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Washington, D.C.

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Liaison files : Organization of African Unity - Correspondence 01



THE WORLD BANK  
Washington, D. C. 20433  
U.S.A.

A. W. CLAUSEN  
President

January 7, 1985

Dr. Peter U. Onu  
Secretary General a.i.  
Organisation of African Unity  
P.O. Box 3243  
ADDIS ABABA  
Ethiopia

Dear Sir,

I refer to your letter of December 11, 1984. We were very encouraged by the interest shown in the Bank's Sub-Saharan Africa Report by the African Heads of State during their recent Summit Meeting. We have carefully reviewed the Resolution adopted by the Summit which strongly supports the Bank's proposal to establish a Special Fund for Africa, and have noted its invitation to the World Bank to organize, as soon as possible, a donor meeting to discuss the nature and scope of the proposed Fund.

As indicated in the Bank's report, we believe that the extraordinary economic crisis now being faced by the Sub-Saharan African countries necessitates vigorous action programs from African Governments, coupled with timely financial and technical support from the donor community. We are heartened by the growing evidence that many African Governments are fully aware of their own responsibility to help relieve the crisis, even if it involves undertaking major policy reforms which may be politically difficult. It is, therefore, essential that the donor community should support these programs, increase its assistance, negotiate appropriate debt rescheduling agreements, and adjust its aid programs to the very special needs of countries suffering from major crisis.

For our part, we shall spare no effort to assist Africa; we have already increased considerably Africa's share of IDA lending. The creation of a Special Fund would, in our opinion, be one of the several measures necessary to support the overall effort.

January 7, 1985

In line with the approach recommended by African Heads of State, we have actively promoted the idea of a Special Fund and are pleased by the positive reaction of several donors to the need for a concerted and exceptional effort in favour of African countries. We are energetically pursuing these consultations, and are organizing a first donor meeting for end-January or early-February. We shall of course keep you informed of the outcome of these discussions, and the progress we are making in establishing the Fund.

Sincerely,

A handwritten signature consisting of a stylized capital 'A' with a horizontal line extending to the right.

A. W. Clausen

THE WORLD BANK

ROUTING SLIP

Date  
Dec. 28, 1984

OFFICE OF THE PRESIDENT

| Name      | Room No. |
|-----------|----------|
| Mr. Stern | E-1227   |
|           |          |
|           |          |
|           |          |
|           |          |

|  |                         |  |                      |
|--|-------------------------|--|----------------------|
|  | To Handle               |  | Note and File        |
|  | Appropriate Disposition |  | Prepare Reply        |
|  | Approval                |  | Per Our Conversation |
|  | Information             |  | Recommendation       |

Remarks

Would you please prepare a reply for  
Mr. Clausen's signature by January 7?

Roy Southworth

From





ADDIS ABABA - ETHIOPIA

Cables: OAU, ADDIS ABABA

P. O. Box 3243

Telephone 15 77 00

Reference EDECO/ASST/ECS (a) (b)

Date December 11, 1984.


Dear Mr. President,

A

I have the honour to bring to your attention the attached text of a Resolution adopted by the 20th Ordinary Session of the OAU Assembly of Heads of State and Government meeting in Addis Ababa, Ethiopia, between the 12 - 15 of November, 1984.

As you will see from the Resolution, the Assembly of African Heads of State and Government fully endorsed the initiative taken by the World Bank regarding the creation of a special fund for Africa in view of the worsening economic situation in the Continent. May I, in particular, draw your attention to the last operative paragraph of the Resolution, calling on the Secretary General of the Organisation of African Unity to report back to the next Session of the OAU Summit, scheduled for June, 1985, on the progress being made in the establishment of the proposed Fund. I would, in this connection, Mr. President, appreciate if the World Bank would let me have, in due course, any such progress.

While looking forward to your favourable response, please accept, Mr. President, the assurances of my highest esteem and regard.

  
Peter U. Onu (Dr.),  
Secretary General a.i.  
Organisation of African Unity.

Mr. A. W. Clausen,  
President,  
World Bank,  
1818 H Street, N.W.,  
Washington, D.C. 20433,  
U.S.A.

Encl.

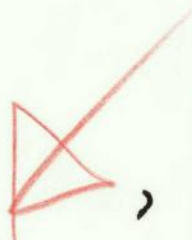
September 11, 1981

Tom:

The attached is correct as far as it goes. You should be aware that OAU's attempt to become an economic entity is sharply contested by the ECA -- the UN Economic Commission for Africa. In practice the OAU remains, and is likely to remain, a highly political and radical entity. Last year Munir wanted to establish very close relations with the OAU, and some of the things mentioned in para. 6 that we did not do he was only prevented from doing by quite strenuous efforts. I mention this both as background to the OAU comments on our Africa report but also to alert you that in case the OAU raises the issue of collaboration you should be very cautious on any specifics. We are always glad to exchange information and to discuss matters with other agencies but it would be a mistake to have any formal or systematic link with the OAU.

ES.  
Ernie

Attachment






## OFFICE MEMORANDUM

TO: Mr. A.W. Clausen

FROM: Munir P. Benjenk *MB*

SUBJECT: Visit of Edem Kodjo, OAU Secretary General

DATE: September 4, 1981

- 
1. I enclose a brief for your meeting with the Secretary General of the Organization of African Unity which has been set for 4.30 p.m. on September 14. The brief has been cleared with the East and West African Regional Departments of the Bank.
  2. We have proposed a preliminary meeting with Mr. Kodjo and his advisers with the Regional Vice Presidents before your scheduled meeting. This would provide an opportunity to clarify detailed technical matters relating to the Africa Report and to get some early soundings of the OAU reactions.
  3. Your meeting has begun to assume greater significance with the leaks of the Africa Report, particularly in an African magazine - Africa Now. In an article in that magazine it is alleged that "the Secretary General of the OAU is campaigning for African governments to ignore the Africa Report's recommendations." This might well be unfounded but our relations with Mr. Kodjo on the subject of the African Study have always been very sensitive.
  4. You will also note that Mr. McNamara had a meeting with Mr. Kodjo last September when very general assurances were given of the Bank's willingness to cooperate in the development efforts of the OAU for Africa.

Attachment

cc: Mr. Stern  
Mr. Wapenhans/Mr. Gue  
Mr. Knox

*OAU*  
*ECA*  
*AFD B.*

DRClarke:ls

OFFICE OF THE PRESIDENT  
1981 SEP -8 11 10 43  
RECEIVED



## OFFICE MEMORANDUM

DATE: September 4, 1981

Mr. A.W. Clausen

TO:

Munir P. Benjank

FROM:

Visit of Ehem Kodjo, OAU Secretary General

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Attachment

cc: Mr. Stern  
Mr. Wapenhans/Mr. Gue  
Mr. Knox

DRClarke:ls

OFFICE OF THE PRESIDENT

1981 SEP - 8 AM 10:43

RECEIVED

## BRIEF

### Mr. Clausen's Meeting with the Secretary General of the Organization of African Unity on Sept. 14, 1981

1. Mr. Edem Kodjo - a Togolese national - has been Secretary General of the Organization of African Unity (OAU) since August, 1978. A brief biographical note on Mr. Kodjo is at Appendix I. The Bank has invited the views of OAU on the African Report. Mr. Kodjo and three advisers are visiting the Bank on September 14. A meeting has been arranged with you at 4.30 p.m.

2. This note describes briefly:

- (a) OAU/World Bank relations to date;
- (b) OAU and the Report on Sub Saharan Africa; and
- (c) a few issues which you may wish to take up at the meeting.

#### OAU/World Bank Relations

3. The OAU is essentially a political organization (see Appendix II). As such, until 1980 the Bank had relatively little contact with this body. The Bank's relations with the OAU, however, began to assume some significance with the shift in the focus of the organization to the economic development problem of Africa. The crucial turning point in the OAU was a series of Ministerial meetings in Africa between 1979 and 1980 on what is described by the OAU Secretary General as "the catastrophe that threatens (Africa), the alarming projections for the year 2000." At a meeting of Heads of African States in Lagos, Nigeria, in April 1980 prepared for by the Organization of African Unity and the United Nations Economic Commission for Africa, "The Lagos Plan of Action" was endorsed, essentially calling for:

- (a) a basic restructuring of the economy of the African continent based primarily on "collective self-reliance" on the premise that Africa's unsatisfactory economic performance had largely resulted from an inappropriate orientation with the world economy and that thus a more inward looking approach would be better;
- (b) the creation of an African Economic Community by the year 2000 to be carried out in stages during the 1980s through regional structures such as the existing Economic Community of West African States (ECOWAS); and
- (c) sectoral integration at the regional level with the focus on:
  - (i) food self-sufficiency;
  - (ii) transport and communications;
  - (iii) industrial;
  - (iv) energy development; and
  - (v) intra-African trade and cooperation.

The OAU considers itself mandated by African Heads of State to have overall responsibility for the planning and implementation of the Lagos Plan of Action.



4. To support its efforts for accelerated economic development in Africa, the OAU has been seeking close cooperation with the United Nations specialized agencies within the UN system. A United Nations General Assembly Resolution in 1979 called on specialized agencies, such as the Bank, to cooperate with the OAU in this effort. The OAU Secretariat and the specialized agencies, including the Bank, have now met twice (in June, 1980 in Nairobi, and in April, 1981 in Geneva) to explore possible areas of cooperation and to strengthen relations between the UN system and the OAU.

5. Because of the importance of building political support at the highest level for economic development in the continent, we made arrangements last September for a meeting between Mr. Kodjo and Mr. McNamara. Mr. Kodjo's major concern at that meeting was to obtain Bank support for the implementation of the Lagos Plan of Action -- to ensure adequate monitoring of the program, help in the evaluation of the program and the costing of the program, and for mobilizing financial resources for its implementation. Mr. McNamara, in principle, gave assurance of the Bank's cooperation with the OAU and the Bank's support for the concept of regional integration in Africa.

6. As a follow up to the McNamara meeting, the Bank sent a mission to the OAU to explore in greater detail the issues raised with Mr. McNamara. Weaknesses in the Lagos Plan were then brought to the OAU's attention (notably, that the Plan was couched in terms that were too general to permit effective monitoring or the mobilization of resources) and, consequently, the impracticability of providing the kind of support from the Bank sought by Mr. Kodjo. We have also sought to avoid entering into any formal Memorandum of Understanding relating to any plan of cooperation. However, a concrete offer of cooperation with the OAU in various areas has been made by the Bank such as in the provision of economic reports, research studies and the assistance of the Economic Development Institute in meeting training needs of the OAU - short of any joint operational activities. No reply has been received to the Bank's letter of March 4, 1981 conveying the offer of cooperation. Action has, however, been taken on the Bank's side.

7. The main concern of the OAU has, however, been to mobilize financial resources for the implementation of the Lagos Plan of Action. At the last United Nations inter-agency meeting with the OAU in April, the Bank submitted a statement indicating its contribution to the Lagos Plan particularly through:

(a) the transfer of financial resources to Africa under the Bank and IDA's lending programs.

- Bank lending to Africa between FY 1976-80 of \$9.4 billion was twice the preceding 5-year period; for FY 1981-85 a further increase of 85% to \$17.4 billion is projected.
- IDA projected credits to Africa in the Sixth Replenishment FY 1981-83 of \$4.1 billion should be three times the size of the Fourth Replenishment FY 1975-77.

(b) the provision of technical assistance, training and advisory services; and



- (c) economic work and studies on African development problems such as the Sub Saharan African Study.

OAU and the Africa Study

8. In the light of the Lagos Plan, African regional organizations such as the OAU have, from the start, been suspicious of the idea of a Bank study on Africa, largely on the grounds that such a study might lead to externally imposed development strategies when the Lagos Plan was considered to provide the definitive blueprint drawn up by African leaders for African development. The main regional bodies in Africa - the OAU and the UN Regional Commission in Africa, the Economic Commission for Africa - have, from the outset and in the course of its preparation, been fully briefed by the Bank on the design and progress of the African Study.

9. We have emphasized that the Bank Study was commissioned by African Governors of the Bank in 1979 and will be submitted to the Development Committee in accordance with this mandate. This was restated by Mr. McNamara at the Libreville meeting of the Development Committee last May. The fact is that, as in many developing countries, there is a lack of coordination between the Finance Ministers with whom we deal as Governors of the Bank and the Foreign Ministries which guide bodies such as the Organization of African Unity.

Issues

10. The major issue is the attitude of the OAU to the Africa Report:

- (i) We should seek to ensure that the Report gets off to a sound and constructive dialogue with Africa without negative undertones from this organization. You have arranged to meet the African Caucus before the Development Committee meeting on September 27. It would be desirable that OAU should see the Development Committee meeting as merely the beginning of a dialogue with Africa (including African organizations like OAU) and the international community.
- (ii) Mr. Kodjo could be assured that the Bank's African Study took full account of the Lagos Plan of Action with its goals for self-reliance and self-sustaining development and economic growth. These are in fact the objectives of the domestic economic reforms proposed in the Report. The Report used the Lagos Plan as a starting point and seeks to identify a complementary program of action for the next decade which would contribute to the Plan's long term objectives to the year 2000 with the emphasis on policy direction and enlarged capital flows to Africa.
- (iii) Not only does the Report support the central target of the Lagos Plan for regional integration in Africa, but an appeal has been made for support from the donor community. Particularly, the recommendation is made for donors to finance feasibility and pre-investment studies of integration projects. The Bank, itself, supports cooperation in transport/communications, industry, energy sectors in Africa by undertaking projects in individual countries where the regional impact



has been clearly visible. For example, a railway project in Congo and port project in Benin; a regional industrial project (Clinker production) in West Africa and regional petroleum projects (Taoudeni Basin within Mali/Mauretania) have been promoted by the Bank.

- (iv) Mr. Kodjo's attention might be drawn to the recommendation in the Report for the doubling of net official aid in real terms to Africa between 1980 and 1990; also, that the World Bank continue to give priority to Africa in the allocation of IDA funds with currently planned allocation to Africa of 30% IDA funds 1982-86. The opportunity the presentation of the Report to the Development Committee provides for enlisting the support of the international community for these recommendations should be welcomed by the OAU and given maximum support so that momentum is not lost. This is particularly important at a time when major industrialized countries are re-considering their aid policies.
- (v) You might seek the international political support of the OAU and the Secretary General for an expanded lending program of the Bank and for IDA 7, which could be of prime benefit to Africa.

DRClarke:ls (cleared with Messrs. Knox/Gue)

APPENDIX I

BIOGRAPHICAL NOTE

Mr. Edem KODJO  
Secretary General of OAU

A Togolese national, Mr. Kodjo is 42 years old. He studied at the University of Rennes in France and got in a degree in economics. He graduated from the most prestigious public administration school in Paris - Ecole Nationale d'Administration.

Mr. Kodjo served in Togo as Secretary General of the Ministry of Finance, Economy and Planning 1962-1972, Director General of Togolese National Investment Company 1972-73, Chairman of the Board of the Central Bank of West African States (BCEAO) 1973-76, and Minister of Finance and Economy, and Governor for the IMF, 1973-76. He became Minister of Foreign Affairs 1976-77, Minister of Foreign Affairs and Cooperation 1977-78.

Mr. Kodjo played a significant role in Togo politics as Secretary General of the Political Bureau of the RPT, the sole political party of Togo, 1967-71. In August 1978, he was appointed Secretary General of the OAU.



"The OAU"

Located in Addis Ababa, the OAU was established in 1963 and includes now fifty African independent states. Political in nature, the purposes of the OAU are, according to its charter, to promote the unity and solidarity of the African States, defend the sovereignty of its members, eradicate all forms of colonialism. It is a forum where disputes between African states may be settled; it provides an instrument for ensuring peace on the continent and endeavors to promote international cooperation.

The supreme organ of the organization is the Assembly of Heads of State and Government, and the current Chairman is His Excellency M. Siaka Stevens from Sierra Leone. A Council of Foreign Ministers prepares for the Assembly's meetings; a Secretary General acts as the central and permanent organ of the organization, and, depending on the stature of the person who holds the position, his role may be more than an administrative secretary. Because of his background and experience (he was trained in economics and public administration, and was instrumental in Togo's development planning as Finance and Economic Minister) Mr. Kodjo has managed to inspire considerably the thinking of the OAU in a way that places emphasis on economic development.

The belief of the OAU is that, at this juncture, the battle for Africa's political liberation from colonial power is almost over with the independence of Zimbabwe and that the unity and welfare of the continent will not be achieved unless it engages itself in a battle for "economic liberation." Hence, Mr. Kodjo's drive, backed by the Heads of State, to make a case for a "new way," as he sees it, of addressing the development problems of Africa. OAU is impatient at the efforts of UN bodies, such as the UN Economic Commission for Africa, in advancing the course of African development. ECA, in fact, undertakes most of the economic work for the OAU but, latterly, strains have developed between the two organizations as the OAU has moved more directly in the economic field and questions of division of labor have arisen.

Brief for Mr. Kodjo's Visit to Mr. Clausen

APPENDIX II "The OAU"

- An Amending Note



H.E. Daniel T. arap Moi, the President of Kenya, has now taken over the chairmanship of the OAU from H.E. Siaka Stevens from Sierra Leone.

The next meeting of the OAU is scheduled to be held in Tripoli. It is the usual practice for the Head of State in the country in which the Annual Meeting of the OAU is held to be Chairman for the ensuing year. The next Chairman is, therefore, likely to be Col. Muammar el Qaddafi.




Daniel T. arap Moi  
President of the Republic  
of Kenya

Mr. Moi, who was born in 1924, succeeded Mr. Kenyatta as President at the time of the latter's death in August 1978. Since that time he has considerably increased his popularity in Kenya through frequent and wide-ranging travel to various provinces. Mr. Moi was the Vice-President from 1967 until his succession to the Presidency in 1978.

Formerly a leader of the opposition party KADU (Kenya Africa Democratic Union) Party, which was wound up in 1964, Mr. Moi is reported to have firmly established his influence with most politicians within the ruling KANU (Kenya African National Union) Party, the sole legal party in the country. He is, however, from a minority tribe (the Kalenjins of Baringo District) which, until his ascension, was always considered a disadvantage in the face of the political power of the Kikuyu tribe. Mr. Moi has a reputation for firmness and moderation; his reputation has been bolstered by his success in effecting a smooth transition following the death of Mr. Kenyatta, the conclusion of Parliamentary elections in November 1979 and the appointment of Cabinet which more closely bears his stamp.

Mr. Moi was a teacher before being elected to the Kenya Legislative Council in 1955. He was Minister of Education for a brief period in 1962 and his interest in education continues. Following the November elections, he split the former Ministry of Education into the Ministry for Higher Education and the Ministry for Basic Education. Mr. Moi left the former Ministry of Education to become Minister of Local Government in 1962. Following his election to the House of Representatives in 1963, he became Shadow Minister of Agriculture and First President of the Rift Valley Region. After KADU was dissolved in 1964, he was appointed Minister of Home Affairs.

Mr. Moi has participated in various summit conferences in Africa and has travelled widely. He is the current Chairman of the OAU.





# Congress agrees on Sea treaty

By David Tonge,  
Diplomatic Correspondent

The latest four-week session of the UN conference on the Law of the Sea ended in Geneva yesterday with delegates from 150 countries confirming that they will finally conclude the treaty next spring with or without U.S. participation.

The major U.S. review of the draft treaty governing use of the oceans and their resources led to an acrimonious session, but agreement was reached on:

- New rules on settling disputes over the continental shelf and exclusive economic zone of each country.
- That the previous draft text should be formally accepted as an official negotiating text.
- That a Law of the Sea tribunal should be established in Hamburg to oversee the resolution of disputes.
- That the headquarters of the proposed International Seabed Authority to oversee deep sea mining should be in Jamaica.
- That the session due from March 8 to April 30 in New York should be the final one.

The need for internationally accepted Law of the Sea was underlined by the dispute between U.S. and Libya over Libya's territorial waters. Delegates from developing countries and the Socialist bloc were almost unanimous in criticising the breadth of the objections raised by Mr James Malone, the chief U.S. delegate, to the current text.

These objections centre on the regime to be established for mining the nodules on the deep sea bed. Mr Malone was told that no country had the right to reopen parts of the text on which agreement had already been reached.

Mr Tommy Koh, the president of the conference and a man elected with Western support, warned the U.S. that its companies might be forced to become junior partners in foreign consortia if it boycotted the treaty.

However, Western delegates warn that there is some split about whether to proceed with the treaty if the U.S. review eventually comes out against it.

Apparently West Germany, Belgium and Italy could follow the U.S. lead. The Danes, Dutch and Irish are more in favour of it. Britain, France and Japan are divided, with Britain favouring the rights of international passage laid down in the draft treaty.

The new rules for delimiting the continental shelf and economic zones are crucial for countries like Greece and Turkey which have a seabed dispute.

This news item appeared on page 1-B of the September 8, 1981 issue of:

The Journal of Commerce

## Clausen to Receive Award From NFTC

Journal of Commerce Special

A. W. Clausen, new president of the World Bank and former president of the largest private bank in the United States, will receive the annual award of the National Foreign Trade Council for distinguished contribution to the advancement of American foreign trade and investment.

The council announced Monday that the presentation of the award, a gold plaque, will be made at the Captain Dollar Memorial Award Luncheon during the 1981 National Foreign Trade Convention on Oct. 30 at the Capital Hilton Hotel, Washington.

Mr. Clausen will be the 44th American to receive the award, established in memory of Capt. Robert Dollar of San Francisco, a pioneer of American world trade.

The award recognizes Mr. Clausen's leadership as "a dedicated internationalist," both as a private international banker while president of Bank of America from 1970 to 1981, and as an international public official since he became president of the World Bank.

Mr. Clausen was cited by the White House on his nomination last fall by President Carter, for his "proven record of commitment to international economic development and assistance to poorer nations." Mr. Clausen succeeded Robert S. McNamara as head of the World Bank.

Allen E. Murray, president, Marketing and Refining Division, Mobil Oil corp., is chairman of the 1981 Award Committee, whose nomination of Mr. Clausen was unanimously approved by the NFTC board of directors. Mr. Clausen joined Bank of America in 1949 and was named president and chief executive officer in 1970.