted by the

Chairman and the Secretariat, the delegation was unable to receive a positive reply from Saudi Arabia authorities either before the commencement of the mission or during the visit to the other countries in the Arabian Gulf. In the circumstances it was unable to visit Saudi Arabia though it is hoped that such a visit may be possible in the future if a response was forthcoming. Despite a very cordial and fraternal response from Iraq, the delegation was unable to visit Baghdad, due to complicated air routing caused by the armed conflict with Iraq, and which raised major unforeseen financial complications to the delegation. The delegation communicated to the Iraq authorities this information through their Ambassador in Doha and its apologies, and made a promise to visit Iraq in the near future, together with the other two Gulf countries, Oman and Bahrein.

BRIEF ON THE PURPOSE OF THE MISSION TO RESPECTIVE COUNTRIES
AND INSTITUTIONS

7. During each visit the Chairman and the delegation briefed the respective officials on the background of the mission and the specific needs of the Frontline States and reiterated the following points:-

- (i) The OAU Mission of the Committee of 19 on Assistance to Frontline States in the Middle East, BADEA in Khartoum and ADB in Abidjan was undertaken in the spirit of Afro-Arab Cooperation.
- (ii) In accordance with OAU Resolutions CM/Res.577 (XXIX) and CM/Res.637 (XXXI) the Committee of 19 was mandated to "find ways and means of securing concrete financial and material assistance" from the Gulf States in particular and other extra-African sources in general and conduct missions to that end.
- (iii) The situation in Southern Africa is very critical. South Africa with the active support of Zionist Israeli and certain Western powers has intensified her aggression of the Frontline States with a view to destabilize the region in order to delay the independence of Namibia and perpetuate the diabolic rule of apartheid in South Africa.

- (iv) ~~The struggle against South Africa is no doubt a formidable one.~~
It is a struggle not only against South Africa but struggle against Zionism, racism, fascism and neo-colonialism. For sometime now the Frontline States have waged the struggle in Southern Africa in three dimensions:-
- (a) The political and diplomatic support accorded to liberation movements has displeased South Africa which has reacted by training dissidents to destabilise the internal political set up of the Frontline States.
 - (b) South Africa's intensified efforts to destabilize the entire region with the collusion of Israel and some Western power.
 - (c) The economic struggle has been a continuous process. The former colonial masters had tailored the economies of the Frontline States to South Africa which has kept most of the Frontline States at ransom. As a result South Africa is on a position to cut economic supply and the transit of goods. Furthermore it destroys infrastructure such as Railway lines, bridges, roads, schools, hospitals, towns, villages, etc. and above all murders innocent civil populations of the Frontline States.
- (v) There is real need to maintain the strength of the Frontline States politically, militarily and economically, so as to provide strong rear bases for the liberation movements. OAU Member States have endeavoured within their limited means to assist the Frontline States but their problem are so immense that there is need to seek assistance from friendly and freedom loving States. A number of other OAU Member States have assisted them on bilateral basis in one way or the other.
- (vi) Particular attention was focused on South Africa's illegal occupation of Southern Angola the destruction of life and property in that country and her aggressive designs to destabilize the entire region. The amount of destruction made in Angola runs into millions of dollars. Her development programmes have been halted because of South African invasion. She now needs financial and material support. In particular

she needs aid urgently:-

- To build and to reconstruct schools with at least 1000 places (for different school levels) with laboratories;
- To build and to reconstruct regional hospitals with at least 3000 beds with laboratories and different specialities;
- Reconstruction of roads, bridges particularly the recently destroyed Cunene Bridge and Railways;
- Means of transport (Trucks of 6/10 Ton);
- Reconstruction of the Luanda Oil Refinery;
- Project for the industrialization of natural gas;
- Energy projects (electrification of rural areas - build of dams (2);
- Construction of a Fishery Port in Luanda.

(vii) It is against this background that the OAU Mission visited the Gulf States to seek assistance for the Frontline States. The financial and material assistance required was summarised as follows:-

- (a) immediate financial and material assistance for reconstruction and rehabilitation of destroyed properties. The assistance can take the form of cash support as grants or soft loans.
- (b) finance the implementation of projects in which feasibility studies are completed and to spend up finalisation of projects already agreed upon bilateral or multilateral basis.

- (c) finance projects requiring feasibility studies and assist in granting them soft loan to implement the projects concerned.
- (d) support the efforts of Southern Africa independent States for economic independence against South Africa. In this regard, support and finance some of the projects identified by their new Organization called the Southern African Development Coordination Conference (SADCC).
- (e) In collaboration with the Frontline States concerned, to discuss and identify areas of economic cooperation in which the Gulf States can invest within the spirit of the Afro-Arab Cooperation.

THE MISSION TO ABU DHABI - (6-10 JANUARY, 1982)

8. The delegation received a very cordial and fraternal reception from the respective Government officials. Talks were held with the Director General of Economic and International Cooperation H.E. Mr. Khalifa Al Youssif who was accompanied by his Deputy Mr. Abdul Ridu Abdulla, Mr. Malid Youssif from African Dest and Mr. Hamud Zaabi. The Director General welcomed the delegation and after listening to detailed briefing of the mission assured the delegation that Abu Dhabi was ready to assist the Frontline States since she fully realised that both the Africans and the Arabs were facing a common struggle in their fight against South African racism and zionism. He therefore hoped the visit would lead to the strengthening of Afro-Arab Cooperation. On assistance, he promised that his Government would give positive reply as soon as specific requests were received, which would then be discussed within the Gulf Cooperation Council which grouped United Arab Emirates, Qatar, Kuwait, Bahrain, Saudi Arabia and Oman, and which would normally take harmonized position. The delegation expressed its appreciation for this promise and undertook to provide a comprehensive list of priority projects on the frontline states to the relevant authorities.

9. The delegation also held a meeting with the Director of Political Department H.E. Mr. Yaqub Alkindy whom it briefed on the nature of the mission.

He informed the delegation that the United Arab Emirates has always been keen to help the liberation struggle both economically and politically, and has been seriously concerned by the destruction caused by South Africa against the Frontline States. United Arab Emirates had given economic assistance to these States both bilaterally and through the Afro-Arab Cooperation Committee of 24, and through the various development funds including the Abu Dhabi Development Fund, and she will try to increase this assistance. He underscored the need for African and Arab States to pool their efforts against South African racist regime and zionists and in this context appreciated the good gesture of the mission to initiate contacts.

10. The delegation also held very constructive discussions with the Assistant General Manager (Operations) of Abu Dhabi Fund for Arab Economic Development Mr. Ibrahim Fayez, on the requirements of the Frontline States, particularly Angola, in the reconstruction of their social and economic infrastructure destroyed by South Africa. Emphasis was placed on the occupation of Southern Angola, the displacement of thousands of people leading to disruption of agriculture, destruction of schools, hospitals and bridges which was aimed at total destruction of the area. Destruction and sabotage was not restricted to the border area and the example of the bombing and partial of destruction of the refinery in Luanda was given. Help was urgently required to reconstruct these projects which the Frontline State were not in a position to do by themselves.

11. On his part the Assistant General Manager, while emphasizing the willingness of the Fund to help underscore the fact that the Fund was restricted by its Charter to economic projects and could not be involved in social projects. Its assistance could only be given on basis of concrete projects and it had been waiting in vain for project studies from some of the Frontline States. He gave an example of one frontline state which three years ago promised to send such studies giving her priorities and so far has failed to do so. As soon as such priorities were established, the Fund would be ready to assist and was even prepared to send a delegation to assist in the assessment of such priorities. The delegation expressed its appreciation to the Assistant General Manager and promised to do all it could to ensure that the priority projects of the Frontline States were received as soon as possible.

THE MISSION TO QATAR (11 JANUARY 1982 - 15 JANUARY 1982)

12. The delegation held a constructive and friendly meeting with the Director of Political Affairs of Qatar H.E. Mohamad Hamad Al Khalifa and briefed him in details about the nature and objectives of the OAU Mission to the Gulf States. On his part he assured the delegation of Qatar's full commitment to the support of the liberation struggle. He emphasized that the African States were facing the same struggle in fighting South Africa as the Arabs in fighting the zionist enemy. There was therefore an urgent need to harmonize the treatment of the Palestinian problem and that of racist South Africa. He promised to report fully to the Minister of State on the objectives of the mission and underscored the urgent necessity for increased cooperation between the Arabs and Africans.

13. The next meeting of the delegation was with the Minister of State H.E. Sheikh Ahmed bin Sief Al Thani. The Minister emphasized that his Government placed a lot of importance on Afro-Arab Cooperation and the common cause against apartheid and zionism. He undertook to report fully to the Government on the OAU missions; he was convinced that Qatar would extend all possible assistance to the Frontline States. He promised to convey the decision of the Government on the matter.

14. He also expressed concern at persistent attempts by Israel to resume diplomatic relations with some African countries such as Zaire. His Government viewed with utmost concern any such overtures which would seriously undermine the joint struggle and hoped the delegation would use its good offices to bring this grave matter to the attention of the Council of Ministers. The delegation undertook to report back to the Council of the views of the Government.

THE MISSION TO KUWAIT16 JANUARY 1982 - 18 JANUARY 82

15. Like in all the other countries visited by the delegation, the reception in Kuwait was very cordial and the outcome of the deliberations was satisfactory and positive. The delegation first visited the Kuwait Fund for Economic Development where it was received by the Deputy Director General for Operation and Finance, Mr. Bader Al Humaidhi and held very constructive discussions. After being briefed about the purpose and the background of the

Mission, the Deputy Director informed the delegation that the Kuwait Fund has been actively involved in developing countries particularly in the Frontline States. In this connection, he informed the delegation that the Fund was represented in both the Maputo and Salisbury pledging Conferences and it was the only agency in the latter meeting which has actually pledged funds at the Conference. These funds were already in the implementation process. The Kuwait Fund was involved in various economic and infrastructure projects in all the Frontline States except Zambia which has not yet approached the Fund for the financing of any project. The Fund would be prepared to be even more involved in assisting Frontline States but often there was a shortage of projects as well as management personnel in the countries concerned and this constituted an obstacle to the activities of the Fund. The Chairman informed the Deputy Director that the OAU Secretariat was going to compile all priority projects in the Frontline States in collaboration with those countries, which would be submitted to all the states visited.

16. The delegation also met the Under-Secretary of the Ministry of Foreign Affairs, H.E. Rashed Abdul Aziz El Rashed, and the Director of Economic Affairs H.E. Faisal Saleh Al-Muttawa. The Under-Secretary placed emphasis on the common problem faced by the Africans and the Arabs in fighting against racist and zionists and the need for unity and solidarity of the two peoples in defence of their rights. He expressed grave concern at the current efforts by Israel to break the diplomatic isolation by enticing some countries to re-establish diplomatic relations. In his view this would be the beginning of a major breach of existing solidarity, and would lead to a chain reaction. No coexistence was possible with either South Africa or Israel so long as they maintained present policies. Kuwait stood steadfastly to principles as clearly demonstrated by the fact that she has boycotted all links with South Africa for the past thirty five years even though she was aware that some African countries continue to do business with South Africa. The recent attack against Iraq nuclear installation created a very dangerous precedent which will no doubt be emulated by South Africa. This underscored the need for strengthening the solidarity between the African and Arab States. As for assistance, Kuwait has been giving generous assistance to African countries particularly the Frontline States as was, recently demonstrated during the SADCC meeting in Maputo. His Government would consider the request made by the delegation at its next Cabinet meeting.

17. On its part, the delegation thanked the Under-Secretary and promised to report to the Council the serious concern of the Kuwait about the divisive manoeuvres of Israel and attempt to re-establish diplomatic relations with some African countries. The same concern was raised during the discussion with the Director of Economic Department. It was obvious to the delegation that the Israel manoeuvres in Africa are of genuine concern to all the Arab States and the Council of Ministers should give close attention to the issue.

MISSION TO BADEA (KHARTOUM) 18 JANUARY - 21 JANUARY, 1982

18. On arrival at Khartoum Airport on 18th January, the delegation was met by the President of BADEA, Dr. Chedly Ayari. Shortly thereafter, the delegation proceeded to BADEA's Offices where they were officially welcomed and briefed by Dr. Ayari. The President outlined BADEA's active involvement in the Frontline States and emphasized that:

- (a) BADEA gives priority to the Frontline States;
- (b) Aid to these states has a high grant element;
- (c) Infrastructural projects - roads, ports, airports linking these states and reducing dependence on South Africa are given high priority.

19. The President informed the Delegation that Dr. Hassan Omer, Legal Counsel, would be chairing the meeting on his behalf during his absence on a pressing commitment that cannot be postponed.

20. On his part the Chairman of the OAU delegation thanked the President of BADEA for the cordial hospitality accorded to the delegation and expressed his apologies for the delay in arriving in Khartoum. He hoped this delay, which was beyond the control of the delegation had not caused undue inconvenience to the President.

21. Discussions continued on the following day under the Chairmanship of Dr. Hassan Omer. The BADEA delegation was composed as follows:-

1. Dr. Hassan Omer - Legal Counsel
2. Mr. Sadok Ben Mami - Director, Information Dept.

3. Mr. Tahar Majoul - Director, Operations (A.I.)
4. Dr. Ragaa A. Rassul - Deputy Director, Operations
Programming, Coordination and
Studies Division
5. Dr. Amoako-Mensah - Senior Expert
6. Mr. Faisal Magrabi - Information Officer
7. Mr. Farah Warsame - Senior Expert (Rapporteur)

22. After recalling the introductory statement by Dr. Ayari the night before Dr. Hassan Omer, introduced the working Note "BADEA Co-operation with the Frontline States" reproduced as Annex I to the Minutes. In the discussion that followed the following points were highlighted:

A. Ongoing Projects:

- (i) Total project to the seven Frontline countries amounted to US\$102.3 million representing 22.3% of total commitment for all recipient countries totalling US\$459.65 million;
- (ii) Out of a total of 13 ongoing projects, seven carry the highest possible contribution namely US\$10 million permitted by BADEA Rules and Regulations;
- (iii) In recognition of the special nature and needs of the Frontline States, seven out of the 13 ongoing projects in these countries are in infrastructural projects - roads, rail and airports - aimed at the opening of alternative outlets for these countries and the promotion of transport links. Significantly, total assistance in this sector represents 54% of the total of US\$102.35 million committed to date. The balance is committed to food production and the eradication of diseases such as Foot and Mouth disease that hinder meat production.

B. Projects in the Pipeline:

- (i) An active pipeline of projects in each of the seven countries indicate future commitments,

- (ii) The pipeline originates from the recipient countries themselves and other financing institutions and is continuously updated with the priorities indicated by the Governments,
- (iii) Some of the projects in the pipeline are approaching the final stage of processing, namely Appraisal and Board submission for final approval.

C. SAAFA Loans (Special Arab Aid Fund to Africa):

- (i) SAAFA loans (at 1 percent administrative charge, 30 years of repayment plus 10 years of grace) amounting to US\$75.34 million were extended to the seven Frontline States representing over 35% of the total dispensed under the scheme.
- (ii) SAAFA loans were earmarked as Emergency Aid to African countries and were initially administered by the Arab League. These loans have been incorporated into BADEA's capital and are now fully disbursed.

D. Regional Projects:

- (i) During the discussions the importance of regional projects promoted by the countries grouped under the Southern Africa Development Co-ordination Conference (SADCC) was emphasized. Projects submitted to the last two Conferences of this grouping - which is larger than but includes the Frontline States - were highlighted. In both Maputo (SADCC 2) and the Blantyre (SADCC 3) many infrastructural projects, particularly the transport and communications, food security plan and animal health projects were approved for submission to bilateral and multilateral potential donors. The OAU side, while acknowledging BADEA's efforts in the sectors identified within the framework of SADCC, urged more and speedier assistance in these fields.

E. Social Services Sector:

- (i) A member of the delegation informed the meeting about the destruction by South Africa of Schools, hospitals, roads and bridges - in fact all social and transport infrastructure

in the Southern provinces of his country. It emphasized the urgent need for replacing these lost services and rehabilitation of those damaged.

- (ii) In response to the question of Social Services Dr. Hassan Omer, extended BADEA's sympathy and recognized the need for assistance. He pointed out however, that to date BADEA's policy orientation has been towards economic projects with quantifiable economic return and that social services though vital have not been tackled. The OAU delegation expressed the hope that the policy of BADEA could be reviewed to take into consideration social infrastructural projects. He promised the meeting that he would convey the recommendations of the OAU delegation to the President of BADEA.

F. Technical Assistance:

The OAU Delegation stressed the importance of training and the provision of Technical Assistance, and urged BADEA to fund these programmes. Dr. Hassan Omer informed the delegation that, to date, BADEA's technical assistance has been project related, in the sense that some aspects of technical assistance which formed an integral part of a project have been finance by BADEA. However, BADEA intends to develop a Technical Assistance Programme which will enable it to finance some forms of technical assistance per se. BADEA would, therefore, welcome proposals or requests in this regard from Governments of Frontline States.

Concluding Remarks:

23. On the completion of discussion Dr. Hassan Omer thanked the delegation and expressed BADEA's appreciation for being approached to assist in the laudable objective of countering the pernicious effects of racist South Africa on the Frontline States. He undertook to brief the President of BADEA fully and urged the delegation and the OAU Secretariat to forward to BADEA the priority projects identified in the Frontline States.

24. Ambassador Mirghani Suliman expressed the delegation's appreciation for BADEA's warm reception and serious discussions. While acknowledging BADEA's assistance efforts thus far, he urged more and speedier assistance to the Frontline States giving the highest priority to their projects.

MISSION TO AFRICAN DEVELOPMENT BANK

25 JANUARY 1982 - 26 JANUARY 1982

25. The first meeting was held with Vice President of the Bank and delegation composed of:
- Mr. D. Bihute - Vice President
 - Mr. C. Kahangi - Director, Central Projects Unit
 - Mr. C. Mangua - Ag. Deputy Director, Country Programmes Department
 - Mr. O. Ogunjobi - Division Chief (Southern African Division) - Country Programmes
 - Mr. D. Twahirwa - Division Chief, Planning of Research Department.

The delegation outlined the objectives of the mission and the need for special consideration for Frontline States. The Vice President informed the delegation that their main concentration of activities was with SADCC but not as Frontline States. The delegation requested the delegation to give special priority and consideration to Frontline States.

26. The delegation learned that the ADB already gives attention through the Fund to social projects. The Bank had had extensive involvement in such projects in a number of the Frontline States as can be seen from the list of projects annexed to this report.
27. The Bank representatives expressed anxiety at the difficulty of communication with some of the Frontline States. They therefore requested assistance from the delegation to obtain a centralization of decision making in so far as it affects projects so as to overcome this problem.

28. The Bank representatives also informed the delegation that they have been particularly involved in the infrastructural projects designed to make these countries independent from South Africa. The OAU delegation raised the question of the involvement of the ADB in the reconstruction of the infrastructure destroyed by South African aggression. The representatives of the ADB stated that they were ready to assist in such reconstruction provided that security was guaranteed and it was reasonably safe to assume that such infrastructure would not be subsequently destroyed.
29. The representatives of ADB informed the delegation that while it was the policy of the Bank that they would not finance the local costs of the project, they however have a margin with respect to the Frontline States and in some cases they have financed some of the local costs. They also paid for cost of studies of the projects when such costs did not exceed \$500,000. If they were more, the Bank could pay for such studies but the amount would be incorporated in the loan.
30. In conclusion the Bank representatives informed the delegation that the Bank works on bilateral basis and could not initiate projects without the request of the Governments concerned. They also pointed out that while the Bank had a limit of \$10 million per project, they could lend a much higher amount in case of multinational or regional project. This is of particular importance to Frontline States in their effort to gain economic independence from South Africa.

RECOMMENDATIONS AND CONCLUSION OF THE OAU DELEGATION
TO THE GULF STATES AND BADEA AND ADB

31. After the conclusion of its mission the delegation wishes to make the following recommendations:-

- i) All Governments and institutions visited promised to help. However the assistance will be on bilateral basis than collectively. The major problem related to the delegation was the lack of concrete projects. The delegation therefore recommends that the countries concerned should prepare detailed studies of their priority projects as soon as possible. All the Governments and institutions concerned requested that well prepared projects coordinated by the Frontline States should be submitted to them as soon as possible.
- ii) The Frontline States concerned should endeavour to submit to the Secretariat not later than the end of April 1982 their priority projects to enable the Secretariat to submit them to the States and institutions concerned. This will enable the Committee to report on concrete commitments by these States and institutions to the Council of Ministers during the Thirty Ninth Session in July 1982.
- iii) The delegation recommends that there should be a further mission to Bahrain, Oman, Saudi Arabia which are members of the recently created Gulf Cooperation Council as well as Iraq as soon as contacts are established with them and mutually convenient time is agreed upon.
- iv) Serious concern was expressed by the Arab States visited about the intention of some African States to reestablish diplomatic relations with Israel since they saw the problem of Middle East and Southern Africa as one. The Arab and African States have to stand together to find a solution to both problems. They therefore requested the delegation to reflect this concern in the report and to draw the attention of the Council of Ministers to this problem.

BADEA CO-OPERATION WITH THE FRONTLINE
STATES VIZ ANGOLA, BOTSWANA, LESOTHO,
MOZAMBIQUE, TANZANIA, ZAMBIA, AND ZIMBABWE

I. INTRODUCTION:

BADEA Co-operation with the seven countries of Southern Africa, now grouped under the heading Frontline States, dates from the beginning of the operations of the Bank. Certain or other of these countries have always been under priority consideration by the Bank. The reasons for this state of affairs have been:-

- a) three of the seven countries namely Botswana, Lesotho and Tanzania are LDCs,
- b) four viz Botswana, Lesotho, Zambia and Zimbabwe are landlocked countries,
- c) the situation of the countries vis-a-vis South Africa puts on them political strains which have effect on their economic performance,

II. BADEA APPROVED LOANS:

In line with the foregoing, total Bank's approvals for the seven states to date involve 13 projects with a combined total commitment of US\$ 102,35 million. This figure represents 22.3% of a total commitment for all recipient countries of US\$ 459.656 million. The projects concerned are:-

<u>YEAR</u>	<u>COUNTRY</u>	<u>PROJECT</u>	<u>AMOUNT \$M</u>
1975	TANZANIA	National Maize	5.0
1976	ZAMBIA	Ndola Highway	10.0
1977	TANZANIA	Brick and Tiles	10.0
1978	LESOTHO	Maseru Airport	6.0
1978	BOTSWANA	Foot and Mouth Vaccine	2.2
1979	ANGOLA	Benguela Railway	10.0
1979	LESOTHO	Road	3.9
1980	BOTSWANA	Gaborone Airport	7.25
1980	MOZAMBIQUE	Saw Mill	10.0
1980	TANZANIA	Isaka Road	8.0
1981	ANGOLA	Fisheries	10.0
1981	ZAMBIA	Line of Credit	10.0
1981	ZIMBABWE	Nandi-Rupisi Road	10.0
			<u>102.35</u>

III. SAAFA LOANS:

Besides these direct interventions in the countries, Member States of the Frontline also benefited from the Special Arab Aid Fund for Africa (SAAFA). Until the scheme was discontinued in March, 1977, the share of the respective countries involved were as follows:-

<u>YEAR</u>	<u>COUNTRY</u>	<u>UNDER ARAB ADMINISTRATION</u>	<u>UNDER BADEA ADMINISTRATION</u>
1974	LESOTHO	US\$ 2.8 million	-
1974	TANZANIA	US\$ 14.2 million	-
1974	ZAMBIA	US\$ 12.7 million	-
1975	BOTSWANA	US\$ 5.4 million	-
1975	MOZAMBIQUE	US\$ 11.0 million	-
1976	MOZAMBIQUE	-	US\$ 26.0 million
1977	ANGOLA	-	US\$ 13.244 million
		<u>US\$ 36.1 million</u>	<u>US\$ 39,244 million</u>

Thus receipts under the scheme totalled US\$ 75.344 million which represent 35.2 per cent of the total dispensed under the scheme of US\$214.244 million. Including therefore the projects approved for the countries, total Bank's operations amount to US\$177.694. This represents over 26% of BADEA total operations in all recipient countries of US\$ 673.9 million (including SAAFA).

IV. PROJECTS UNDER ACTIVE CONSIDERATION:

Despite the impressive commitment of the Bank in the area, several of the countries are still under active consideration of the Bank for further project loans. The main one is Zimbabwe owing to the fact of its very recent independence status. This country has two projects which have already received preliminary approval and one expected to be approved finally during the first half of the year. They are:

Road Programme	US\$ 10.0 million
Melsetter Mill	US\$ 5.0 million

Another country under consideration is Botswana where a power project is expected to be approved by the 22nd Board of March, 1982.

V. PROJECTS IN THE PIPELINE:

Projects in the pipeline for the respective countries are as follows:

1. Angola:
 - a. Rehabilitation of Fisheries - Phase II
 - b. Expansion of Cambambe Dam

2. Botswana:

- a. Botswana Power I (Appraisal January, 1982)
- b. Botswana - Zambia Highway (Botzam Highway)
- c. Tsetse fly Eradication
- d. Rehabilitation of Railway Track (Francistown-Zimbabwe-85 Km)

3. Lesotho:

- a. Integrated Rural Development Project
- b. Rehabilitation of Railway Track and Supply of Rolling Stock
- c. Fourth Highway Project
- d. Maseru - Panafel Link-up

4. Mozambique:

- a. Port of Beira (Green-lighted)
- b. Rehabilitation of Railway Network in Southern Mozambique
- c. Phase II - Forest Industry (Phase I is the BADEA financed Saw and Particle Board Mills Project)
- d. Umrbeluzi Valley Irrigation Project

5. Tanzania:

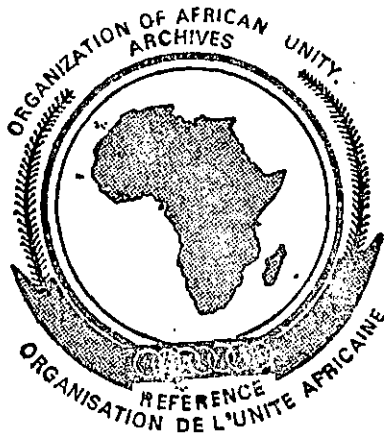
- a. Dar-es-Salaam Harbour (Expansion)
- b. Fourth Power Project
- c. Line of Credit for:
Either - Tanzania Investment Bank (T.I.B.)
or - Tanganyika Development Finance Limited (TDFL)

6. Zambia:

- a. Mpongwe Irrigation Project - Phase II (Phase I - Wheat and Soya Bean Project - EDF Financed)
- b. Wood-based panel Mill
- c. Rural Water Supply
- d. Rehabilitation of Copper production infrastructure
- e. Southern Province Integrated Agricultural Development Project
- f. Pulp and Paper Mill

7. Zimbabwe:

- a. First Highway Programme (Appraisal February, 1982)
- b. Melsetter Mill (Appraisal April/May, 1982)
- c. Chisumpanje Irrigation Scheme (Feasibility Study being financed by Kuwait Fund)
- d. Rural Development (Resettlement and Urbanization) Project
- e. Line of Credit - Development Bank of Zimbabwe
- f. Cold Storage and Multi-Purpose Abattoir Complex



COUNCIL OF MINISTERS

Thirty-Eighth Ordinary Session

22 February - 1 March, 1982.

Addis Ababa, Ethiopia.

CM/1186 (XXXVIII).

Appendix II

Summary Conclusions of Discussions between the OAU
Delegation (Sub-Committee of the Liberation Committee)
and the African Development Bank

SUMMARY CONCLUSIONS OF DISCUSSIONS
BETWEEN THE OAU DELEGATION
(SUB-COMMITTEE OF THE LIBERATION
COMMITTEE) AND THE ADB

The Meeting took place on January 25, 1982. The OAU delegation was led by H.E. Mirghani Ambassador of Sudan to Ethiopia and the Bank delegation was led by Mr. B. Bihute, Vice President (Operations).

PURPOSE OF THE MEETING

By a special resolution, the OAU Heads of States have called upon the African Development Bank Group and BADEA to respond to the development needs of the Frontline States (i.e. Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe). More specifically, the two institutions are called upon to play an explicit and unique role in helping these states in reconstructing their war torn infrastructure as a result of continuing aggression from South Africa and to make them independent of the latter particularly in the field of transport and communications. In response to the resolution, the OAU delegation decided to visit the Bank, first, in order to communicate the decision of the Heads of States and, second, in order to conduct preliminary discussions with the Management of the Bank on the role the Bank has played and is likely to play in this regard. A similar mission has already been undertaken with respect to BADEA.

THE AFRICAN DEVELOPMENT BANK GROUP

Established in 1963, the African Development Bank's objective is to contribute to the economic development and social progress of its members individually and jointly. It seeks to provide financing for development projects and programmes, giving priority to those that would benefit more than one member country and further intra-African trade and economic integration of the region. The Bank, which has a membership of 50 independent African countries has the unique role to play in promoting regional integration. The African Development Fund, the second organ of the Bank Group, was established in 1972 with a view to assisting the Bank in making an effective contribution to the economic and social development of the member countries of the Bank. The Fund provides concessional financial resources and acts as the principal channel through which non-regional countries work in close cooperation with African States. The membership of the Fund consists of 24 non-regional countries in addition to the Bank which represents all the 50 of its own members.

The third organ of the Bank Group is the Nigeria Trust Fund (NTF) which was established in 1976 in expression of solidarity and the desire of the Government of the Federal Republic of Nigeria to strengthen economic cooperation and to promote self-help among African States.

In responding to the continuing development requirements of the African countries in the 1980s, the Bank Group has embarked on various steps to increase its global resources. The Bank, which in May 1981 increased its capital stock by US\$1.12 billion, has also undertaken to look for suitable means of inviting non-regional participation in its capital stock. The Fund, on the other hand, is considering to increase its resources by about US\$ 1.8 billion to cover its lending activities during 1982-84. The Government of Nigeria has replenished the resources of the NTF by another US\$ 90 million.

The resource mobilization drive of the Bank Group has taken into consideration the development requirements of its members. It has also paid particular attention to the provisions of the Lagos Plan of Action and sub-regional development efforts such as the Southern African Development Coordination Conference (SADCC) which embraces the six Frontline States and with which the Bank Group has been very closely associated.

The Bank Group's intervention in the development efforts of the Frontline States has, thus far, been on a bilateral basis although some of the projects in question (see below) had definite intergration effects. The Bank Group will, therefore, have to be guided by the States themselves in as far as common priority areas are concerned. The OAU delegation undertook to obtain such guidance on return to Addis Ababa. In any case, projects expected to come out of SADCC will be to this effect.

The share of the Bank Group's contribution in an average loan has been about 25% in recent years. The catalytic role which the Bank Group plays in mobilizing resources will be very crucial as far as SADCC projects are concerned. Arab States and agencies, which the OAU delegation also visited before coming to Abidjan, expressed interest in collaborating with the Bank Group in this regard.

BANK GROUP OPERATIONS IN FRONTLINE STATES UP TO DECEMBER 1981

Operations on Infrastructures to lessen Dependence on South Africa

The Bank Group has financed studies and projects in transport and telecommunications sector whose ultimate objective has been to lessen or reduce the dependence of member states on South Africa's transport and telecommunications systems.

To this end the Bank has financed Airport Study and construction of a new International Airport has provided three loans for telecommunications development in Botswana. Loans have been given for telecommunications network and improvement of Railways in Zambia.

Operations for Self-Sufficiency in Food Production and Reduction in Food Imports from South Africa

Bank Group operations in this area are meant to make member states self-sufficient in food production and reduce dependence on food imports from South Africa. To this end, loans

have been given for projects that increase food production and engage local farmers in gainful employment.

Loans have been granted for arable lands development programme in Botswana; Lioma agricultural development, Zambezi valley Rural Development and Inhassume-Ramalhusa Agricultural Development in Mozambique; Dakawa rice and Zanzibar rice development and Kapuga/Madibira rice study in Tanzania; and large scale commercial farming, western province agricultural development and Nakambala Smallholders Sugar in Zambia.

Operations to Increase Exports

The Bank Group was involved in operations that were aimed at increasing exports which would earn needed foreign exchange for development activities in the member countries. Such projects include Tea Rehabilitation and Citrus Development in Mozambique.

Operations For Social Infrastructure

Aware of the need for social facilities whose absence leads to emigration to South Africa, the Bank has financed projects in health, education and public sanitation. Projects financed to-date are:

Botswana: Training of health personnel

Construction of a teacher training college and water studies.

- Mozambique: Water supply to Maputo
- Tanzania: Technical and Vocational training, water supply and drainage in Dodoma, and Shinyanga-Lindi water supply.
- Zambia: Water supply in Ndola and Water supply and sewerage in five regional centres.

Operations for Rebuilding Destroyed Infrastructures

The Bank Group extended one loan for the construction and equipping of Beira/Maputo Telecommunications link that was destroyed during the Rhodesia war of liberation.

Operations in Road Projects

The Bank Group has undertaken construction of several roads with aim of improving communications inside member states for their internal integration and unity. These projects include:

- Botswana: Lobatse-Kaya Road
- Mozambique: Nampevo-Alto Molome Road
Alto Molome Rio Lighona Road
- Tanzania: Teñ Bridges
Rusumo-Lusahanga Road
Mingoyo-Masasi Road

BANK GROUP 1982 LENDING PROGRAMME FOR THE FRONTLINE STATES

The Bank Group intends to consider financing the following projects in Frontline States during 1982.

- Botswana:
1. Morupule Thermal Power Station
 2. New Francistown Hospital
- Mozambique:
1. Telecommunications II
 2. Pequenos Libombos Dam
 3. Foot and Mouth Disease Control
 4. Rural Water Supply
- Tanzania:
1. Mbeya Airport
 2. Zanzibar/Pemba Power
 3. Smallholder Rice Development
 4. Morogoro Irrigated Rice Study
 5. Rural Electrification
 6. Education II
- Zambia:
1. Line of Credit
 2. Education
- Angola:
1. Education-Technical Teachers Training
 2. Rural Electrification
 3. Fisheries
 4. Road Study
- Zimbabwe:
1. Primary Rural Health Clinics
 2. Rural Water Supply
 3. Melsetter Mill
 4. Rural Primary Schools
 5. Chinyika Rural Development
 6. Fuelwood.

26th January 1982.

BANK GROUP OPERATIONS IN THE FRONTLINE STATES

<u>Title of Project</u>	<u>BOTSWANA</u>	<u>Loan Amount (in Million)</u>
A. <u>ADB</u>		
1. Telecommunications I		2.20
2. Sebele Airport Study		0.65
3. Gaborone International Airport		8.00
4. Telecommunications II		10.00
5. Telecommunications III		10.00
6. Arable Lands Development Programme		7.20
	Total	<u>38.05</u>
B. <u>ADF</u>		
1. Northeastern Water Study		0.35 (in Million FUA)
2. Training of Health Personnel		4.50
3. Lobatse-Kanye Road		5.00
4. Secondary Teacher Training College		8.00
5. Arable Lands Development Programme		6.70
	Total	<u>24.55</u>

(A) MOZAMBIQUE

ADB

(in million UA)

1.	Tea Rehabilitation I	5.00
2.	Lioma Agricultural Development	8.00
3.	Tea Rehabilitation II	10.00
4.	Maputo Water Supply	10.00
5.	Zambezi Valley Rural Development	7.50
		<u>40.50</u>

ADF

(in million FUA)

1.	Nampevo-Alto Molocoe Road	3.00
2.	Pequesnos Labombes Study	0.50
3.	Alto Molocoe-Rio Lighthouse Road	3.00
4.	Lioma Agricultural Development	8.00
5.	Zambezi Valley Rural Development	8.00
6.	Citrus Development	8.90
7.	Inhassume-Remalhosa Agricultural Development	8.00
		<u>49.40</u>

IBT

(in million UA)

1.	Maputo Beira Telecommunication	1.9
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TANZANIA

III

<u>Title of Project</u>	<u>Loan Amount (in Million UA)</u>
A. <u>ADF</u>	
1. Oil Pipeline and Tankage Facilities	3.00
2. Line of Credit I to TIB	1.50
3. Mingoyo-Masasi Road	4.00
4. Line of Credit II to TIB	3.00
5. Kidatu/Mufinda Power Transmission	8.00
6. Dodoma Water Sewerage and Drainage I	7.00
7. Dodoma Water Sewerage and Drainage II	10.00
8. Dakawa Rice (Revised)	4.50
9. Line of Credit III to TIB	5.00
	<u>46.00</u>
B. <u>ADF</u>	(in million FUA)
1. Ten Bridges I	5.00
2. Shinyanga-Lindi Water Supply	5.06
3. Rusumo-Lusahanga Road	8.00
4. Dakawa Rice	5.20
5. Dakawa Rice (Supplementary Loan)	3.40
6. Technical and Vocational Training	7.00
7. Ten Bridges II	8.00
8. Zanzibar Rainfed Rice Dev.	8.00
	<u>49.60</u>

C. NTF

- | | | | |
|----|---|------|-----------------|
| 1. | Kapunga/Madibira Rice Engineering Study | 1.20 | (in million UA) |
|----|---|------|-----------------|

IV

ZAMBIA

A. ADB

(in million UA)

- | | | |
|-------|---|-------|
| 1. | Large Scale Commercial Farming | 0.80 |
| 2. | DBZ Line of Credit I | 1.80 |
| 3. | Telecommunication Network | 4.20 |
| 4. | Kapiri Glass Factory expansion | 4.80 |
| 5. | Rehabilitation of Maamba Collieries | 5.00 |
| 6. | Zambia Railways | 8.00 |
| 7. | DBZ Line of Credit II | 8.00 |
| 8. | Western Province Agricultural Development | 4.00 |
| 9. | Ndola Water Supply | 8.00 |
| Total | | 44.60 |

B. ADF

(in million FUA)

- | | | |
|-------|--|-------|
| 1. | Water Supply and Sewerage in Five Regional Centres | 8.00 |
| 2. | Nakambala Small holder Sugar Project | 8.00 |
| 3. | Western Province Agricultural Development | 8.00 |
| 4. | Ndola Sewerage | 8.00 |
| Total | | 32.00 |

SummaryA. ADB

	Country	No. of Projects	Total Amount (in million UA)
I	Botswana	6	38.05
II	Mozambique	5	40.05
III	Tanzania	9	46.00
IV	Zambia	9	44.06
	Total	<u>29</u>	<u>169.15</u>

B. ADF

I	Botswana	5	24.55
II	Mozambique	7	49.04
III	Tanzania	8	49.06
IV	Zambia	4	32.00
	Total	<u>24</u>	<u>155.55</u>

C. NTE

I	Mozambique	1	1.90
II	Tanzania	1	1.20
		<u>2</u>	<u>3.10</u>

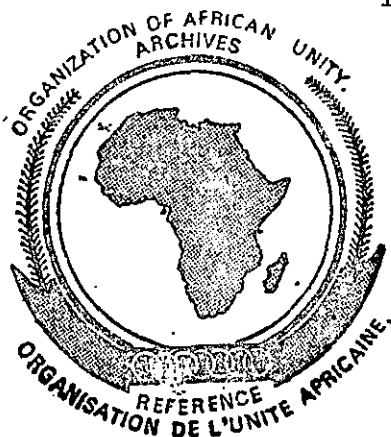
A. BANK GROUP COMMITMENT TO FRONTLINE STATES1977 - 1981

<u>COUNTRY</u>	<u>AMOUNT</u> (in UA million)
*Angola	24.0
Botswana	48.34
Mozambique	80.33
Tanzania	75.57
Zambia	67.03
*Zimbabwe	24.0
Total	<u>319.27</u>

* Allocation

B. BANK GROUP 1982 LENDING PROGRAMME

<u>COUNTRY</u>	<u>Allocation</u> (UA million)	<u>(FUA million)</u>
Angola	10.0	18.0
Botswana	10.0	8.0
Mozambique	12.3	21.0
Tanzania	18.0	24.0
Zambia	10.0	8.0
Zimbabwe	10.0	24.0
Total	<u>70.3</u>	<u>103.0</u>



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