

EBD/76/87

May 3, 1976

To: Members of the Executive Board

From: The Secretary

Subject: Cooperation with the Arab Bank for Economic Development
in Africa (BADEA)

Established with an initial capital of \$231 million, to be increased to \$500 million in the near future, BADEA, with its main office in Khartoum, Sudan, will direct its efforts primarily to financing specific African development projects. It is also authorized to grant direct subsidies to governments in exceptional circumstances, such as natural disasters affecting a country.

Besides financing projects, BADEA hopes to be made responsible for managing the Special Arab Fund for Africa. This Fund was set up by the Arab members of OPEC (i.e., OAPEC) in 1974 with \$200 million in resources to help finance balance of payments deficits of African oil importing countries. Further subscriptions may be made if needed. The Fund is currently being managed in part by the OAU, which is responsible for determining the distribution of funds among African countries, and in part by the Secretariat of the Arab League, which makes the payments.

In connection with this work, the President of BADEA has asked for cooperation from the Fund, including the release of reports on recent economic developments in a number of Fund member countries.

It is therefore proposed to send to the President of the Arab Bank for Economic Development in Africa, for the confidential use of the Bank's staff only, copies of the following reports on recent economic developments in certain African countries:

Botswana	(SM/74/221, 9/18/74)	Liberia	(SM/74/188, 8/1/74)
Burundi	(SM/75/250, 10/16/75)	Nigeria	(SM/74/210, 8/26/74)
Ethiopia	(SM/76/24, 2/6/76)	Sierra Leone	(SM/75/15, 1/16/75)
The Gambia	(SM/74/144, 6/19/74)	Tanzania	(SM/75/222, 8/18/75)
Ghana	(SM/75/198, 7/28/75)	Uganda	(SM/74/190, 8/7/74)
Kenya	(SM/74/235, 10/15/74)	Zambia	(SM/75/126, 5/30/75)
Lesotho	(SM/75/123, 5/28/75)		

The following change has been made:

Ethiopia (SM/76/24, 2/6/76)

Page 49, para. 2, lines 10-13:
reference to sizable coffee stocks
deleted.

The sentence beginning on line 10
reads after deletion:

"However, due to the sharp price
increase after the frost in Brazil
in July 1975 and favorable growing
conditions in Ethiopia, prospects
for coffee exports in 1975/76 are
considerably improved."

The Executive Directors elected by these countries have indicated that there is no objection to the transmittal of these reports to the BADEA. If no Executive Director objects by the close of business on Monday, May 10, 1976, these reports will be transmitted to the Arab Bank for Economic Development in Africa.

Other Distribution:
Department Heads