



**ORGANIZATION OF
AFRICAN UNITY**

Secretariat
P. O. Box 3243

منظمة الوحدة الافريقية
السكرتاريه
ص. ب. ٣٢٤٣

**ORGANISATION DE L'UNITE
AFRICAIN**

Secretariat
B. P. 3243

Addis Ababa / اديس ابابا

COUNCIL OF MINISTERS
TWENTY SIXTH ORDINARY SESSION
ADDIS ABABA, FEBRUARY, 1976.

CM/713/Rev.2(XXVI)

REPORT OF THE COMMITTEE OF TWELVE



1. The Committee of Twelve held two meetings: on 23 and 26 February 1976 to consider the report of the sub-committee of Ambassadors of the Committee of Twelve and adopted its own report.
2. During the sub-committee's meeting of 19 December 1975, the Secretary-General informed the sub-committee of the action he had undertaken since the Kampala Summit.
3. In application of Resolution AHG/Res.73(XII) adopted by the Twelfth Ordinary Session of the Assembly of Heads of State and Government of the Organization of African Unity, held in Kampala from 28 July to 1st August, 1975, the Secretary-General, undertaking to implement its recommendations:

Communicated to Member States for their consideration, two copies of the Draft Declaration and Programme of Action on Afro-Arab co-operation under cover of Note Verbale No. CAB/GM/70/11/32 dated 21 August 1975. After their consideration of the document, Member States were expected to forward their comments within two months, however, these comments did not reach the Secretariat within the prescribed time-limit. Through Note Verbale under Ref. Cab/GM/70/11/86 of 22 December 1975, the Secretary-General sent a reminder to his note CAB/GM/70/11/32 of 21 August 1975 in order to obtain, before 24 December 1975, the comments of Member States of the draft submitted for their consideration.

The following countries replied: Tanzania, Gambia, People's Republic of Benin, Democratic Republic of Sudan, United Republic of Cameroon, Morocco, Senegal, Libya, Egypt and Burundi.

4. During the same meeting, the Committee asked the Secretary-General to collect information on:
 - a. The use of the Emergency Fund of 200 million dollars by both the Arab League and ADB.
 - b. The situation regarding the second installment pledged amounting to 200 million US dollars.
 - c. The contributions pledged by the African oil-producing countries following the committee's missions to the Congo, Gabon and Nigeria.
 - d. The point reached in the negotiations between the two secretariats of the OAU and the Arab League on the manner of payment of funds allotted to States in order to avoid any misunderstanding on either side.

5. The Committee took note of the proposal formulated by the Arab-League for the joint meeting of Ministers of the OAU and the Arab League on 20 March in Egypt.

6. The Secretary-General informed the Members of the Sub-Committee of Ambassadors of the interest shown by the Republic of Senegal in the developments which were to lead to the Afro-Arab Summit and said that Senegal was willing to host the joint ministerial meeting after March, if asked to do so.

7. During its meeting of 17 February 1976, the Sub-Committee examined points A - B - C - D of paragraph 4 above on the basis of the information supplied by the Secretary-General, as well as an additional point E relating to the joint ministerial meeting.

8. Point A: Use of the Emergency Fund of 200 million dollars by the Arab League and the ADB:
 - (a) the attached table obtained from the Arab-League, provides information on the distribution of the Emergency Fund.
 - (b) this table includes the portion administered by the African Development Bank, with the following details:

Out of the 20 million US dollars donated by Algeria, 14.45 million US dollars was allocated as follows:

Cameroon	2,850,000
Ghana	4,400,000
Guinea	800,000
Guinea-Bissa	1,000,000
Niger	2,700,000
Upper Volta	2,700,000
	<u>14,450,000</u>
	=====

(c) The representative of the Arab League informed the Committee that out of the 200 million expected, 176,600,000 had been subscribed because of the Arab League decision to exclude non-oil producing African States belonging to the Arab League from benefiting from the Fund.

The Committee further expressed the hope that the balance, including the 5.55 million remaining with the ADB would be paid and allocated in accordance with the criteria laid down in Dar-es-Salaam with due regard to the accession to independence by other African countries.

The Committee further expressed the hope that in future, non-oil-producing African countries belonging to the Arab-League would be included in the list of African countries benefiting from the Fund.

9 Point B: The Position of the Second Instalment Pledged amounting to 200 million dollars

The Secretary-General indicated that according to information received from the Arab League, only 70 million dollars were available. The Secretary-General told the Committee that he had asked the Secretary-General of the Arab League not to distribute this fund, even in part, since the OAU had to work out new criteria for the allocation.

10. Point C: Contributions from African Oil-Producing States

According to information received from the ADB, African Oil-producing countries had not yet paid their contributions to the Emergency Fund.

The Secretary-General sent Notes Verbales to the Embassies of Nigeria and Gabon in Addis Ababa as well as a letter to the Minister for Foreign Affairs of Congo requesting information on this matter. It would be appreciated if this information could be provided during this meeting.

11. Some members of the Committee felt that further representation should be made to the countries which had already given assurances regarding the payments they proposed to make.

12. Point D:

The Sub-Committee strongly recommended that negotiations be held between the two Organizations in order to avoid, in future, all misunderstanding or decisions taken without consultation and to find procedures for the allotment of funds which would be acceptable to all the parties. It suggested, in this connexion, that a technical body composed of representatives of the OAU, the Arab League, ADB, and ABEDA be set up to assist in finding appropriate solutions.

13. The Committee requested the Secretary-General to take the necessary steps to convene the meeting of the Technical Committee to work out new criteria to serve as basis for the distribution of the new installment of the Emergency Fund. The recommendations of the Technical Committee composed of representatives of the ADB, ABEDA and ECA, should be submitted to the Committee of 12 for consideration.

14. Point E: Joint Ministerial Meeting

The Secretary-General informed the Committee of the official invitation from the Government of Senegal to host the Ministerial meeting in Dakar in March or April.

15. In view of the proposal by the Arab-League and Egypt to host the joint Ministerial meeting in Egypt, the Committee suggested to the representatives of Senegal and Egypt to hold consultations on the venue of the meeting with the OAU Secretary-General and the Arab-League.

SUMMARY OF USE OF EMERGENCY FUND

LEAGUE OF ARAB STATES
DEPARTMENT OF AFRICAN AFFAIRS

DATE: 6 FEBRUARY 1975

NO.	COUNTRIES	50% of loan	DATE OF SIGNATURE (1st instalment)	DATE OF SIGNATURE (2nd instalment)	REMARKS
1	Botswana	2,700,000	1/2/75	27/2/75	
2	Burundi	1,000,000	3/12/74	29/4/75	
3	Cameroon	2,850,000	ADB	19/2/75	
4	Ivory Coast	3,600,000	ADB	xxxx	
5	Benin	1,200,000	17/12/75	27/11/75	
6	Ethiopia	7,100,000	25/1/75	1/2/75	
7	Gambia	6,350,000	24/10/74	11/6/75	
8	Ghana	4,400,000	ADB	27/5/75	
9	Guinea	0,800,000	ADB	xxxx	
10	Guinea Bissau	0,250,000	2/12/74	ADB	
11	Equatorial Guinea	0,250,000	10/11/74	25/2/75	
12	Upper Volta	2,700,000	ADB	9/2/75	
13	Mauritius	1,350,000	15/2/75	18/3/75	
14	Kenya	1,800,000	23/1/75	11/2/75	
15	Lesotho	1,400,000	16/12/74	24/5/75	
16	Liberia	1,800,000	17/10/74	1/4/75	
17	Madagascar	2,400,000	18/11/74	11/9/75	

x Means that recipients have not yet received the second instalment

NO. =	COUNTRIES	50% of loan	DATE OF SIGNATURE (1st instalment)	DATE OF SIGNATURE 2nd instalment)	R E M A R K S
18	Malawi	3,750,000	14/11/74		Blocked
19	Mali	3,900,000	28/10/74	14/5/75	
20	Niger	2,700,000	ABD	30/1/75	
21	Uganda	5,650,000	13/10/74	20/1/75	
22	Rwanda	1,000,000	3/11/74	11/2/75	
23	Central African Republic	1,200,000	21/11/74	29/1/75	
24	Senegal	3,750,000	15/1/75	13/3/75	
25	Sierra Leone	1,800,000	7/12/74	12/2/75	
26	Swaziland	2,100,000	27/1/75	25/5/75	
27	Tanzania	7,100,000	17/10/74	15/2/75	
28	Chad	4,400,000	6/11/74	1/2/75	
29	Togo	0,900,000	ADB	xxxxxxx	
30	Zambia	6,350,000	28/12/74	20/3/75	
31	Zaire	6,200,000	8/6/75	8/6/75	

Mozambique	1 million \$	(8/11/75)
Angola	1 million	xxxxx
Sao Tomé e Príncipe	$\frac{1}{2}$ million	(31/8/75)
Comoro	$\frac{1}{2}$ million	(17/1/76)
Cape Verde	$\frac{1}{2}$ million	(18/11/75)



ORGANIZATION OF
AFRICAN UNITY
Secretariat
P. O. Box 3243

منظمة الوحدة الافريقية
السكرتاريه
ص. ب. ٣٢٤٣

Addis Ababa * اديس ابابا *

ORGANISATION DE L'UNITE
AFRICAINNE
Secretariat
B. P. 3243
CM/713 (XXVI)
Annex

Missions to African Oil-Producing Countries

DRAFT REPORT OF THE MISSION OF
THE COMMITTEE OF TWELVE TO NIGERIA
(APRIL 1975)

CM/713(XXVI)

Annex

No. 404/ASA/O/

29 April 1975

Mr. Vincent Efon
Minister for Foreign Affairs
of the United Republic of Cameroon
Yaounde

In my capacity of rapporteur of the delegation of the Committee of Twelve on afro-arab co-operation which visited Lagos during the current month of April 1975, I have the honour to forward herewith, the report of that Mission. A copy will be sent to the Chairman of the Committee of Twelve through the Ambassador of Tanzania in Addis Ababa.

I should be much obliged if you would communicate your, observations, remarks or proposals to the Chairman of the Committee so as to enable him to prepare a report as soon as possible.

Please accept, Your Excellency, the assurance of my highest consideration.

Ambassador Latyr Kamara

DRAFT REPORT OF THE MISSION OF
THE COMMITTEE OF TWELVE TO NIGERIA
(APRIL 1975)

This mission report completes the "Report on the Mission of the Committee of Seven to African Oil-producing countries", contained in the document entitled "REPORT OF THE COMMITTEE OF SEVEN", reference number CM/636/Rev.3(XXIV).

The Committee of Seven meeting in Dar-Es-Salaam on 15 and 16 August 1974, had decided to send a mission to Nigeria, Gabon and Congo with a view to the implementation of Resolution CM/Res.333(XXIII), and in particular its Provision 6, which stipulates:

"The Council of Ministers specifically requests all African oil-producing countries to contribute whatever they can to the solidarity fund".

It was found possible to send missions to Gabon and Congo in January 1975, whereas at the same date, the delegation which went to Lagos "was unable to have formal discussions with Nigerian senior officials due to circumstances beyond its control".

In order to accomplish this mission to the Government of Nigeria, a delegation from the Committee of Twelve, reconstituted during the Twenty-fourth Session of the Council of Ministers travelled to Lagos where it was received on 21 April 1975 by the Nigerian authorities concerned. This delegation was made up as follows:

Messrs. Vincent EFON, Foreign Affairs Minister of Cameroon, Chairman,
George MAGOMBE, Ambassador of Tanzania,
Latyr KAMARA, Ambassador of Senegal,
Yao TURKSON, Ambassador of Ghana,
Mrs Shirley GBUJAMA, Ambassador of Sierra Leone,
Mr Peter ONU, OAU Assistant Administrative Secretary-General.

It held discussions with the Nigerian Foreign Affairs Ministry lasting three hours with the following senior officials:

Messrs. Dr Okoi ARIKPO, Foreign Affairs Minister,
Aladji Settima Ali MONGONO, Minister for Power and Mines,
Professor Adebaye ADEDIJI, Minister for Trade.

The Finance Minister was unable to be present with his colleagues due to his absence from Lagos, but the latter informed us that he had taken part in drawing up the Nigerian position and was in complete agreement with them.

A. Statement on the purpose of the mission, by the Chairman of the Delegation.

The Chairman began by giving an account of the Committee of Seven and then of the Committee of Twelve, indicating the main lines of the procedure that had developed up to the present time:

- 1) On the occasion of the Eighth Extraordinary Session of the OAU Council of Ministers on the Middle East, on 19 November 1973, following the October war:
 - a. Expression by the Arab African countries of their satisfaction at the support extended by the African countries in general and their attitude with regard to the State of Israel.
 - b. Hope that this support would be maintained and expanded, including the breaking-off of all other relations with Israel.
 - c. Consideration of the impact of the new situation resulting from the break with Israel on the economies of certain African States.
 - d. Examination of ways and means to be employed with a view to alleviating as far as possible, the effects of the oil embargo on the African countries, particularly by:
 - guaranteeing regular supplies of crude oil to the African States, and
 - giving them the benefit of preferential prices.
 - e. Consideration of the necessity for effective Afro-Arab co-operation.
 - f. Creation of the Committee of Seven, which was to become the Committee of Twelve.
- 2) Following the Summit meeting of the Arab States in Algiers and subsequent meetings:

- a. Decisions by Arab oil-producing Countries on the **creation** of an Arab Loan Fund to Africa, an Arab fund for technical assistance and an Arab Bank for the economic development of Africa.
 - b. Consideration of the feasibility of likewise inducing African oil-producing countries to contribute to the Fund designed to extend loans to African States.
3. The OAU Assembly of Heads of State and Government, in Mogadishu in June 1974, decided to invite African States concerned to participate in setting-up the foregoing Fund.
4. Recapitulation of the missions effected in Gabon and Congo in January 1975 and their results.

These two countries confirmed their willingness to give practical effect to Resolution 333 of Mogadishu, as far as their resources permitted, but without indicating to the Committee's delegation either the amount or the form of their contribution.

In the course of discussions which were held during the audiences which the Heads of State of Gabon and Congo granted the delegation, the former indicated:

- that, their contribution could only be **symbolic since it was** voluntary and **subject** to review,
- that, in their opinion, the contribution, to be of significance, should be based on objective criteria - such as the **country's** overall production and be mandatory,
- that they, moreover, intended to propose the foregoing formula to their other Heads of State colleagues on the occasion of the forthcoming Summit.

Since those missions had taken place, it was noteworthy that Gabon had decided to transfer to the A.D.B. a sum of 150 million CFA. Frs as an initial contribution, without excluding other possible forms of contribution.

The Chairman referred to information received according to which Arab oil-producing countries were already supplying other Arab countries including African countries - who were Arab League members with oil preferential prices.

And he concluded by saying that the delegation of the Committee of Twelve would be grateful if the Nigerian Government would inform it of its intentions with regard to:

- a. its contribution to the Loan Fund, and
- b. how it proposed to help alleviate the burden of African countries constituted by the rise in oil prices.

In conclusion, he pointed out that, while the delegation would not presume to indicate to any member state what course it should pursue, it wished to draw attention to the fact that a positive response by Nigeria, as an important African oil-producing country, could only contribute to help make Arab countries more responsive and disposed to Afro-Arab co-operation.

In reply to the statement by the Chairman of the delegation the Nigerian Ministers took the floor in their turn to explain their country's position and to confirm its commitment. Their replies could be systematically summarized as follows:

B. Nigerian Replies

To begin with, the Nigerian position was defined: Nigeria's view was that Arab assistance should form the counterpart of the sacrifices made by OAU Member-States when, in solidarity with the Arab countries, they contributed their support, including the severing of all relations with Israel, thus renouncing any economic advantages.

African oil-producing States should, for their part also extend their assistance to countries affected by the present difficult economic situation, in the name of African solidarity.

Alluding to reports that Nigeria had enabled certain African countries to benefit from preferential prices, contrary to O.P.E.C. decisions, the Nigerian side gave the following information:

- It was true that Nigeria had already signed agreements with some countries, like Ghana, to whom oil was supplied at advantageous prices. No doubt there existed similar bilateral agreements, which had not been made public, between certain Arab countries;

- It was fact that the O.P.E.C. had fixed a basic oil price for all its members, based on the price of crude from Saudi Arabia. To this price there was also periodically added what were known as "premiums" in accordance with the quality of the oil of other producer-countries, oil transport costs, etc.....
- Nigeria was closer to the great consumer-countries such as Europe, and their oil was of better quality than that of Saudi Arabia. They were thus in a position to sell advantageously to African countries who could take delivery in Nigerian ports of oil at the basic O.P.E.C. price and unencumbered by "premiums". This worked out in their favour by a lowering of from approximately 3 to 4 US\$ on the selling price. And this operation took place without infringing the price scale fixed by O.P.E.C. Thus, certain African countries, by means of bilateral agreements, were able to purchase Nigerian oil at the well-head at 14 \$ instead of 18 \$.
- The Nigerian side went on to recapitulate the history of the assistance being extended to countries affected by the rise in oil prices.

Nigeria gave its consent to the scheme to set up a Fund financed by O.P.E.C. member countries even before the Sixth General Assembly meeting of the United Nations on Raw Materials and Development in April 1974.

Subsequently, however, at the Geneva meeting, the Arab countries decided not to follow up the scheme, preferring instead the framework of bilateral agreements with certain countries. The Nigerian delegation went to that meeting empowered by the Federal Government to contribute at least 20 million dollars to this O.P.E.C. fund.

Other problems contributed to prevent agreement being reached within O.P.E.C. For example: the NPB criteria as a basis for deciding on the quota to be paid by each Member State on the one hand, and the population figure to be adopted on the other were in turn rejected. The application of two criteria simultaneously and in a balanced way, was also rejected. These disagreements prevented the establishment

of the Fund, quite apart from the absence of compromise regarding the choice of a bank to manage the Fund: Arab banks, Latin American banks and the ADB were successively proposed to no avail.

In conclusion, the Nigerian side summed up the principles governing its attitudes and its proposals as follows:

- Nigeria agreed to the principle of assistance. In its opinion, such assistance should be free of all political implications. Nigeria therefore intended to do all it could for the benefit of African countries.
- On the subject of the proposals of the Presidents of Gabon and Congo regarding the adoption of criteria such as total oil production, population, and the NPB, Nigeria was prepared to examine them, if need be with the 2 States concerned.
- The Nigerian delegation would now be in a position to make proposals to the Government both with regard to the amount of the contribution and the forms of assistance. However, preferential prices could not help all African countries, and Nigeria hoped for an arrangement which would be to the advantage of all African countries.
- The following, for example, was a proposal which they were submitting in the form of two formulas:

1st Formula : To grant a contribution of X million dollars, to be paid to the ADB, which would administer it on bases drawn up by the Committee of Twelve.

2nd Formula: a. To pay only part of this as a Loan Fund to the ADB.
b. To pay into a separate ADB Fund the remaining portion, to be used for the purpose of technical assistance to African States. Managed jointly by OAU and ECA, this portion would serve to finance economic projects approved by those two bodies, and would not be used to adjust balance of payments or the operations.

- Implementation of either of these formulas would lead Nigeria to put an end to the present system of granting preferential prices to a few countries only.

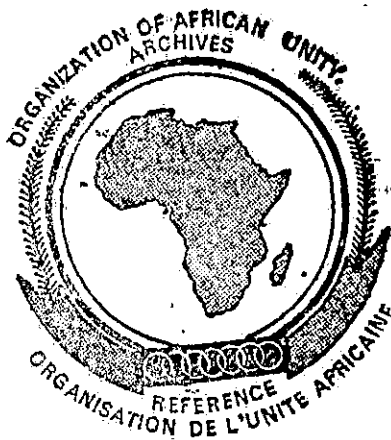
The delegation of the OAU Committee of Twelve stated that it was not in a position to give preference to either of the foregoing formulas for assistance. In its view, it was up to the Nigerian Government alone to make its selection, having regard to the terms of reference of the mission by the delegation of the Committee of Twelve.

When a member of the Committee delegation expressed his apprehensions at a possible renunciation by the Nigerian Government of the maintenance of preferential crude oil prices for the benefit of these countries currently enjoying them, the Committee delegation explained its position on this subject.

It deemed it had no authority to look into individual cases in this or that country, but only at the overall situation in all African countries. So that, in its view, a single solution for all African countries was desirable. However, Nigeria might, if it felt this was necessary, consider the eventuality of a simultaneous implementation of payment of the contribution to the Loan Fund and the maintenance of preferential prices to States on a bilateral basis.

It was recalled that certain Arab countries - especially Saudi Arabia - were currently engaged in supplying crude oil at a preferential price to certain African countries who were not members of the Arab League.

Latyr KAMARA
Ambassador of Senegal, Rapporteur.



AFRICAN UNION UNION AFRICAINE

African Union Common Repository

<http://archives.au.int>

Organs

Council of Ministers & Executive Council Collection

1976-02

Report of the Committee of Twelve

Organization of African Unity

Organization of African Unity

<https://archives.au.int/handle/123456789/9637>

Downloaded from African Union Common Repository