



GOVERNMENT

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.

Known until 1971 as the Trucial States, each of which had separate treaty relationships with Britain, the seven emirates came together to establish 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’.

In May 1996, the Federal Supreme Council approved an amendment to the provisional Constitution, naming Abu Dhabi as the capital of the state and declared the revised document to be the country’s permanent Constitution.

The new federal system of government established in 1971 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 also agreed 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 was re-elected at successive five-yearly intervals until his death in November 2004, 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. Both were succeeded by their Crown Princes, who became Rulers of their Emirates and were elected by the members of the Federal Supreme Council to become respectively President, for the Ruler of Abu Dhabi, and Vice-President, for the Ruler of Dubai.

SUPREME COUNCIL MEMBERS

HH President Sheikh Khalifa bin Zayed 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

General Sheikh Mohammed 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

General Sheikh Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Minister of Defence

Sheikh Sultan bin Mohammed Al Qasimi, Crown Prince and Deputy Ruler of Sharjah, Chairman of the Sharjah Executive Council

Sheikh Saud bin Saqr Al Qasimi, Crown Prince and Deputy Ruler of Ra’s al-Khaimah

Sheikh Saud bin Rashid Al Mu’alla, Crown Prince of Umm al-Qaiwain

Sheikh Ammar bin Humaid Al Nuaimi, Crown Prince of Ajman

DEPUTIES OF THE RULERS

Sheikh Hamdan bin Rashid Al Maktoum, Deputy Ruler of Dubai, Minister of Finance and Industry

Sheikh Ahmed bin Sultan Al Qasimi, Deputy Ruler of Sharjah

Sheikh Khalid bin Saqr Al Qasimi, Deputy Ruler of Ra’s al-Khaimah

Sheikh Sultan bin Saqr Al Qasimi, Deputy Ruler of Ra’s al-Khaimah

Sheikh Hamad bin Saif Al Sharqi, Deputy Ruler of Fujairah

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.

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 1 November 2004, according to the proposal of Vice-President and Prime Minister HH Sheikh Maktoum bin Rashid Al Maktoum, who had been requested by the late 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

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

Minister of Interior: Lt Maj. Gen. Sheikh Saif bin Zayed Al Nahyan

Minister of Presidential Affairs: Sheikh Mansour bin Zayed Al Nahyan

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

Minister of Education: Sheikh Nahyan bin Mubarak Al Nahyan

Minister of Public Works: Sheikh Hamdan bin Mubarak Al Nahyan

Minister of Supreme Council and GCC Affairs: Sheikh Fahim bin Sultan Al Qasimi

Minister of Foreign Affairs: Rashid Abdullah Al Nuaimi

Minister of Health: Hamad Abdul Rahman Al Midfa

Minister of State for Cabinet Affairs: Saeed Khalfan Al Ghaith

Minister of Agriculture and Fisheries: Saeed Mohammed Al Raqbani

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

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

Minister of Economy and Planning: Sheikha Lubna Al Qasimi

Minister of Energy: Mohammed bin Dha'en Al Hamili

Minister of Communications: Sultan bin Saeed Al Mansouri

Minister of Labour and Social Affairs: Dr Ali bin Abdullah Al Ka'abi

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 election 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

Saeed Mohammed Al Kindi (elected 2003)

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 34 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 Mohammed bin Zayed Al Nahyan, the heir apparent. This was restructured in late 2004, following the accession of President HH Sheikh Khalifa bin Zayed Al Nahyan as Ruler of Abu Dhabi, with the amalgamation of several previously-existing departments, while the subsidiary local departments that formerly existed in the emirate's Eastern and Western Regions were also absorbed into the central departments. The two regions continue to have Ruler's Representatives, and 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, these both coming under the new Department of Municipalities and Agriculture. 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 the local departments coming under the Executive Council, a number of local departments, covering areas such as finance, economy, civil aviation, ports and municipalities and agriculture (incorporating the former department of public works and the former Al Ain forestry department), with the business of the Council being managed by a secretary-general.

A similar pattern of municipalities and departments can be found in each of the other emirates, while Sharjah, which has 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 and a Consultative Council to cover the whole emirate.

In smaller or more remote settlements, the ruler and government of each emirate may choose a local representative 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.

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 34 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 at the same time 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 huge increase in 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, proof of that being the smooth transition that occurred, in Government and throughout the country, following the death of the Federation's founder, Sheikh Zayed bin Sultan Al Nahyan, in late 2004.



PRESIDENT OF THE UAE



HH SHEIKH KHALIFA BIN ZAYED AL NAHYAN was elected by the Supreme Council of Rulers (Federal Supreme Council) as President of the United Arab Emirates on 3 November 2004, to succeed his father, the late HH Sheikh Zayed bin Sultan Al Nahyan, who had been UAE President from the foundation of the Federation in 1971. Sheikh Khalifa is also Ruler of Abu Dhabi, having succeeded to that position on his father's death on 2 November 2004.

The new UAE President had previously been Crown Prince of Abu Dhabi since 1969. He has committed himself to continue in the footsteps of his late father, from whom, he has said, he learned something new every day, absorbing his values, 'and the need for patience and prudence in all things'.

Sheikh Khalifa has been involved in government for nearly 40 years. Born in the inland oasis-city of Al Ain in 1948, and locally educated, Sheikh Khalifa was appointed as Ruler's Representative in the Eastern Region of Abu Dhabi, based in Al Ain, and as Head of the local Courts Department on 18 September 1966, following his father's accession as Ruler of Abu Dhabi the previous month.

On 1 February 1969, Sheikh Khalifa was designated the Crown Prince of Abu Dhabi, this being followed on 2 February 1969 by his appointment as the Head of the Abu Dhabi Department of Defence, in which post he oversaw the building-up of the Abu Dhabi Defence Force (ADDF) which later became the nucleus of the UAE Armed Forces.

On 1 July 1971, Sheikh Khalifa was appointed as Prime Minister of Abu Dhabi and Minister of Defence and Finance. After the formation of the seven-member Federation of the United Arab Emirates on 2 December 1971, he continued to hold his local Abu Dhabi posts, while on 23 December 1973, he was appointed Deputy Prime Minister in the second UAE Federal Cabinet.

Shortly afterwards, on 20 January 1974, he was appointed as the first Chairman of the Abu Dhabi Executive Council, which replaced the emirate's Cabinet. Under his direction, and in accordance with the instructions of HH Sheikh Zayed, the Executive Council oversaw the implementation of a wide-ranging development programme in Abu Dhabi, including the construction of housing, water supplies and other essential services, roads and the general infrastructure. This paved the way for the emergence of the city of Abu Dhabi as the modern metropolis that it is today.

Of particular importance in ensuring that citizens were able to benefit from the country's increasing wealth was the establishment by Sheikh Khalifa in 1981 of the Abu Dhabi Department of Social Services and Commercial Buildings, charged with the provision of loans to citizens for construction. Over Dh35 billion have so far been lent by this department, with over 6000 multi-storey buildings being constructed throughout the emirate.

The establishment of the department, popularly known as the 'Khalifa Committee', followed another decision taken by Sheikh Khalifa in 1979 to alleviate the burden on citizens of the repayment of loans from the commercial banks. This involved a fixing of the interest rate payable by citizens of loans for construction at 0.5 per cent, with the balance of the interest charged by the banks being paid by government.

The formation in 1991 of the Private Loans Authority, to provide loans for residential and commercial property, was another important initiative to use government revenues to assist citizens to participate in the process of development and to benefit from the country's prosperity. Initially capped at Dh900,000, the ceiling on loans for private house-building was raised by Sheikh Khalifa in September 2000 to Dh1.2 million, in response to rising construction costs and inflation.

President HH Sheikh Khalifa has also been involved extensively in other areas of the country's development. Head of the Abu Dhabi Defence Force since 1969, he became in May 1976 the Deputy Supreme Commander of the UAE Armed Forces, following the unification of the armed forces of the emirates. In this capacity, he devoted much attention to the building-up of the country's defensive capability, both in terms of highly trained personnel and through procurement of the latest military equipment. As was seen during the 1990-1991 Gulf War and in peacekeeping operations in Somalia and Kosovo, the UAE today has effective, well-led and professional armed forces.

Sheikh Khalifa has held a number of other top posts in the Abu Dhabi government.

PRESIDENT OF THE UAE

Since the late 1980s, he has been Chairman of the Supreme Petroleum Council, in which capacity he has also sought to ensure that the country diversifies its economy away from reliance on oil and gas production. In particular, he has worked to develop the UAE's downstream petrochemicals and industrial complex at Ruwais.

He is also Chairman of the Abu Dhabi Fund for Development (ADFD) (which oversees the country's international aid programme, from which over 40 countries have now benefited); the Abu Dhabi Investment Authority (ADIA) (which manages the financial reserves and investment); and Honorary Chairman of the Environment Agency – Abu Dhabi (EAD).

Externally, Sheikh Khalifa is a strong supporter of the six-member Gulf Cooperation Council, believing that the success and achievements of this body reflect the depth of understanding reached amongst its leaders. A keen supporter of the regional policy of HH Sheikh Zayed, in particular in terms of promoting solidarity between the Arab states, Sheikh Khalifa is firmly committed to support of the Palestinian people, displaying this through, for example, his decision in mid-2005 to finance the construction of a new city for Palestinians in the Gaza Strip on the sites of settlements abandoned following the Israeli withdrawal.

He is also committed to the promotion of stability in Iraq, through the provision of diplomatic and other support designed to help the new sovereign Government of Iraq to rebuild the country's political system and economic infrastructure.

He has stated that his key objectives as President of the United Arab Emirates will be to continue on the path laid down by his father. In particular, he says, he will continue with the 'open door' policy and with the practice of holding regular consultations with the country's citizens, so that he may become aware of, and follow up on, their needs and concerns.

Since being elected President, he has toured widely throughout the country, to visit his fellow Rulers in their emirates and to review with them the needs of the people for new schools, hospitals, roads and other infrastructural development.

In terms of his broad strategy for the future development of the UAE, Sheikh Khalifa has stated that this 'will be based upon diversifying the sources of national income. Thus relying on oil as a source of income will be gradually reduced. Oil should be considered as a transitional industry, for reinvigorating economic life . . . We are working within (the framework of) a plan laid down to train nationals so that they obtain a high level of proficiency and competence.'

FOREIGN AFFAIRS

FOREIGN POLICY

The foreign policy of the United Arab Emirates is based upon a set of guiding principles, laid down by the country's first President, Sheikh Zayed bin Sultan Al Nahyan. He derived these from his deep belief in the need for justice in international dealings between states, including the necessity of adhering to the principle of non-interference in the internal affairs of others and the pursuit, wherever possible, of peaceful resolutions of disputes, together with a support for international institutions, such as the United Nations. Only thus, he believed, could the rights of the weak and powerless be defended. In developing this approach, he brought into play his own experiences on the need for collaboration and consultation, gained during his involvement in the governance of the Emirate of Abu Dhabi and in the bringing together of the seven emirates into the Federation of the UAE.

Within the Arabian Gulf region, and in the broader Arab world, the UAE has sought to enhance cooperation and to resolve disagreement through a calm pursuit of dialogue. Thus one of the central features of the country's foreign policy has been the development of closer ties with its neighbours in the Arabian Peninsula. The Arab Gulf Cooperation Council (AGCC), grouping the UAE, Kuwait, Saudi Arabia, Bahrain, Qatar and Oman, was founded at a summit conference held in Abu Dhabi in May 1981, and has since become, with strong UAE support, an effective and widely-respected grouping.

At the broader level of the Arab world as a whole, Sheikh Zayed was committed to the re-building of a sense of common purpose amongst both its people and its governments. He supported, therefore, the strengthening of common institutions, like the League of Arab States, while recognising that the achievement of progress required not a fruitless search for unanimity but, rather, working to achieve a consensus on key issues.

A key feature of UAE policy within the Arab world has been a consistent support for the rights of the Palestinian people to recover their land and to establish their own state, with Jerusalem as its capital, within the context of a just and lasting peace agreement with Israel. That support has been unstinting, while, at the same time, the UAE has always emphasised that it is for the Palestinians themselves to choose how best to pursue their objectives.

While seeking to promote consensus and reconciliation between Arab states on key issues, the UAE has also made it plain, throughout its existence, that there are certain basic principles which must be maintained. One is that of the need for states to maintain relations based upon mutual respect and a lack of interference in the affairs of others, while another has been the inadmissibility of

territorial gain based upon force. Thus not only has the UAE rejected Israeli claims to occupied Palestinian territories, but it also supported its Gulf sister state of Kuwait when the latter was invaded and occupied by Iraq in 1990–1991.

The UAE itself has foreign policy issues related to its territorial integrity. Since 1971, the three Gulf islands of Abu Musa and Greater and Lesser Tunb have been occupied by Iran. While holding fast to its demand that the islands should be returned, the UAE, in accordance with the policy laid down by Sheikh Zayed, has always adopted a policy of seeking to resolve the dispute by peaceful means, whether through meaningful bilateral negotiations, or through reference to the International Court of Justice, or through international arbitration. Sadly, no progress was made on this issue during the course of 2005.

Another territorial issue to receive attention during 2005 was that of the UAE's borders with Saudi Arabia. In June, the UAE publicly stated, for the first time, its position, dating back 30 years, that there should be a review of the need for amendments to the 1974 provisional agreement signed between the two countries, but not formally ratified. Following a visit to the UAE by the Saudi Minister of Interior to Abu Dhabi in June, Sheikh Hamdan bin Zayed Al Nahyan, the UAE Deputy Premier and Minister of State for Foreign Affairs, noted that 'a brotherly, frank and transparent dialogue on certain boundary issues' had taken place. 'The UAE said that some parts of the 1974 boundary agreement can no longer be implemented. The UAE, therefore, presented fundamental amendments to these parts of the agreement . . . The (UAE's) stance in this respect is not new, since the UAE has been expressing the same position since 1975,' he said.

A negotiated solution to the issue, which concerns mainly the southern border, close to the UAE's Zarrara oilfield, and the Khor al-Odaid area, in the west, is being actively sought.

During the course of the year, however, the UAE and Oman formally signed maps delineating the borders between the two countries from Umm az-Zamul, in the south, northwards to east Eqaidat. The original agreement on the borders was signed in 1999.

Beyond the Arab world, the United Arab Emirates has pursued a policy of seeking, wherever possible, to build friendly relations with other nations, both in the developing and in the industrialised world. While this policy is implemented at a bilateral level, another important feature of UAE policy has been its support for international bodies, like the United Nations and its various agencies. Through its support for such bodies, it seeks to reinforce the rule of international law, and to support the implementation of internationally agreed conventions, so as to protect the interests of the small, the weak and the powerless.

The UAE has shown its support for legitimate multilateral action not only through its extensive programme of support for the UN and its agencies, but also by supporting peacekeeping operations, such as UNISOM II in Somalia and the

international force sent to protect the Muslims of Kosovo in the late 1990s, the UAE being the only Arab and Muslim country to take part in the latter.

Characterised by prudence, a support for conciliation and consensus, as well as for international institutions, yet also by a readiness, if necessary, to support the use of force to defend the rights of the weak, UAE foreign policy in the years since the state was established has also been noteworthy for its consistency, thanks to the fact that the architect of the policy, Sheikh Zayed, continued throughout to guide its implementation until late 2004.

During 2005, under the leadership of President HH Sheikh Khalifa bin Zayed Al Nahyan, that policy has remained unaltered. Many of the key issues have remained the same as in previous years and, in particular the UAE has focused attention on continuing problems in the region, such as those affecting Iraq, the people of Palestine and Afghanistan. The UAE has also continued to work with other countries, both within the region and from outside, to fight the continuing scourge of terrorism.

In the immediate area of the Arabian Gulf, the development of relations between the six member states of the Arab Gulf Cooperation Council (AGCC) has been one focus of activity during the course of the past year. This is seen by President HH Sheikh Khalifa as being a fundamental element in the UAE's foreign policy.

'I strongly believe that the Gulf region is one entity and one area,' he has said. 'Unity is strength. It is my hope that we would be able to forge a greater union or federation, across the Gulf, not just in the UAE, and the success of our federation in the UAE is a cause for hope. Unity is a conviction and a belief.'

Sheikh Khalifa visited Qatar at the end of 2004 for discussions on the burgeoning links between the two states, which include the Dolphin pipeline project that will bring gas from Qatar's North field to the UAE, and the planned causeway and bridge that will run from the UAE's Sila'a peninsula to Qatar.

The President also visited Saudi Arabia in July, to pay condolences to King Abdullah bin Abdul Aziz on the death of his brother and predecessor, King Fahd, and, earlier in the year, following his election as UAE President, also visited Kuwait, Bahrain and Oman.

The UAE continued to express its support for the Palestinians and for efforts designed to revitalise the peace process. Besides providing diplomatic and other support to the Palestine National Authority, under its new leader, Mahmoud Abbas (Abu Mazen), the UAE also extended substantial aid in the form of the funding of new housing and other projects (see Foreign Aid). One of these, announced in July, was a plan for a Sheikh Khalifa City to be built in Gaza, on land occupied by illegal Israeli settlements until these were abandoned in the second half of the year as part of a planned, partial Israeli withdrawal.

Throughout the year, the United Arab Emirates continued to extend all possible support to the international fight against terrorism, while emphasising the necessity

both of a clear definition of terrorism and of ensuring that terrorism perpetrated by states should not be overlooked.

The scourge of terrorism has continued during 2005 to pose an important challenge to the international community, both within the region and further afield. The UAE has supported efforts by the Government of Iraq to overcome the terrorists who have been indiscriminately targeting government officials and civilians, including women and children. It also expressed its condemnation of the murder of foreign diplomats in Iraq. The UAE continues to offer its assistance to the Iraqi Government and people to rebuild their state and society, urging all communities within the country to work together in such a way as to restore internal stability and to facilitate Iraq's full return to the community of nations.

Terrorism, of course, has not been confined to Iraq over the course of the last year, and the UAE has also expressed its full condemnation of terrorist attacks that have occurred elsewhere, such as those which took place in Kuwait in January, in Qatar in March, and in July in the Egyptian resort of Sharm el-Sheikh and in the British capital, London. In a statement on the London explosions on 7 July, Sheikh Hamdan bin Zayed, Deputy Prime Minister and Minister of State for Foreign Affairs, noted that 'the UAE condemns in the strongest possible terms these horrific crimes, (and) expresses its full support for the British government and for all measures it may take to deal with these crimes.'

In keeping with its belief that all nations should work together to eradicate the scourge of terrorism, including those who facilitate and fund it, UAE Minister of Interior Lt General Sheikh Saif bin Zayed Al Nahyan, followed up Sheikh Hamdan's remarks with an offer to provide any possible help to the British authorities in trying to track down those responsible.

The UAE also condemned the two individual murders that occurred in Lebanon during the year, of former Prime Minister Rafiq Hariri and of politician and journalist Samir Qaseer.

In June, the Cabinet approved the UAE's adherence to the International Convention on the Suppression of Terrorism and the International Convention on the Suppression of Acts of Nuclear Terrorism, while the UAE Central Bank continued to work closely with other Central Banks and financial institutions to crack down on any financial transactions believed to be related to possible financing of terrorism.

In more general terms, the UAE has continued throughout the year to work on building bilateral relations with countries throughout the world, and there was the usual steady flow of high-ranking visitors from other countries to the Emirates.

An important visitor in March was the German Chancellor, Gerhard Schroeder, who described the UAE as an 'anchor of stability' in the region. A number of major commercial agreements were signed during the visit, covering the defence, power, transport and other sectors.

Another important visit, in July, was by Australia's Prime Minister, John Howard. In recent years, bilateral relations between the UAE and Australia have been developing rapidly. These are not only in the sphere of trade and investment, where the recent conclusion of a free-trade agreement is expected to provide further stimulus, but in other areas as well, like tourism and the number of UAE students undertaking courses in Australian universities. Other links are developing in the oil industry, with Australia's largest oil company, Woodside, partnering Abu Dhabi's Liwa Energy in exploration in Libya.

Another important development in terms of the country's foreign trade relations was the initiation, early in 2005, of negotiations with the United States on the conclusion of a free-trade agreement. Similar agreements have already been signed by a number of other member countries of the Gulf Cooperation Council and, when completed, the UAE-USA agreement will facilitate an increased inflow of US investment into the UAE economy.

Other governmental visitors to the UAE included senior officials from the United States, Britain, China, Canada, Spain, the Ukraine, Pakistan, China, Singapore, South Africa, Tanzania and the Seychelles, as well as a number of top Arab officials, including the heads of state of Qatar, Bahrain, Jordan and Morocco.

Besides the visits by President Sheikh Khalifa to the other member states of the GCC, UAE officials also made a number of important visits overseas, designed to promote political, economic and defence relationships. Two such visits were made by delegations headed by Sheikh Mohammed bin Zayed Al Nahyan, Abu Dhabi Crown Prince and Deputy Supreme Commander of the Armed Forces, to Pakistan, for talks with President Musharraf, to France, for talks with President Chirac, and to Egypt, for talks with President Mubarak.

The UAE also took part in the Arab summit in Algeria in March, its delegation being led by Fujairah Ruler and Supreme Council member Sheikh Hamad bin Mohammed Al Sharqi.

The country was represented at the funeral of Pope John Paul in Rome and at that of former Lebanese Prime Minister Rafiq Hariri by Minister of Information and Culture Sheikh Abdullah bin Zayed Al Nahyan.

Building relations between the UAE and other countries is not, of course, simply a matter for discussions and an exchange of visits between governments. Parliamentarians and others also have a key role to play. In June, a large delegation of parliamentarians from the North Atlantic Treaty Organisation (NATO) visited the Emirates at the invitation of Sheikh Mohammed bin Zayed Al Nahyan. Made up of members of the NATO Assembly's Defence Committee, the delegation was the first of its kind to visit the Emirates. Members were briefed on the UAE's defence policy and other issues.

As noted at the beginning of this section of the *Yearbook*, the UAE has always sought, since its establishment, to work with and to support the United Nations

and its specialised agencies. During 2005, the Ministries of Foreign Affairs and Interior worked closely with the United Nations Children's Fund (UNICEF) on the repatriation of several hundred young children who had formerly been working as camel jockeys in the Emirates.

The use of children, from South Asia, North-East Africa and Mauritania, as camel jockeys, had long been common in the Emirates, but there had been rising concern in recent years about the treatment of the children. It had become apparent, for example, that their parents had, in many cases, been tricked by traffickers, while some had even been kidnapped in their home countries. In accordance with UAE legislation and with the provisions of international convention signed by the UAE, it was, therefore, decided that the use of children under the age of 18 as camel jockeys was to be banned.

The federal law on the topic was signed by President Sheikh Khalifa in July. Prior to that, the Ministry of Interior had already signed an agreement with UNICEF to help in the collection of the children from their employers and in their repatriation.

In a comment on the agreement, June Kunuji, the UNICEF representative in the Gulf Region, said: 'We at UNICEF are pleased to have entered into a partnership agreement with the Government of the United Arab Emirates, and would like to commend them for making the commitment to provide support to the children formerly involved in camel racing, including for their protection, recovery, rehabilitation and reintegration into their families and communities.' By September 2005, well over 2000 children had been taken into care by the Ministry of Interior and UNICEF, with most of them being sent back to their countries of origin.

Another indication of the UAE's support for international law and the various international agencies was the decision, early in the year, to ratify the Kyoto Protocol to the United Nations Convention on Climate Change, becoming one of the first major oil-producing countries to do so. The Kyoto Protocol lays down targets for the reduction of atmospheric emissions that may contribute to climate change, and implementation of its targets is likely to be a costly exercise for oil producers. In line with its commitment to protection of the environment, however, the UAE is determined to do all that it can to implement the terms of the protocol. It is also a member of the working group reviewing Article 4 of the framework convention, and is the Asian representative in the Kyoto Protocol Executive Office.

FOREIGN AID

Since the establishment of the United Arab Emirates, the country has played an active role in the provision of financial aid to developing countries and has been a major contributor of emergency relief to countries and areas affected by conflict and natural disasters. This process began with the creation of the main



governmental aid-giving agency, the Abu Dhabi Fund for Development (ADFD) in mid-1971, before the UAE itself was created. The philosophy behind the aid policy is two-fold – first, the provision of help for the needy is a duty incumbent on all Muslims and, second, the country's policy on utilisation of the revenues from its oil and gas production has always included a component that they should be devoted, in part, to helping other countries, whether Arab, African or Asian, which have been less well-endowed.

The philosophy was well-described by former UAE President Sheikh Zayed bin Sultan Al Nahyan in his statement on the occasion of the 2003 UAE National Day.

Foreign aid and assistance is one of the basic pillars of our foreign policy. For we believe that there is no true benefit for us from the wealth that we have unless it does not also reach those in need, wherever they may be, and regardless of their nationality or beliefs. That is why we have ensured that our brothers and our friends have shared in our wealth.

One major focus in late 2004 and in early 2005 was the provision of emergency relief for those countries around the Indian Ocean that were hit by the devastating earthquakes and tsunamis that occurred in late December, and in which over 200,000 people were estimated to have lost their lives, with millions being made homeless.

With many UAE residents coming from some of the countries that were worst hit, including Indonesia, Sri Lanka and India, support for the relief efforts came not just from the Government and from humanitarian agencies, but from companies and individuals as well.

First to swing into action was the UAE Red Crescent Authority, which, on the instructions of President HH Sheikh Khalifa, started to send money and relief supplies, as well as rescue and medical teams, within a day of the disaster taking place. Overall, the authority spent over Dh45 million of its own resources in its rapid-response activities, many of these being facilitated by the UAE Armed Forces, who, on Government directions, supplied cargo planes to fly relief supplies to the areas that had been worst-affected. The authority also raised many millions more from the public to supplement its own funds, while the Government also made cash donations, including US\$20 million (nearly Dh75 million) in the first few days, followed by further donations, channelled through host governments and aid agencies, as Red Crescent Authority teams reported on the the disaster.

Almost all sectors of UAE society contributed to the provision of relief assistance. Prominent amongst the aid-givers were, of course, humanitarian bodies like the Mohammed bin Rashid Charity and Humanitarian Foundation, the Zayed Charitable and Humanitarian Foundation and the Umm al-Qaiwain Charity Organisation, these bodies often working in close coordination with the

Red Crescent. Others who contributed help on the ground and in shipping relief aid included Emirates airline, who sent teams to help airports in the stricken areas to cope with extra traffic and freight and provided free cargo space, both for locally-provided aid and for supplies coming from Europe.

Local companies made substantial donations, both in cash, like the National Bank of Abu Dhabi, which gave Dh5 million, and Borouge, part of the ADNOC Group, and in kind, like Etihad Airways, Julphar Pharmaceuticals, who donated medicines, Masafi Mineral Water, who donated bottled water, and the Abu Dhabi National Oil Company, which shipped two mobile petrol filling stations. Ordinary individuals took part in special events to raise money, like the staff and students of the Abu Dhabi Women's College, the Abu Dhabi University, workers in the Bu Hasa oilfield and other bodies. And, with the immediate impact of the disaster over, UAE institutions also helped in the important process of reconstruction, the Sharjah Welfare Organisation, for example, undertaking the task of rebuilding a village in Sri Lanka.

In this task of reconstruction, the Red Crescent Authority is, once again, playing a major role. One project, in Sri Lanka, is the construction of a Sheikh Khalifa City to house peoples whose homes were destroyed in the tsunami. With 400 housing units, a school, a health centre and a mosque, the project, being carried out in association with the United Nations Development Programme, will help hundreds of families to make a new start in life.

A prominent part in the relief effort was played by the recently-established Dubai Humanitarian City, an initiative of the Dubai government that has provided international relief agencies with administrative, storage and logistics facilities from which they can manage their activities throughout the region.

Another response to a disaster arising out of natural causes came in early September, when the American city of New Orleans, and an area of the southern United States as large as Britain was devastated by Hurricane Katrina. Once again, the Red Crescent Authority offered financial aid and other support, such as flying in emergency relief supplies.

The UAE responded quickly to the devastating earthquake that hit northern Pakistan and the Kashmir area of India in early October 2005. Relief supplies and rescue teams were dispatched, while the President, HH Sheikh Khalifa bin Zayed Al Nahyan, ordered the donation of US\$100 million to help fund the relief programme. The first rescue teams, from the UAE Police and from the UAE Red Crescent Society, arrived in Pakistan the day after the earthquake, followed by other teams sent to India, while units from the UAE Armed Forces were sent to establish field hospitals and the UAE Air Force set up an air bridge to ferry relief supplies to distribution centres in the areas affected by the earthquake. Other logistics support came from the UAE's national airlines, Emirates and Etihad, while

collection points for supplies and cash donations were established throughout the country, at banks, petrol stations and other institutions. Also taking part in the relief campaign were the Zayed Foundation for Charitable and Humanitarian Work, the Mohammed bin Rashid Al Maktoum Foundation and other UAE-based charities. The UAE's health services also played their part, with a number of the injured being flown to hospitals in the Emirates. The UAE is also planning to build a new hospital in one of the most-affected Pakistani cities, Muzaffarabad, as a contribution to the long-term reconstruction programme.

The provision of aid, however, is not confined simply to responding to natural disasters. There is also a long-term focus on tackling poverty and deprivation, both through a programme of government-to-government loans and grants, and through other channels. Thus in May 2005, the Zayed Charitable and Humanitarian Foundation signed an agreement with the United Nations Development Programme (UNDP) to provide Dh5.5 million to fund the drilling of water wells in drought-stricken Niger. The agreement is part of a programme that will see the foundation spend a total of Dh55 million drilling water wells in ten African countries, also including Sudan and Somalia. Among other projects being supported by the foundation is the Sheikh Zayed Regional Eye Centre in the West African state of The Gambia, being built in association with London-based Sightsavers International. This will provide training in ophthalmology to students from throughout the region.

The UAE Red Crescent Authority is another body that is active much more widely than in simple disaster relief, although this is an important aspect of its operations. In April 2005, the foundation stone was laid for another new RCA project, the Sheikh Zayed bin Sultan Al Nahyan City, in Kabul, Afghanistan. Being built on the instructions of UAE President HH Sheikh Khalifa bin Zayed Al Nahyan, the City is intended to provide basic needs for thousands of displaced Afghans. The authority is also supervising the construction of a new university in the Afghan city of Khost and other health and water-supply projects, part of efforts to help Afghanistan develop its infrastructure.

Overall, the Red Crescent Authority had spent over Dh106 million on relief projects by the end of the first half of 2005. While much went on tsunami-related work, the authority was also active in many other countries, including Iraq and Palestine, helping those affected by conflict; in Pakistan, on flood relief; in Iran, helping those affected by earthquakes; and in Africa. This expenditure complemented a further Dh211 million spent on projects in some 30 countries during 2004. In terms of reconstruction, though, the largest UAE initiative during the last year was the announcement in July, that it would fund a US\$100 million project to construct homes for 30,000 to 40,000 Palestinians in the Gaza Strip, to replace the Israeli settlements being abandoned as part of the withdrawal of Israeli

forces from Gaza. The project, being carried out on the orders of President Sheikh Khalifa bin Zayed, will be undertaken in association with the United Nations Relief Works Agency (UNRWA) and the Palestine National Authority.

It complements three other major UAE-funded initiatives in Gaza and the West Bank, the Sheikh Zayed City in North Gaza, which was formally inaugurated in May 2005, the reconstruction of the Jenin refugee camp, destroyed by Israeli forces, and a new township in Rafah.

The Abu Dhabi Fund for Development (ADFD), which was established in 1971, also continued its activities during 2005, making two new loans, one to Jordan, for Dh29.3 million, for the construction of a paediatric hospital in Amman, and one to Lebanon, for Dh110 million, to finance three water and drainage projects.

Overall the fund has now given nearly Dh20 billion in form of development loans, assistance and grants, with a total of 56 countries benefiting from its activities, through nearly 250 individual projects, these often being financed in association with other international and national aid-giving agencies. Financial assistance provided directly by the Abu Dhabi government is also managed by the fund. The bulk of the assistance has been given to support the development of infrastructure. These include roads, airports, seaports, water, electricity, agriculture, communications and housing. While assistance has also been given to improve health and educational services and generate employment opportunities.

The financial assistance is made available in the form of concessionary loans, grants and direct investments offered with a low rate of interest, lengthy period of repayment and a long grace period. A typical loan is repayable in 8 to 20 years and carries an interest rate at 3 to 6 per cent with a grace period of three to eight years.

In addition to financial grants and easy-term loans, the ADFD also makes direct investments in private-sector projects. Beneficiaries of the direct investment projects include Egypt, Morocco, Syria, Jordan, Oman, Tunisia, Algeria, Palestine, Bahrain, Yemen, Lebanon, Sudan, Somalia, Mauritania and Djibouti. Operations in these countries covered agriculture, dams, animal wealth, fisheries, social services, power and water, communications, transport, tourism and health. The food production sector is given a top priority. The fund also gives special attention to projects like tourism that carry higher potential rate of return, create job opportunities and generate hard currency.

The Government of the United Arab Emirates is also an active participant of a number of multi-lateral aid-giving institutions, including the World Bank, the International Monetary Fund (IMF), the International Development Agency (IDA), and regional bodies like the OPEC Fund for International Development, the Arab Gulf Fund for the UN (AGFUND), the Arab Bank for Economic Development in Africa (BADEA), the Abu Dhabi-based Arab Monetary Fund (AMF) and the Islamic Development Bank (IDB).