



## GOVERNMENT AND FOREIGN AFFAIRS



## POLITICAL SYSTEM

SINCE THE ESTABLISHMENT OF THE FEDERATION in 1971, the seven emirates that comprise the United Arab Emirates (UAE) have forged a distinct national identity through consolidation of their federal status and now enjoy an enviable degree of political stability. The UAE's political system, which is a unique combination of the traditional and the modern, has underpinned this political success, enabling the country to develop a modern administrative structure while, at the same time, ensuring that the best of the traditions of the past are maintained, adapted and preserved.

Following the British termination of their agreements with the Trucial States the rulers of the seven emirates established a federal state officially entitled *Dawlat al Imarat al Arabiyya al Muttahida* (State of the United Arab Emirates).

The philosophy behind the UAE was explained in a statement that was released on 2 December 1971 as the new state was formally established:

*The United Arab Emirates has been established as an independent state, possessing sovereignty. It is part of the greater Arab nation. Its aim is to maintain its independence, its sovereignty, its security and its stability, in defence against any attack on its entity or on the entity of any of its member Emirates. It also seeks to protect the freedoms and rights of its people and to achieve trustworthy co-operation between the Emirates for the common good. Among its aims, in addition to the purposes above described, is to work for the sake of the progress of the country in all fields, for the sake of providing a better life for its citizens, to give assistance and support to Arab causes and interests, and to support the charter of the United Nations and international morals.*

Each of the component emirates of the federation already had its own existing institutions of government prior to 1971 and, to provide for the effective governing of the new state, the rulers agreed to draw up a provisional Constitution specifying the powers that were to be allocated to new federal institutions, all others remaining the prerogative of the individual emirates.

Assigned to the federal authorities, under Articles 120 and 121 of the Constitution, were the areas of responsibility for foreign affairs, security and defence, nationality and immigration issues, education, public health, currency, postal, telephone and other communications services, air traffic control and licensing of aircraft, in addition to a number of other topics specifically prescribed, including labour relations, banking, delimitation of territorial waters and extradition of criminals.

In parallel, the Constitution also stated in Article 116 that 'the Emirates shall exercise all powers not assigned to the federation by this Constitution'. This was reaffirmed in Article 122, which stated that 'the Emirates shall have jurisdiction in all matters not assigned to the exclusive jurisdiction of the federation, in accordance with the provision of the preceding two Articles'.

The new federal system of government included a Supreme Council, a Cabinet, or Council of Ministers, a parliamentary body, the Federal National Council, and an independent judiciary, at the apex of which is the Federal Supreme Court.

In a spirit of consensus and collaboration, the rulers of the seven emirates agreed during the process of federation that each of them would be a member of a Supreme Council, the top policy-making body in the new state. They agreed also that they would elect a President and a Vice-President from amongst their number, to serve for a five-year term of office. The Ruler of Abu Dhabi, Sheikh Zayed bin Sultan Al Nahyan, was elected as the first President, a post to which he has been re-elected at successive five-yearly intervals, while the Ruler of Dubai, Sheikh Rashid bin Saeed Al Maktoum, was elected as first Vice-President, a post he continued to hold until his death in 1990, at which point his eldest son and heir, Sheikh Maktoum bin Rashid Al Maktoum, was elected to succeed him.

#### *Supreme Council Members*

HH President Sheikh Zayed bin Sultan Al Nahyan, Ruler of Abu Dhabi  
 HH Vice-President and Prime Minister Sheikh Maktoum bin Rashid Al Maktoum, Ruler of Dubai  
 HH Dr Sheikh Sultan bin Mohammed Al Qasimi, Ruler of Sharjah  
 HH Sheikh Saqr bin Mohammed Al Qasimi, Ruler of Ra's al-Khaimah  
 HH Sheikh Hamad bin Mohammed Al Sharqi, Ruler of Fujairah  
 HH Sheikh Rashid bin Ahmed Al Mu'alla, Ruler of Umm al-Qaiwain  
 HH Sheikh Humaid bin Rashid Al Nuaimi, Ruler of Ajman

#### *Crown Princes and Deputies of the Rulers*

HH Sheikh Khalifa bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces, Chairman of the Executive Council of the Emirate of Abu Dhabi  
 HE Sheikh Hamdan bin Rashid Al Maktoum, Deputy Ruler of Dubai, Minister of Finance and Industry  
 General HE Sheikh Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Minister of Defence  
 HE Sheikh Sultan bin Mohammed Al Qasimi, Crown Prince and Deputy Ruler of Sharjah  
 HE Sheikh Khalid bin Saqr Al Qasimi, Crown Prince and Deputy Ruler of Ra's al-Khaimah  
 HE Sheikh Saud bin Rashid Al Mu'alla, Crown Prince of Umm al-Qaiwain  
 HE Sheikh Ammar bin Humaid Al Nuaimi, Crown Prince of Ajman  
 HE Sheikh Ahmed bin Sultan Al Qasimi, Deputy Ruler of Sharjah  
 HE Sheikh Hamad bin Saif Al Sharqi, Deputy Ruler of Fujairah  
 HE Sheikh Sultan bin Saqr Al Qasimi, Deputy Ruler of Ra's al-Khaimah

The Federal Supreme Council is vested with legislative as well as executive powers. It ratifies federal laws and decrees, plans general policy, approves the nomination of the Prime Minister and accepts his resignation. It also relieves him from his post upon the recommendation of the President. The Supreme Council elects the President and his deputy for five-year terms; both may be re-elected.

At an historic meeting on 20 May 1996 the Federal Supreme Council approved a draft amendment to the country's provisional Constitution, making it the permanent Constitution of the UAE. The amendment also named Abu Dhabi as the capital of the state.

The Council of Ministers or Cabinet, described in the Constitution as 'the executive authority' for the federation, includes the usual complement of ministerial portfolios, and is headed by a Prime Minister, chosen by the President in consultation with his colleagues on the Supreme Council. The Prime Minister, currently the Vice-President (although this has not always been the case), then selects the ministers, who may be drawn from any of the federation's component emirates, although, naturally, the more populous emirates have generally provided more members of each Cabinet.

The current 21-member Cabinet was appointed on 25 March 1997 under the terms of Decree No. 67 of 1997 and according to the proposal of Vice-President HH Sheikh Maktoum bin Rashid Al Maktoum, who was requested by the President to form a new Government.

#### *Members of the Cabinet*

Prime Minister: Vice-President HH Sheikh Maktoum bin Rashid Al Maktoum

Deputy Prime Minister: Sheikh Sultan bin Zayed Al Nahyan

Minister of Finance and Industry: Sheikh Hamdan bin Rashid Al Maktoum

Minister of Defence: Gen. Sheikh Mohammed bin Rashid Al Maktoum

Minister of State for Foreign Affairs: Sheikh Hamdan bin Zayed Al Nahyan

Minister of Information and Culture: Sheikh Abdullah bin Zayed Al Nahyan

Minister of Planning: Sheikh Humaid bin Ahmed Al Mu'alla

Minister of Higher Education and Scientific Research: Sheikh Nahyan bin Mubarak Al Nahyan

Minister of Economy and Commerce: Sheikh Fahim bin Sultan Al Qasimi

Minister of State for Supreme Council Affairs: Sheikh Majed bin Saeed Al Nuaimi

Minister of Foreign Affairs: Rashid Abdullah Al Nuaimi

Minister of Interior: Lt Gen. Dr Mohammed Saeed Al Badi

Minister of Health: Hamad Abdul Rahman Al Madfa

Minister of Electricity and Water: Humaid bin Nasir Al Owais

Minister of State for Cabinet Affairs: Saeed Khalfan Al Ghaith

Minister of Agriculture and Fisheries: Saeed Mohammed Al Raqbani

Minister of Communications: Ahmed Humaid Al Tayer

Minister of Public Works and Housing: Rakad bin Salem Al Rakad

Minister of Petroleum and Mineral Resources: Obeid bin Saif Al Nassiri

Minister of Education and Youth: Dr Abdul Aziz Al Sharhan

Minister of Justice, Islamic Affairs and Awqaf: Mohammed Nukhaira Al Dhahiri

Minister of Labour and Social Affairs: Mattar Humaid Al Tayer

Minister of State for Financial and Industrial Affairs: Dr Mohammed Khalfan bin Kharbash.

The Director General of the President's Office, Sheikh Mansour bin Zayed Al Nahyan, also has ministerial status.

#### FEDERAL NATIONAL COUNCIL

The Federal National Council (FNC) has 40 members drawn from the emirates on the basis of their population, with eight for each of Abu Dhabi and Dubai, six each for Sharjah and Ra's al-Khaimah, and four each for Fujairah, Umm al-Qaiwain and Ajman. The selection of representative members is left to the discretion of each emirate and the members' legislative term is deemed to be two calendar years.

Day-to-day operation of the FNC is governed by standing orders based on the provisions of Article 85 of the Constitution. These orders were first issued in 1972 and subsequently amended by Federal Decree No. 97 of 1977.

The FNC plays an important role in serving the people and the nation and consolidating the principles of shura (consultation) in the country. Presided over by a speaker, or either of two deputy speakers, elected from amongst its members, the FNC has both a legislative and supervisory role under the Constitution. This means that it is responsible for examining, and, if it so requires, amending, all proposed federal legislation, and is empowered to summon and to question any federal minister regarding ministry performance. One of the main duties of the FNC is to discuss the annual budget. Specialised sub-committees and a Research and Studies Unit have been formed to assist FNC members to cope with the increasing demands of modern government.

Since its inception the Council has been successively chaired by the following Speakers:

Thani bin Abdulla

Taryam bin Omran Taryam

Hilal bin Ahmed bin Lootah

Al-Haj bin Abdullah Al Muhairbi

Mohammed Khalifa Al Habtoor

At an international level, the FNC is a member of the International Parliamentary Union (IPU) as well as the Arab Parliamentary Union (APU) and participates actively in these bodies.

#### FEDERAL JUDICIARY

The federal judiciary, whose total independence is guaranteed under the Constitution, includes the Federal Supreme Court and Courts of First Instance. The Federal Supreme Court consists of five judges appointed by the Supreme

Council of Rulers. The judges decide on the constitutionality of federal laws and arbitrate on inter-emirate disputes and disputes between the Federal Government and the emirates.

#### LOCAL GOVERNMENT

Parallel to, and, on occasion, interlocking with, the federal institutions, each of the seven emirates also has its own local government. Although all have expanded significantly as a result of the country's growth over the last 30 years, these differ in size and complexity from emirate to emirate, depending on a variety of factors such as population, area, and degree of development.

Thus the largest and most populous emirate, Abu Dhabi, has its own central governing organ, the Executive Council, chaired by the Crown Prince, Sheikh Khalifa bin Zayed Al Nahyan. The Eastern and Western Regions are headed by an official with the title of Ruler's Representative. There is also a Ruler's Representative on the important oil terminal island of Das.

The main cities, Abu Dhabi and Al Ain, the latter also the capital of the Eastern Region, are administered by municipalities, each of which has a nominated municipal council. A new set of members for the Abu Dhabi Municipal Council was appointed in November 2001.

Abu Dhabi's National Consultative Council, chaired by a Speaker, and with 60 members selected from among the emirate's main tribes and families, undertakes a role similar to that of the FNC on a country-wide level, questioning officials and examining and endorsing local legislation. It is also a source of vocal suggestion for the introduction or revision of federal legislation.

Administration in the emirate is implemented by a number of local departments, covering topics such as public works, finance, customs and management. Some have a responsibility for the whole of the emirate, although in certain spheres there are also departments covering only the Eastern Region.

A similar pattern of municipalities and departments can be found in each of the other emirates, while Sharjah, with its three enclaves on the country's east coast, has also adopted the practice of devolving some authority on a local basis, with branches of the Sharjah Emiri Diwan (Court), headed by deputy chairmen, in both Kalba and Khor Fakkan. Sharjah has also created an Executive Council to cover the whole emirate.

In smaller or more remote settlements, the ruler and government of each emirate may choose a local representative, an emir or wali, to act as a conduit through which the concerns of inhabitants may be directed to government.

In most cases, these are the leading local tribal figures, whose influence and authority derive both from their fellow tribesmen and from the confidence placed in them by the ruler, an example of the way in which local leaders within the traditional system have become involved with, and lend legitimacy to, the new structures of government.

#### FEDERAL AND LOCAL GOVERNMENT

The powers of the various federal institutions and their relationship with the separate institutions in each emirate, laid down in the Constitution, have evolved and changed since the establishment of the state. Under the terms of the Constitution, rulers may, if they wish, relinquish certain areas of authority, prescribed as being the responsibility of individual emirates, to the Federal Government, one significant such decision being that to unify the armed forces in the mid-1970s. The 1971 Constitution also permitted each emirate to retain, or to take up, membership in the Organisation of Petroleum Exporting Countries (OPEC) and the Organisation of Arab Petroleum Exporting Countries (OAPEC), although none have done so; the only emirate to be a member in 1971, Abu Dhabi, having chosen to relinquish its memberships in favour of the federation.

In line with the dramatic social and economic development that has taken place since the foundation of the state, the organs of government, both federal and local, have also developed impressively, and their influence now affects almost all aspects of life, for both UAE citizens and expatriates. As with other relatively young states, new institutions that were created for the first time have derived their legitimacy and status from the extent of their activities and achievements, and from acknowledgement and appreciation of their role by the people.

The relationship between the new systems of government, federal and local, has itself evolved in a highly constructive manner. As the smaller emirates have benefited from significant development in terms of, for example, education and vocational training, so they have been able to provide from their own local governments the personnel to extend the variety of services (e.g. tourism) which had once been handled on their behalf by federal institutions. At the same time, in other areas, such as the judiciary, there has been an evolving trend towards a further voluntary relinquishment of local authority to the federal institutions. These new systems of government have not, however, replaced the traditional forms which coexist and evolve alongside them.

## TRADITIONAL GOVERNMENT

Traditionally, the ruler of an emirate, the sheikh, was the leader of the most powerful, though not necessarily the most populous, tribe, while each individual tribe, and often its various sub-sections, also generally had a chief or sheikh. Such rulers and chiefs maintained their authority only insofar as they were able to retain the loyalty and support of their people, in essence a form of direct democracy, though without the paraphernalia of western forms of suffrage. Part of that democracy was the unwritten but strong principle that the people should have free access to their sheikh, and that he should hold a frequent and open *majlis*, or council, in which his fellow tribesmen could voice their opinions.

Such a direct democracy, which may be ideally suited to small and relatively uncomplicated societies, becomes steadily more difficult to maintain as populations grow, while the increasing sophistication of government administration means that on a day-to-day basis many of the inhabitants of the emirates now find it more appropriate to deal directly with these institutions on most matters, rather than to seek to meet personally with their ruler or sheikh.

Nevertheless, a fascinating aspect of life in the UAE today, and one that is essential to an understanding of its political system, is the way in which the institution of the *majlis* has continued to maintain its relevance. In larger emirates, not only the ruler, but also a number of other senior members of his family, continue to hold open majlises (or *majalis*), in which participants may raise a wide range of topics, from a request for a piece of land, or a scholarship for a son or daughter to go abroad, to more weighty subjects such as the impact of large-scale foreign immigration upon society or complaints about perceived flaws in the practices of various ministries and departments.

In smaller emirates, the *majlis* of the ruler himself, or of the crown prince or deputy ruler, remains the main focus. The Ruler of Fujairah, for example, holds an open *majlis* at least once a week (daily during the Muslim holy fasting month of Ramadan), which may be attended by both citizens and expatriates. To these majlises come traditionally-minded tribesmen who may have waited several months for the opportunity to discuss with their ruler directly, rather than choose to pursue their requests or complaints through a modern governmental structure.

In modern society, of course, as President Sheikh Zayed himself has commented, it is naturally easier for a ruler to go to meet his people than for

them to come to meet him. Sheikh Zayed frequently travels within the UAE, providing opportunities for him to meet with citizens away from the formal surroundings of an office or palace. During his regular inspection tours of projects, he also takes pains to ensure that citizens living nearby are guaranteed easy access to him.

Just as the modern institutions have developed in response to public need and demand, however, so the traditional forms of tribal administration have adapted. With many relatively routine matters now being dealt with by the modern institutions, traditional institutions, like the *majlis*, have been able to focus on more complex issues rather than on the routine matters with which they were once heavily involved.

In the majlises, for example, it is possible to hear detailed, and often heated, discussions between sheikhs and other citizens on questions such as the policy that should be adopted towards the evolution of the machinery of government, or the nature of relations with neighbouring countries. On matters more directly affecting the individual, such as the highly relevant topic of unemployment among young UAE graduates, debates often tend to begin in the majlises, where discussion can be fast and furious, before a consensus approach evolves that is subsequently reflected in changes in government policy.

Through such means, the well-tested traditional methods of government in the United Arab Emirates have been able to retain both their essential relevance and unique vitality, and they continue to play an important, although often unpublicised, role in the evolution of the state today.

## A BALANCED APPROACH

When the rulers of the seven emirates met 30 years ago to agree on the forms of government for their new federal state, they deliberately chose not simply to copy from others. They chose, instead, to work towards a society that would offer the best of modern administration, while also retaining the traditional forms of government, that, with their inherent commitment to consensus, discussion and direct democracy, offered the best features of the past.

With the benefit of hindsight, it is evident that they made the correct choice, for, despite the massive economic growth and the social dislocation caused by an explosion in the population, the state has enjoyed political stability. During the last few decades there have been numerous attempts to create federal states, both in the Arab world and elsewhere. The UAE is the only one in the Arab world to have stood the test of time.

## FOREIGN POLICY

In common with the rest of the world, the United Arab Emirates found in the latter part of 2001 that a major part of its foreign policy concerns was the international campaign against terrorism that developed after the 11 September attacks against Washington and New York. The UAE's condemnation of the attacks, in which over 4000 people died, was swift and total.

'At this time of tragedy, our hearts are filled with sadness and compassion for the victims of the terrible and criminal acts that took place in New York and Washington . . . and we send again our condolences to you, the people of the United States and, in particular, the families of the victims,' Sheikh Zayed told President Bush in a message shortly after the attacks.

*We have noted your wise, resolute and timely remarks about the necessity for these tragic events not to be used as an excuse for, or reason for, any attacks against or hostility towards Arab Americans or Americans of the Muslim faith . . . We share with you the belief that the acts . . . are utterly repugnant in the eyes of Islam, and we thank you for your timely and appropriate statement, which so well reflects the values and traditions of the United States as a land where neither racial origin nor religious beliefs is a disqualification from full membership of the American nation.*

Returning to the issue of terrorism in a statement issued on 2 December, the occasion of the country's thirtieth National Day, Sheikh Zayed added that:

*terrorism is the enemy of all humanity . . . We support international legitimacy in every action and measure that it takes to combat terrorism and eradicate it and to close the way for terrorists . . . Terrorism is an international phenomenon that has no religion or race.*

The readiness of the United Arab Emirates to collaborate with the international campaign against terrorism was quickly displayed, on two fronts.

State security authorities promptly carried out a full investigation, sharing their information with the United States and other countries.

In recognition of the fact that the fight against terrorism required not only a military response, but also a concerted effort to identify and eradicate its network of financial and other links, the UAE authorities responded rapidly to requests from the United States to identify and freeze any bank accounts used by suspect individuals and organisations. Although some evidence of suspect

money transfers through, rather than to, the UAE were identified, an intensive review by the Central Bank failed to find any evidence of a major misuse of the country's banking facilities.

Preparation of a law proscribing all forms of money-laundering and transmittal of profits from illegal activities, including terrorism, the arms and drugs trades and fraud, had already been started long before the 11 September attacks, but, to provide the necessary legal framework for cracking down on suspect activity, the law was rushed through the Cabinet in early October. In recognition of the fact that even small sums of money can be utilised for nefarious purposes, the Central Bank also imposed stringent reporting rules on banks and money exchanges, requiring, for example, that transfers of even a few thousand US dollars be properly monitored.

As a result of the new law, the UAE has now made a major step forward in introducing financial controls that not only are broadly in line with international norms, but which will also provide better regulation within the country itself.

As the international campaign against terrorism developed in the days and weeks following the 11 September attacks, the UAE deployed its support in a variety of other ways. Prior to the attacks, the UAE had been one of only three states to have diplomatic relations with the Taliban Government in Afghanistan, although, following the imposition of United Nations sanctions against the Taliban in 2000, in response to their failure to hand over suspected terrorist leaders for international trial, these relations had been significantly downgraded.

On 22 September, however, with the Taliban still refusing to respond to the demands of the international community, the UAE Government decided to break off relations altogether.

In a statement announcing the break, an official source at the Ministry of Foreign Affairs noted that the UAE had:

*made intensive efforts with the Taliban Government to persuade it to respond positively to the United Nations Security Council resolution demanding that it should hand over Osama bin Laden to face a fair international trial on the accusations levelled against him.*

In view of the failure of the Taliban to respond, the source said:

*The UAE does not believe that it is possible to continue to maintain relations with a Government that refuses to respond to the clear will of the international community, as represented by the United Nations Security Council, and that, for that reason, the UAE has decided to sever diplomatic relations.*

In recognition of the fact that the civilian population of Afghanistan, and Afghan refugees in neighbouring countries, were in no way responsible for the acts of the Taliban, however, the UAE also moved rapidly to provide relief assistance to them (see Development Aid).

In a statement on 23 September, Minister of State for Foreign Affairs Sheikh Hamdan bin Zayed Al Nahyan, who is also the President of the UAE Red Crescent Society, announced that President HH Sheikh Zayed bin Sultan Al Nahyan and HH Sheikh Khalifa bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces, had ordered the immediate provision of relief supplies.

'Millions of refugees from Afghanistan have moved to bordering areas of neighbouring countries (and) . . . many more are expected to arrive in the next few days and weeks,' Sheikh Hamdan said. In order to help to alleviate their suffering, the Red Crescent Society joined with the international Federation of Red Cross and Red Crescent Societies in flying in supplies, including foodstuffs, medicines, tents, water and blankets, and provided the Federation with a supply base in Abu Dhabi. With the support of the UAE Armed Forces, camps to house refugees were swiftly established by the Red Crescent Society in Pakistan and Iran, while another initiative by the Mohammed bin Rashid Charitable Foundation in Dubai provided further help to displaced persons inside Afghanistan itself.

By November, the UAE's participation in the relief efforts was in full swing, with additional long-term plans being drawn up to help in the rehabilitation of the refugees once they are able to return to their homes inside Afghanistan. Sheikh Zayed noted on 2 December that, as well as the campaign against terrorism, 'it is also equally important to undertake quick planning for a unanimous international effort to rebuild Afghanistan and to eradicate the reasons and factors that brought it to its present state.'

While the Government of the UAE was deeply concerned, and shocked, by the terrorist attacks in the United States, and fully supported the international effort to mount a campaign to identify and apprehend those responsible, it also stressed, from the outset, the importance of ensuring that any campaign against terrorism must be seen to be just and balanced. Within this context, it noted the necessity of tackling the continuing state terrorism being carried out by the Government of Israel against the people of Palestine.

In a message to leaders of NATO member states, the Russian Federation and China, on 16 September, following the attacks in the United States, delivered on

his behalf by Sheikh Hamdan bin Zayed Al Nahyan, Minister of State for Foreign Affairs, Sheikh Zayed said: 'there should be a direct move and a strong international alliance to eradicate terrorism, and all those who provide assistance to it or harbour it.'

Sheikh Zayed also expressed the UAE's 'condemnation of the daily and continuous acts of terrorism being committed by Israeli occupation forces in the occupied Palestinian territories against the unarmed Palestinian people.' Sheikh Hamdan told the envoys that the President believed there should be a strong international alliance that worked, in parallel with efforts to eradicate terrorism, to exert real and sincere efforts to bring about a just and lasting solution to the Middle East conflict. 'The President says it loud and clear,' the Minister added, quoting him as saying:

*The Arabs and the Islamic world cannot accept what is happening in the occupied Palestinian territories – the daily killings, deportations and destruction. All of this is politically and morally unacceptable . . . We request all leaders to work in full frankness on the two tasks in parallel and at the same time, thus working for the achievement of a just and lasting solution to the Middle East conflict, based upon the application of international legitimacy and enabling the Palestinian people to exercise their right to self-determination, to an end of occupation, and to establish their own independent state on their territory with Jerusalem as its capital . . . There will be no permanent peace unless this is done.*

On 2 December, he repeated his belief that the Palestinian struggle was in no way to be associated with the international campaign against terrorism, reaffirming 'the right of the peoples of the world to resist the occupier.'

*The resistance of the Palestinian people to an occupier who is armed to the teeth cannot be considered terrorism, and we condemn the state terror being practiced by Israel.*

Since the outbreak of the second Palestinian Uprising (Intifada) on 28 September 2000, the UAE has continued to express its support for the Palestinian people, and for their resistance to Israeli violence. In July, Sheikh Zayed told a US envoy, William Burns that:

*At a time when Israel unleashes its lethal weapons against the Palestinian people who have nothing else but stones, we see the US unable to rein in Israel . . . The US should stop the terrorism, aggression and barbaric crimes committed by Israel and should intensify its efforts to restore peace and security.*

Sheikh Zayed added that the US had a political and moral obligation to offer hope to the Palestinians that the aggression against them would stop.

The call for the US to adopt a more balanced and active approach in the pursuit for a settlement to the Middle East conflict was renewed in the country's address to the United Nations General Assembly in November.

The address urged the General Assembly to work for the restoration to the Palestinian people of their legitimate right to self-determination and the establishment of a Palestinian state with Jerusalem as its capital. It also called for the return of the Palestinian refugees in accordance with the international resolutions and the principle of land for peace.

The UAE welcomed the new approach on the issue outlined by President Bush in his address to the General Assembly and by US Secretary of State Colin Powell, in particular the endorsement of the principle of a Palestinian state and the renewed commitment to engage in active diplomacy to reinvigorate the peace process.

In early January 2002, Sheikh Zayed renewed his call for the United States to intervene to bring about a cessation of Israeli aggression against the Palestinians. In a meeting with William Burns, the US Assistant Secretary of State for Middle East affairs, the President noted that as prime sponsor of the Middle East peace process, the US administration had a duty to act by ordering an immediate end to Israel's attacks. Sheikh Zayed told the envoy that:

*The continuation of the serious situation prevailing in the occupied Palestinian territories as a result of the aggressive Israeli policies which claim the lives of many of the Palestinian people poses a threat to the security of all countries in the region and international efforts aimed at accomplishing a comprehensive and just peace.*

Within the Arab world as a whole, the United Arab Emirates welcomed the holding of the summit conference in the Jordanian capital of Amman in March. The conference was the first of what is intended to be an annual series of meetings, which has long been called for by President Sheikh Zayed. In a letter to Jordan's King Abdullah bin Hussein, the UAE President reaffirmed the willingness of the Emirates to contribute in any way possible towards the re-establishment of, and consolidation of, unity in the Arab nation:

*I am following, with great interest, the sessions of the conference, and I am satisfied and happy because that which we have been calling for has been achieved. The spirit of understanding and brotherhood which has prevailed*

*during your sessions and discussions has brought me great satisfaction. Your serious deliberations on the key issues on your agenda have proved that sincere intentions and frankness are the way for us to achieve success. On this occasion, I would like to assure you that my position is the same as yours. It is a position that is based on solidarity, cohesiveness and a unity of approach. Dialogue is essential between brothers, and we are happy because the Arabs recognise the correct path to follow towards reconciliation and solidarity, and to surmount the negative elements and mistakes of the past, in order to move away from divisions and rifts between them. We will be accountable to Almighty God if we do not shoulder our responsibilities towards our nation and peoples. We strongly support you in all your efforts to rebuild Arab solidarity and, in that context, we support all resolutions that would strengthen joint Arab action.*

In his National Day statement on 2 December, Sheikh Zayed added that:

*on the Arab and Islamic levels, we give cooperation the utmost priority in our policies . . . That is why we warn always against the dangers of the divisive situation in which the Arab world finds itself, and why we call for cooperation and solidarity, and for forgetting our differences and starting a new page in Arab relations.*

The UAE's call for the lifting of UN sanctions on Iraq was renewed by the President Sheikh Zayed on 2 December, who also noted that:

*Iraq is an important and essential part of the Arab nation. It cannot remain marginalised and away from the issues and problems of the Arab world, because that would inflict serious damage on the progress of the Arab nation as a whole.*

He went on to note, however, that Iraq should:

*take the initiatives necessary to contribute to helping its people emerge from this difficult period, such initiatives commencing with the release of the Kuwaiti prisoners of war (taken in 1990–1991), or by clarifying their whereabouts.*

During the course of the year, the UAE also continued to seek the restitution of the islands of Abu Musa and Greater and Lesser Tunb, occupied by Iran since 1971. A visit by Sheikh Hamdan bin Zayed Al Nahyan, Minister of State for Foreign Affairs to Tehran on 23 July 2001, was followed by another visit by Mohammed Ali Abtahi, head of the Iranian President's office, to Abu Dhabi on 6 August 2001. Reviewing the issue on 2 December, Sheikh Zayed expressed

his satisfaction 'with the positive atmosphere seen recently in our relations with Iran,' going on to express the hope that 'this will result in the eradication of all hurdles that stand in the way of achieving a real improvement in our relations.'

Noting that, as yet, Iran has not agreed either to negotiate or to refer the issue to the International Court of Justice, Sheikh Zayed went on:

*We still call upon Iran to accept the principle of arbitration, or the holding of serious negotiations with a fixed agenda and a specified timetable . . . We have dealt with this issue patiently because we believe that intra-Muslim relations constitute an important part of our foreign policy, and because we are always eager to keep the door open for interaction, communication and serious dialogue.*

In May 2001, the Organisation of the Islamic Conference (OIC) held a summit conference in Qatar, with the UAE taking the opportunity to repeat its call for the world not to stand by as Israel carried out its repression of the Palestinian Intifada. In a statement issued at the conference, Minister of State for Foreign Affairs Sheikh Hamdan bin Zayed Al Nahyan urged Muslim states to adopt a unified policy, and went on to call on the US, the members of the European Union and other countries to put pressure on Israel to end its brutality, return to the conference table, to implement the agreements it had signed and work for a settlement in accordance with international resolutions.

The outbreak of tension in late 2001 between the UAE's near neighbours, Pakistan and India, caused considerable concern in the Emirates. Both publicly and privately, UAE officials urged the two parties to engage in dialogue in the search for a peaceful resolution of the issues between them. Meeting in early January 2002 with the visiting Pakistani Minister of Communications and Railways Lt. General (Rtd) Javed Ashraf, President Sheikh Zayed urged that the two countries should resort to reason, wisdom and self-restraint for the sake of stability and security in South Asia. 'War can never solve problems between countries. It is of no use at all,' the President said.

Simultaneously, the UAE continued its programme of providing development aid to Pakistan, with a total of six agreements being signed in early November, the largest single package of aid provided by the UAE to any other country (see Development Aid).

Since the establishment of the federation of the United Arab Emirates in 1971, one of the fundamental principles of its foreign policy has been to support the implementation of international agreements and resolutions. Within this context, the UAE supported the military campaign in 1999 to force

the Government of Serbia to cease its oppression of the Muslim population of the province of Kosovo, and also provided military units for the international peace-keeping force (KFOR), which was stationed in the province. Indeed, the UAE was the only country outside the members of the North Atlantic Treaty Organisation (NATO) and Russia, to participate in KFOR.

In October 2001, the UAE units returned home, having completed their agreed period of deployment, but the UAE Government remains ready to participate in other international peace-keeping operations, should the necessity arise.

Elsewhere, the UAE has continued to promote the development of its political and economic relations with both developed and developing countries, particular progress being achieved within the Arab world, and also with the countries of the European Union, the US and Japan and the Muslim states of Central Asia.

The consistency that has prevailed in UAE foreign policy since 1971, due largely to the leadership of President Sheikh Zayed, has helped over the past year to consolidate the country's reputation within the international community as a responsible state that seeks to promote dialogue and consensus as a tool for the resolution of disputes and which, at the same time, endeavours to strengthen the legitimacy and authority of international organisations and institutions. By so doing, it has further reinforced its role as a significant player in world diplomacy.

The UAE has diplomatic relations with 143 countries. At the end of 2001, there were 69 embassies in Abu Dhabi and 52 consulates in Dubai. There are also 35 non-resident ambassadors accredited to the UAE. In addition, the country hosts offices of several regional and international organisations. There are 44 UAE embassies and seven consulates abroad, as well as two permanent missions to the United Nations, one in New York and one in Geneva.

## DEVELOPMENT AID

The provision of disaster and development aid to the needy at home and abroad has been an important aspect of the United Arab Emirates' policy since the establishment of the state. A number of organisations are involved in the distribution of aid, most notably the UAE Red Crescent Society, the Abu Dhabi Fund for Development (ADFD) and the Zayed Foundation.

## RED CRESCENT SOCIETY

The year 2001 has been one of the busiest yet for the UAE Red Crescent Society (RCS) as it has continued to respond both to continuing and to new humanitarian crises. Chaired by the Minister of State for Foreign Affairs, Sheikh Hamdan bin Zayed Al Nahyan, the RCS has earned a worldwide reputation for its humanitarian initiatives at home and abroad. A report by the International Federation of the Red Crescent and Red Cross Societies classified the UAE RCS as first among Arab charity organisations and among the world's best seven societies in terms of providing emergency assistance. During the year 2000 alone, the RCS raised and spent Dh126.2 million (US\$34.4 million) on relief activities.

Although it has undertaken projects in many countries, the RCS during 2001 found much of its attention focused on the necessity of responding to the crises in Palestine, Kosovo and Macedonia and, in the latter part of the year, in Pakistan and Afghanistan.

In the period between the outbreak of the new Intifada in Palestine, in September 2000, and the middle of 2001, the Red Crescent Society spent over Dh90 million (US\$24.5 million) in providing assistance to civilians affected by Israeli violence. The Society also arranged for several groups of civilians injured in the violence to be flown to the UAE for treatment in local hospitals.

Relief for Afghan refugees in Pakistan and Afghanistan, as well as for displaced persons inside Afghanistan took on a new urgency with the launching of the military campaign against the Taliban administration in October 2001. Support from the UAE for the displaced people of Afghanistan had, however, already been provided long before the outbreak of the crisis, particularly for the refugee camps in Pakistan.

In a statement on 23 September announcing the stepping up of the relief programme, RCS Chairman Sheikh Hamdan bin Zayed noted that:

*millions of refugees from Afghanistan have moved to bordering areas of neighbouring countries and are facing difficult living conditions, while many more are expected to arrive in the next few days and weeks. The UN relief agencies and other bodies have warned of the danger of starvation in much of Afghanistan, while the Government of Pakistan is already facing an enormous burden in trying to cope with the refugee problem.*

In response to an emergency appeal from the Federation of Red Cross and Red Crescent Societies for help for Afghan refugees not only in Pakistan, but

also in Iran, Tajikistan and Uzbekistan, the RCS allocated 600,000 Swiss francs from its emergency funds, and stepped up logistical support for the Federation's regional staging and supply base, which is housed in Abu Dhabi.

Personal donations to the relief programme for the refugees were made in early October by Sheikh Zayed (Dh15 million) and by Sheikha Fatima (Dh5 million), while, on the instructions of Sheikh Khalifa bin Zayed, planes of the UAE Armed Forces were made available to fly in tents, blankets, medicines, foodstuffs and other supplies. The RCS activities included the sending of supplies both to refugees in Pakistan and Iran and also to people inside Afghanistan itself. A specially-equipped camp for refugees was established at Chaman, on the border between Afghanistan and Pakistan's province of Baluchistan, with the capacity to house 40,000 people.

Further support for displaced persons inside Afghanistan was provided by Dubai's Sheikh Mohammed bin Rashid Charitable Foundation, which set up a special camp in southern Afghanistan, a few kilometres north of the border with Baluchistan.

During October 2001, the UAE contingent serving with the United Nations peacekeeping forces in Kosovo completed its term and returned home. In the nine months before its return, working closely with the Red Crescent Society, the contingent continued to provide substantial support for the civilian population in its area of operations. A major result of this collaboration was the construction by the UAE Armed Forces of a hospital at Vucutri that had treated over 50,000 patients by the time the contingent was withdrawn.

The Red Crescent Society also provided assistance during 2001 for refugees from Macedonia who fled into Kosovo during the short-lived instability in their country.

Despite its focus on Palestine, Kosovo, Afghanistan and Pakistan, the RCS also continued to provide assistance to other countries during the course of the year. A major relief operation was launched, for example, to send supplies to victims of the devastating earthquake that hit the Indian state of Gujerat in January while, later in 2001, assistance was sent to Algeria, after it was hit by a series of floods.

## ABU DHABI FUND FOR DEVELOPMENT

During November 2001 the Abu Dhabi Fund for Development (ADFD), the UAE's main development assistance agency, signed its largest ever package of loan agreements with a single country, involving the provision of nearly

one billion dirhams to Pakistan in six separate loan agreements. Totalling Dh974,345,000 (US\$265.49 million), the loans represent the largest single package of assistance ever agreed by the Fund in the 30 years since its establishment, and signify a major contribution to Pakistan's development programme and to the strengthening of links between the UAE and Pakistan.

The basic objective of the projects is to help Pakistan develop its power generation and water supply sectors, both in major population centres and in rural areas. The six loan agreements were as follows:

- Dh146,920,000 (US\$40.03 million) for the Khan Khwar hydro-electric power project, involving construction of a major weir and water intake and the installation of two 35MW turbines
- Dh202,015,000 (US\$55.04 million) for the Duber Khwar hydro-electric power project, involving the construction of a major weir and water intake and installation of two 65MW turbines
- Dh73,460,000 (US\$20.01 million) for a water supply project for the city of Quetta, capital of Pakistan's province of Baluchistan, which will involve the drilling of 55 water supply wells and an associated pipeline network, as well as the construction of a 100 kilometre sewerage network and waste water recycling and treatment plants in Quetta
- Dh146,920,000 (US\$40.03 million) for Phase V, Phase II of the Greater Karachi Water Supply Scheme. This will involve the construction of pipelines and pumping stations to deliver an additional 100 million gallons of water a day to Pakistan's major port
- Dh220,380,000 (US\$60.04 million) for the Allia Khwar hydro-electric power scheme, involving construction of a weir and water intake and installation of two 60MW turbines
- Dh183,650,000 (US\$50.04 million) for the Gomal Dam project, which involves construction of a 133-metre-high dam with a holding capacity of 1.5 billion cubic metres of water. Associated with this will be a diversion weir and canal network to irrigate 66,000 hectares of land and a power station with an installed capacity of 130MW.

The loans from the Fund will be used to finance the purchase of the required foreign components of each of the projects.

Overall, 55 countries have now benefited from the Abu Dhabi Fund for Development (ADFD) assistance programme. Inaugurated in 1971 the Fund is a public autonomous institution supervised by the government of Abu

Dhabi, which also administers funds provided by Government. The total amount of funds (including the six loan agreements to Pakistan) provided by the Fund or by Government and administered by the Fund now amounts to a total of Dh16.5 billion, covering 223 projects in 55 countries. Of this amount, Dh7.1 billion is from the Government. The ADFD is also involved in supporting development within the UAE.

In line with the policy adopted by ADFD to facilitate sustainable development in underdeveloped, debt-ridden countries, its emphasis has been on projects that upgrade infrastructure, improve health and educational facilities and generate employment opportunities. Infrastructure projects such as roads, seaports, airports, energy generation and telecommunications services, as well as agricultural, social, health, education and housing projects amount to well over a third of the total aid offered by or administered by the Abu Dhabi Fund for Development, not including the package of loans for Pakistan signed in November 2001.

Statistics of the Fund's activities issued in November 2001 indicate that Arab countries had received 85.1 per cent of all Fund and government loans and grants. Countries south of the Sahara received 7.8 per cent, Asian countries 4.8 per cent and others 2.2 per cent.

In addition to financial grants and easy term loans, the ADFD has expanded its activities to include direct investment in private enterprises to improve private sector participation in the economic development of the recipient countries. By the end of 2001, such direct investment amounted to Dh464 million. Tourism and the hotel industry accounted for 62 per cent of the direct investment deployed by the Fund to provide hard currency and jobs for nationals of the recipient countries.

The total value of the Fund's loans, grants and investments increased from Dh1 billion in 1977 to Dh4 billion in 1987 and to Dh8.462 billion by the end of October 2001.

In addition, the ADFD manages, on behalf of the Abu Dhabi government, an assistance programme valued at Dh7.116 billion as of November 2001, of which 61 per cent was offered as non-repayable grants. The balance was offered as long-term easy loans. The Abu Dhabi government grants were used, to cite some examples, to finance the reconstruction of the Marib dam in Yemen, the Sheikh Zayed hospital in Rabat, Morocco, Sheikh Zayed's city in Egypt, a social services centre in Dhaka, Bangladesh, a housing complex in Yemen and Sheikh Zayed's orphanage in Mombasa, Kenya.

Dh55 million from the direct grant programme went to finance projects undertaken by the United Nations Arabian Gulf programme (set up in 1981 by GCC countries to coordinate Arab assistance provided to 15 UN organisations such as UNESCO, UNICEF and FAO).

Between January and July 2001, new loan agreements were signed between Abu Dhabi and the following countries:

- The Hashemite Kingdom of Jordan: a loan agreement of Dh36,730,000 for financing of the Unity Dam project
- Republic of Djibouti: two loan agreements, one of Dh29,834,000 for financing of a housing project and one of Dh25,711,000 for financing of the expansion of Djibouti Port
- Kingdom of Morocco: a loan agreement of Dh20,380,000 for financing of the Mediterranean Ring Road
- The State of Eritrea: a further loan of Dh18,365,000 for the electricity generation project
- Republic of Kazakhstan: a loan agreement of Dh80,806,000 to finance the construction of the Karaganda – Astana road.

Other projects funded by loans or grants from other Government bodies but under supervision by the Fund during 2001 have included several major projects in Palestine. These include the US\$50 million Zayed City Project in Gaza, whose foundation stone was laid by Minister of Information and Culture, Sheikh Abdullah bin Zayed Al Nahyan, in November 2000. The project involves the construction of 750 3-bedroom housing units, with an associated hospital, schools and gardens. Other aid projects in Palestine administered by the Fund have included the Zayed Hospital in Ramallah, which opened in March 2001.

#### ZAYED HUMANITARIAN AND CHARITABLE FOUNDATION

The Zayed Foundation, founded in 1992 with a capital of Dh3.671 billion, extends help to the needy at a local, regional and international level. The Foundation has, to date, spent over Dh400 million on various types of humanitarian projects undertaken at home and abroad. This assistance has taken the form of funding for the building of mosques, Islamic cultural centres, scientific research centres and health and educational institutions, in addition to sending relief supplies to disaster-stricken areas. In its report for the year 2000, the Office of the United Nations High Commissioner for Refugees

(UNHCR) noted that the Foundation was ranked fifth among all bodies worldwide providing relief for refugees.

Locally, the Foundation's programmes encompass the sponsoring of humanitarian programmes, including assistance to other charity organisations, renovation of mosques and Quran memorisation centres, support for rehabilitation centres, the purchase of medical equipment, building five grand mosques, at a cost of Dh48 million, in the Northern Emirates and supporting other projects in collaboration with the Ministry of Justice, Islamic Affairs and Awqaf.

Regionally, the Foundation has spent over Dh11.3 million on projects which include the construction of a number of mosques in Oman, support for various charity organisations in Bahrain, as well as offering assistance for projects related to the formation and maintenance of Quran memorisation centres and centres for the rehabilitation of the handicapped.

At the broader Arab level, the Foundation provided support for a number of medical centres, hospitals and orphanages in Palestine, and has also assisted charitable and social care institutions in Lebanon during the last year. Among these is the Al Manar University, whose library was funded by the Foundation at a cost of Dh7.5 million. Mauretania and Somalia are two other Arab countries to have received support.

Elsewhere in Africa, the Foundation has built a new grand mosque in the Kenyan capital of Nairobi, at a cost of Dh20 million, and is supporting a Kenyan orphanage for 150 children, at a cost of Dh13 million. It is also funding the Zayed Scientific Centre in Chad (Dh7.5 million), a hospital in the Comoro Islands (Dh7.5 million), and a central mosque in the capital of the Ivory Coast (Dh22 million). Amongst other projects has been the refurbishment of Zanzibar's central hospital and the establishment of a university in Mali.

In Asia, recent undertakings have included the building of educational institutions and housing in Pakistan, as well as mosques in Pakistan and India, while the Foundation has also supplied relief aid to victims of earthquakes in Afghanistan and Iran.

In Europe, major key recent activities of the Foundation have focused on the building of mosques in Stockholm and London and the provision of relief supplies and medical equipment to Bosnia. It has also funded a number of projects in the United States and extended its activities during the year to New Zealand, where it donated Dh13 million for the construction of a girls' school.

## OTHER INITIATIVES

Besides the development assistance and humanitarian relief provided by the three major institutions of the Red Crescent Society, the Abu Dhabi Fund for Development and the Zayed Foundation, a whole host of other initiatives were taken during 2001 to help the needy in other countries and to support the development of international and regional institutions. In Palestine, for example, the country's First Lady, Sheikha Fatima bint Mubarak, made two US\$1 million donations for a vocational rehabilitation centre in Hebron and a children's charity in Gaza, while other donations were made to help Palestinian victims of Israeli attacks by, amongst others, the Ruler of Ajman, HH Sheikh Humaid bin Rashid Al Nuaimi, and the Sheikh Mohammed bin Rashid Charitable Foundation in Dubai.

The Islamic Educational, Scientific and Cultural Organisation (ISESCO) received a donation of US\$1 million from Sheikh Zayed bin Sultan Al Nahyan to fund the construction of its new headquarters in Rabat, Morocco, while Sheikh Maktoum bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, donated US\$5 million to Egypt's Al Azhar University, the oldest seat of learning in the Muslim world, for a programme designed to preserve its collection of priceless manuscripts and to put their texts on the Internet so that they can be available to researchers. Sheikh Maktoum, who, through his involvement in the horseracing industry, has developed a close relationship with Britain's landowning and farming communities, also donated GBP£1 million to a special fund established to provide assistance to farming families affected by Britain's devastating outbreak of foot-and-mouth disease. Another donation of US\$1 million was made by Sheikh Khalifa bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces, for relief activities in Central Asian countries.

Besides these individual initiatives, the UAE Government also continued throughout the year to provide major contributions to areas and people in need. In October 2001, for example, a second tranche of US\$72 million was paid to the special Al Aqsa and Intifada funds established by the late 2000 Arab summit conference, making a total of US\$150 million provided to the funds.

Assistance provided directly by the UAE Government also included a special allocation of US\$500,000 to the United Nations Relief Works Agency (UNRWA) for Palestinians and US\$5 million for an international fund to help Afghan refugees in Pakistan.