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May 1997



ECONOMIC COMMISSION FOR AFRICA

REPORT OF MISSION

ADB ANNUAL MEETINGS

Abidjan, Côte d'Ivoire. 27-30 May, 1997.

Robert M. Okello

2 June 1997



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MISSION REPORT

Staff Member:

Robert M. Okello

Division:

Regional Cooperation and Integration Division

Place and Date:

Abidjan, Côte d'Ivoire, 27 - 30 May 1997

Purpose:

To participate in:

- (i) ADB 1997 Annual Meetings
Symposium on Private Sector
Development in Africa;**
- (ii) ADB and ADF 1997 Annual Boards of
Governors Meetings;**
- (iii) Joint OAU/ECA/ADB Secretariat
Preparatory meeting for the meeting of
Chief Executives.**

1. Introduction.

1. The annual meetings of the Boards of Governors of the African Development Bank and the African Development Fund were held in conjunction with two symposia on private sector investment and development in Africa. ECA participated in these meetings as observer. In addition, ECA also took part in a coordinating meeting of the Joint OAU/ECA/ADB Secretariat which was held during this period. The following sections highlight the outcomes of the meetings and symposia.

2. ADB Symposium on Private Sector Development in Africa, 27 May 1997.

2. The annual symposium on private sector development in Africa was organized by the African Development Institute (ADI), with sponsorship by Citibank. It was preceded by a panel discussion on Lessons and Opportunities for Private Investment in Southern Africa, sponsored by PTA Bank and Loita Capital Partners.

3. The panel on Southern Africa also included Hon. M.Keah, Deputy Minister of Finance, Kenya as one of the panellists. The other panellists were: Hon. Aleke Banda, Minister of Finance, Malawi; Hon. Herbert Murerwa, Minister of Finance, Zimbabwe; and Hon. Ronald Penza, Minister of Finance, Zambia. It provided opportunity for sharing information as well as experiences in formulating policies for promoting private sector investment in the sub-region.

4. The daylong symposium on private sector development in Africa consisted of plenary presentations by keynote speakers, four parallel discussion groups in the morning and afternoon, and a closing plenary session. The keynote speakers were Mr. Lawrence Sommers, Deputy Secretary, Department of Treasury of US Government, and Mr. Moeen Quereshi, former Prime Minister of Pakistan and Chairman, Emerging Markets Partnership, USA.

5. The major outcomes of the symposium were:

- (a) There was remarkable convergence of views on the importance of private sector-led economic development in Africa;
- (b) Unanimity of views on the role of government in creating an enabling environment for private sector participation in Africa's economies;
- (c) General acknowledgement of positive change in pace of private sector development in Africa;
- (d) The need for Africans themselves to take lead in the effort to create a more conducive environment for private sector development; and
- (e) The role of ADB in promoting private sector development in Africa.

6. The programme detailing the topics covered, list of panellists and their profiles, as well as a list of documents presented are annexed to this report (Annexes 1 to 3). Copies of the presentations are available at RCID.

**3. 33rd. Annual Meeting of ADB and 24th Annual Meeting of ADF,
28-29 May, 1997.**

7. The meetings of the two Boards of Governors were held jointly from 28 to 29 May, 1997. The President of Côte d'Ivoire, Henri Konan Bedie presided over the opening session. Practically all the Governors made statements at the meetings; the list of statements, some of which are available at RCID, is annexed (Annex 4) to the report.

8. The Official Record (Annex 5 to this report) contains the summary of the major outcome. The Boards endorsed the management reform initiated by the President since 1995. There was, however, one important area of disagreement regarding the 5th General Capital Increase (GCI) and the related allocation of the voting rights between the Regional Members (African countries) and the Non-Regional Members. The majority favoured the change of voting rights from the current 66.7-31.3 Regional to Non-regional, to 55-45 ratio to accompany the GCI. The minority view was that such changes, which threaten African control of the Bank, should be subject to thorough studies and negotiations.

9. Other areas considered included the issue of arrears, current loan policies under which 39 African countries do not have access to ADB funding, staff issues, and allocation of a portion of the net income of ADB to the HIPC Initiative.

10. Regarding the issue of arrears, the need to encourage the concerned defaulting countries to pay up in order to protect the credit rating of the Bank was generally agreed. However, there was no agreement on the proposal to reduce the period for application of sanctions from 60 days to 30 days, as this would risk projecting a wrong signal to the financial markets.

11. The loan policies also generated heated debate. Noting that only three North African countries account for the majority of loans granted from ADB (out of 14 eligible countries), some Governors urged the review of policies for more equitable distribution of the benefits from the Bank Group. This issue was also linked to the proposal for the general capital increase, with those against the increase pointing out that such increase would only benefit the few countries with access to ADB funds. In this regard, the Board of Directors of ADF is considering the establishment of a Supplementary Financing Mechanism to provide concessional financing to ADF-only countries to help them meet interest payment obligations on outstanding ADB loans.

12. As concerns HIPC Initiative, the Governors approved the allocation of 5 million Units of Account from the current net profits of ADB to the HIPC trust fund. This would be part of the US\$70 million recently approved as contribution from ADB to the US\$320 million initial allocation approved by the Boards of Directors in support to the Initiative; the balance of US\$250 would be from ADF.

13. The increased international support to Africa was also noted. Special mention was made to Japan's effort through the Tokyo International Conference on African Development (TICAD); US initiative which is already before the Congress; Euro-Med agreements signed between the EU and Morocco and Tunisia; as well as the Nordic countries' New Partnerships for African Development.

14. Three aspects of particular interest to ECA are:

- (a) The Boards emphasized the importance of regional integration as the way forward for Africa and urged the Bank Group to pursue necessary measures to promote regional integration among borrowing member Countries, especially through enhanced support to the efforts of sub-regional organizations. In this regard, it is worth noting that the modalities for such support are yet to be worked out, which provides an excellent window of opportunity for ECA to be proactive in assisting ADB in defining them.
- (b) The promotion of private sector participation was also emphasized. Since ECA is also focusing on this issue, there is opportunity for closer cooperation with ADB.
- (c) Infrastructure development was recognized as essential for achieving sustainable development in Africa. This is probably the most encouraging development since 1991 when UNTACDA II was launched and ECA must seize the initiative to relaunch the Decade in a more practical manner.

15. The list of relevant documents which are available at Regional Cooperation and Integration Division is shown in the Annex 6 to this report.

4. Meeting of the Joint OAU/ECA/ADB Secretariat, 30 May 1997.

16. A Joint Secretariat committee held a meeting at the headquarters of ADB to prepare for the next meeting of the Chief Executives of the Joint Secretariat, which will be held in Abidjan later this year. The meeting, attended by representatives of OAU, ECA and ADB, considered the issues and made the recommendations summarized below.

- (i) **Date of the meeting:** 15-16 September for Chief Executives; 11-12 for Experts.
- (ii) **Participation:**
 - (a) Member institutions - OAU, ECA, ADB.

- (b) Regional Economic Communities - ECOWAS, UMA, COMESA, SADC, ECCAS, UDEAC, IGAD and EAC.
- (c) UNDP - Regional Bureau for Africa and Regional Bureau for Arab States.

(iii) **Draft agenda (and the institution responsible for preparation of the meeting document):**

- (a) International issues for concerted action by Africa:
 - TICAT (ADB);
 - ACP-EU relations (OAU/ECA).
- (b) Revamping the process of regional integration in Africa:
 - Issues of concern to RECs (UDEAC/COMESA);
 - improving air transport services in Africa (establishment of air leasing company; support to the AFRAA airline training fund; improvement of air safety systems - ECA).
- (c) Strategies for resource mobilization for regional integration programmes/projects:
 - Self-financing mechanisms (OAU/RECs);
 - Accessing international resources (ECA/ADB).
- (d) Functioning of the Joint Secretariat (OAU/ECA/ADB).

(iv) **Deadlines:**

- (a) ADB to confirm proposed dates for the meeting by 15 June 1997.
- (b) Draft of assigned documents to be circulated for comments by 1 August 1997.
- (c) Final documents to be submitted to ADB (English and French) by 31 August, 1997.

Annex 1

FINAL PROGRAMME



AFRICAN DEVELOPMENT BANK GROUP

AFRICAN DEVELOPMENT INSTITUTE



THE ADB 1997 ANNUAL MEETINGS SYMPOSIUM

"PRIVATE SECTOR DEVELOPMENT IN AFRICA"

ABIDJAN, HOTEL IVOIRE, 27 MAY 1997

ORGANIZED BY THE AFRICAN DEVELOPMENT INSTITUTE
(IN ASSOCIATION WITH EUROMONEY CONFERENCES)

FINAL PROGRAMME

Opening Session: 09:00 - 10:00 (*Salle des Fêtes I*)

1. Opening Address : *Mr. Omar Kabbaj*
President of the ADB Group
2. Welcome Address : *His Excellency Mr. Niamien N'Goran*
Minister of Economy and Finance
Republic of Côte d'Ivoire
3. Keynote Address : *Mr. Lawrence H. Summers*
Deputy Secretary
Department of Treasury
United States Government
4. Keynote address : *Mr. Moeen Qureshi*
Former Prime Minister of Pakistan
and Chairman, Emerging Markets Partnership, U.S.A.

Plenary Session: 10:00 - 11:15 (*Salle des Fêtes I*)

Private Sector Development in Africa: Progress, Obstacles and Challenges

- Chairperson : *His Excellency Mr. Niamien N'Goran*, Minister of Economy and Finance, Republic of Côte d'Ivoire
- Main Speaker : *Mr. Jemal-Ud-Din Kassum*, Vice-President, Investment Operations, International Finance Corporation (IFC)
- Discussants :
1. *Mr. Pierre Arnaud*, Director General, PROPARCO, Caisse Française de Développement, France
 2. *Mr. Nicolas Selbie*, Managing Director, Investments, Commonwealth Development Corporation (CDC), United Kingdom
 3. *Dr. James O. Onobiono*, President of ABR, Director General, Compagnie Financière et Industrielle, Cameroon.
 4. *Mr. Cyril Enweze*, Vice-President for Operations, African Development Bank

Panel Discussions: 11:30 - 13:00

	GROUP A	GROUP B	GROUP C	GROUP D
Panel	<i>Privatization in Africa: Present and Future Trends</i>	<i>Regulatory and Legal Obstacles to Private Sector Development</i>	<i>Promoting International Private Capital Flows and Joint Venture in Africa: What do Investors Seek ?</i>	<i>African Financial Policies: Present and Future Trends</i>
Venue	<i>Salle des Fêtes I</i>	<i>San Pedro</i>	<i>Salle des Fêtes II</i>	<i>Balafon (23rd floor)</i>
Chairpersons	<i>His Excellency Mr. Abderrahmane Saaïdi, Minister in Charge of Privatization, Morocco</i>	<i>Mrs. Ellen Johnson Sirleaf, Former Assistant Administrator & Director, Regional Bureau for Africa, UNDP</i>	<i>His Excellency Dr. Youssef Boutros Ghali, Minister of State for Economic Affairs, Egypt</i>	<i>Mr. Charles Konan Banny, Governor, Central Bank of West Africa (BCEAO), Senegal</i>
Main Speakers	<i>Mr. Jean-Louis Sarbib, Vice-President, Africa Region, World Bank (Statement delivered by Mr. Kevin Cleaver, World Bank)</i>	<i>Mr. Raj Makoond, Director, Joint Economic Council, Mauritius</i>	<i>Mr. Franklin Hugh Kennedy, Chief Executive, Equator Bank Plc Limited, U.K.</i>	<i>Mr. Evangelos A. Calamitsis, Director, African Department, International Monetary Fund (IMF)</i>
Discussants	<p><i>1. Mr. J.C. Brou, President, Privatization Committee, Director of Cabinet, Prime Minister's Office, Côte d'Ivoire</i></p> <p><i>2. Mr. Richard Healey, Vice Chairman of the Board, Zambia Privatization Agency (ZPA), Zambia</i></p> <p><i>3. Mr. Mima Nedelcovych, Vice Chairman, The Corporate Council on Africa, U.S.A.</i></p>	<p><i>1. Mr. Alexander Keyserlingk, Managing Director, AMSCO, The Netherlands</i></p> <p><i>2. Mr. Gilles Toscano, Legal Regional Advisor, International Finance Corporation (IFC), Côte d'Ivoire</i></p>	<p><i>1. Mr. Claes De Neergaard, Vice-President, European Investment Bank (EIB), Luxembourg</i></p> <p><i>2. Mr. Nathan Mintah, Regional Manager, ABB Project & Trade Finance, South Africa</i></p> <p><i>3. Mr. Gregg Srinivasan, Partner, Levine & Srinivasan, U.S.A.</i></p>	<p><i>1. Dr. Shamsuden Usman, Managing Director, NAL Merchant Bank PLC, Nigeria</i></p> <p><i>2. Mr. Mark Pearson, Regional Integration Advisor, Common Market for Eastern and Southern Africa, (COMESA) Zambia</i></p>

Workshops: 14:30 - 16:00

	WORKSHOP A	WORKSHOP B	WORKSHOP C	WORKSHOP D
Panel	<i>Infrastructure Finance in Africa (Telecommunication, Power, Energy & Transport)</i>	<i>Funding Patterns for African Borrowers - Sovereign and Corporate</i>	<i>Information Technology and Private Sector Development in Africa</i>	<i>Stock Markets, Local Currency Instruments and Investment Strategies in African Securities</i>
Venue	<i>Salle des Fêtes I</i>	<i>San Pedro</i>	<i>Salle des Fêtes II</i>	<i>Balafon (23rd floor)</i>
Chairpersons	<i>Dr. Ian Goldin, Chief Executive, Development Bank of Southern Africa (DBSA), South Africa</i>	<i>Mr. Jock Paton, Director, Ratings Development and Communications, Standard & Poor's, U.S.A.</i>	<i>Mr. C. Boucher, Vice-President, Corporate Management, African Development Bank</i>	<i>Mr. Thomas J. Trebat, Managing Director, Citicorp Securities, Inc., U.S.A.</i>
Main Speakers	<i>Mr. David Ferreira, Manager, Development Bank of Southern Africa, South Africa</i>	<i>Mr. Jean-Paul Hallauer, Acting Director, Africa, Middle East, Société Générale, France</i>	Presentations by: - <i>Mr. P. McQuade, ORACLE</i> - <i>Mr. Jan Wisse, DIGITAL</i> - <i>Mr. J.C. Khann, IBM</i> - <i>Mr. Ayisi wa Makatiani, Africa Online, U.S.A.</i> - <i>Mr. Beat Heggli, MIGA/World Bank</i>	<i>Mr. John R. Neipold, African Emerging Markets Fund, U.S.A.</i>
Discussants <i>all</i> <i>Water</i> <i>Tele</i> <i>Bank</i>	1. <i>Mr. Jim Rutland</i> Finance Director, Energy Africa, U.S.A. 2. <i>Mr. A. Lahlou,</i> Finance Director, ONEP, Morocco 3. <i>Mr. Sow Yerin,</i> Director General, LOTENY Telecom, Côte d'Ivoire 4. <i>Mr. Simon Riggall,</i> Managing Director, Citibank Project Finance, U.S.A.	1. <i>Mr. Nicholas Cranston,</i> Manager, Debt Advisory Group, Ing Barings, U.K. 2. <i>Mr. Mark Keatley,</i> Chief Financial Officer, Ashanti Goldfields, Ghana 3. <i>Dr. James Onobiono,</i> Director General, Compagnie Financière et Industrielle, Cameroon	1. <i>Mr. Nii Quaynor,</i> Network Computer Systems of Ghana 2. <i>Mr. Felix Duku,</i> Manager, IT, Ecobank, Ghana	1. <i>Mr. Hayford Alile,</i> Director General, Nigeria Stock Exchange, Nigeria 2. <i>Mr. Jean Damien Perrier,</i> Executive, Banque Nationale de Paris (BNP), U.K. 3. <i>Mr. Ken Ofori-Atta,</i> Chairman, Databank Financial Services, Ghana 4. <i>Ms. Valentina Antill,</i> Local Currency Trader, Citicorp Securities, Inc., U.S.A.

SUMMING-UP: 16:30-17:30

Chairperson *Mr. Omar Kabbaj*, President, African Development Bank Group

Keynote Speaker *Dr. Mark Mobius*, Head, Emerging Markets, Templeton International, Singapore

- Panel members**
1. *His Excellency M. Abderrhamane Saaidi*, Minister in Charge of Privatization, Morocco
 2. *His Excellency Dr. Youssef Boutros Ghali*, Minister of State for Economic Affairs, Egypt
 3. *Mr. Charles Konan Banny*, Governor, Central Bank of West African States (BCEAO), Senegal
 4. *Mrs. Ellen Johnson-Sirleaf*, Former Administrator and Director, Regional Bureau for Africa, UNDP, New York

Annex 2

PRIVATE SECTOR DEVELOPMENT IN AFRICA



AFRICAN DEVELOPMENT BANK GROUP

AFRICAN DEVELOPMENT INSTITUTE



THE ADB 1997 ANNUAL MEETINGS SYMPOSIUM

"PRIVATE SECTOR DEVELOPMENT IN AFRICA"

ABIDJAN, HOTEL IVOIRE, 27 MAY 1997

Short Curricula Vitae of Chairpersons, Speakers and Discussants*

Opening Session: 9:00 - 10:00

Chairperson

Mr. Omar Kabbaj is the President of the African Development Bank.

Keynote Speakers

1. *H.E. Mr Niamlen N'Goran is the Minister of Economy and Finance in the Government of the Republic of Côte d'Ivoire.*
2. *Mr. Lawrence Summers, Deputy Secretary of the Treasury, United States Department of the Treasury*

Mr. Lawrence H. Summers became Deputy Secretary of the Treasury on August 11, 1995. As Deputy Secretary, Mr. Summers is the second-highest ranking official at the Treasury Department. He takes a leadership role in the Department's work on issues relating to international and domestic policy, tax policy, the financial system, and their enforcement. Prior to becoming Deputy Secretary, Mr. Summers served as Under Secretary of the Treasury from April 5, 1993 to August 10, 1995.

From 1991 to 1993, Mr. Summers served as Vice President of Development Economics and Chief Economist in the World Bank. And from 1987 to 1991, Mr. Summers was Nathaniel Ropes Professor of Political Economy at Harvard University. Mr. Summers has written extensively on economic analysis and policy and has contributed more than 100 articles to professional economic journals. He received an S.B. degree from MIT in 1975 and a Ph.D. from Harvard in 1982.

3. *Mr. Moeen Qureshi, former Prime Minister of Pakistan, and Chairman and Managing Partner, Emerging Markets Corporation (EMC), Washington, D.C., USA*

Mr. Qureshi began his career in the Government of Pakistan in 1953 and held a series of responsible positions in finance and planning. He served with the International Monetary Fund from 1958 to 1970. In 1970, he joined the International Finance

* Cvs received as of 23rd May, 1997.

Corporation (IFC). From 1974 until 1977, he was Vice President and the second in command; from 1977 to 1981 he served as IFC's Executive Vice President and Chief Operations Officer.

In 1980 Mr. Qureshi was appointed the World Bank's Senior Vice President and Chief Finance Officer, and served in that capacity until 1987. From 1987 to the end of 1991 he served as the World Bank's Senior Vice President in charge of all of the Bank's operations. He left the World Bank at the end of 1991 to establish Emerging Markets Corporation, a private investment management company in Washington, D.C., which makes direct investments in emerging markets.

Mr. Qureshi served as the Prime Minister of Pakistan for an interim period in 1993. His Government introduced comprehensive reforms in economic, social and political fields. His Government also organized nationwide elections for a new democratically elected Government.

Mr. Qureshi serves on the Board of a number of private and public institutions. He is also an advisor to several international institutions. He recently served as Co-Chairman of a Group set up at the request of the Secretary General of the United Nations to examine the future of the United Nations, in the context of the major changes that have taken place since its founding in 1945.

Mr. Moeen Qureshi is a graduate of the University of Punjab in Pakistan and holds a Ph.D. in economics from Indiana University (USA).

Plenary Session: 10:00 - 11:15

Private Sector Development in Africa: Progress, Obstacles and Challenges

Chairperson

H.E. Mr Niamien N'Goran is the Minister of Economy and Finance in the Government of the Republic of Côte d'Ivoire.

Main Speaker

Mr. Jemal-Ud-Din Kassum, Vice President, Investment Operations, International Finance Corporation, U.S.A.

Mr. Jemal-Ud-Din Kassum is Vice President, Investment Operations, at the International Finance Corporation (IFC). He has global responsibility for all new investments undertaken by IFC. He has been with IFC since 1975. Prior to taking up this post in January 1997, he was one of three vice presidents responsible for new investments and portfolio operations. Mr. Kassum joined the World Bank Group through the Young

Professionals Program in 1974 and transferred to IFC in 1975.

Mr. Kassum, a Tanzanian national, studied at Harrow School, England, and holds an engineering with economics degree from Oxford University (1970) and an MBA from Harvard Business School (1974).

Discussants

1. ***Mr. Pierre Arnaud is the Director General of PROPARCO, the private sector agency of Caisse Francaise de Developpement.***
2. ***Mr. Nicolas Selbie, Managing Director, Commonwealth Development Corporation (CDC) Investments in London, U.K.***

Mr. Selbie joined CDC in 1989 as Director of Finance. Since October 1995 he has been Managing Director of CDC Investments, a Business Unit of CDC responsible for all the Corporation's investments. He was previously a Director of Barclays de Setae Weed and Kleinworth Benson. Mr. Selbie read Chemistry at Oxford and holds an MBA from London Business School.

3. ***Mr. James O. Onobiono is the President of the African Business Roundtable and the Director General of the Compagnie Financiere et Industrielle, Cameroon.***
4. ***Mr. Cyril Enweze, a Nigerian national, was appointed Vice President for Operations of the African Development Bank in April 1997. Prior to joining the Bank, Mr Enweze served as Assistant Director at the International Monetary Fund. In his 26-year service in the Fund, Mr. Enweze has served as an economist in several regions in Africa. He has been Division Chief for the Indian Ocean area, and for East, North and West Africa. Mr Enweze holds a Master's degree in economics from Cambridge University (UK), as well as a Master's degree in philosophy from Columbia University (USA).***

Panel Discussions: 11:30 - 13:00

Panel A : Privatization in Africa: Present and future trends

Chairperson

Mr. Abderrahmane Saaidi has since November 1993 been both the Minister of Privatization and Minister-Delegate to the Prime Minister in the capacity of Minister in Charge of State Enterprises. Prior to joining the Government, Mr. Saaidi headed his own accounting firm in Casablanca, and during 1980-85 he was a tax partner with responsibility for West Africa at Price Waterhouse, Casablanca.

Mr. Saaidi has taught courses in business administration from 1976 -1982 at the Institut Supérieur de Commerce et Administration des Entreprises in Casablanca; and during 1990-93, he taught an advanced program in corporate taxation.

Mr. Saaidi is a member of a wide range of professional associations and he is a past President and Honorary President of the Moroccan Association of Chartered Accountants. Mr. Saaidi is the author of numerous articles in the field of law, management, and corporate taxation. Mr. Saaidi holds the French National Accounting Diploma as well as degrees in Law and Finance from the University of Montpellier (France).

Main Speaker

Mr. Kevin M. Cleaver is presently the Technical Director and Manager of the Knowledge, Information and Technology Center (KNIT) of the Africa Region at the World Bank. After working in Zaire for two years, Mr. Cleaver joined the World Bank in 1975 as an economist, and has since then assumed several responsible position. Mr. Cleaver has published various papers on agricultural and economic issues in Africa. Mr. Cleaver holds a B.S. from the University of Pennsylvania and a Ph.D. in economics from Tufts University.

Discussants

1. *Mr. Jean-Louis Brou is the President of the Privatization Committee of Côte d'Ivoire. He is also Director of Cabinet of the Prime Minister's Office.*
2. *Mr. Richard Healey is the Vice Chairman of the Zambia Privatization Agency (ZPA).*
3. *Mr. Mima S. Nedelcovich, Ph.D., is Vice President, International Business Development, F.C. Schaffer & Associates, Inc. (USA). He is responsible for leading a core team and its regional directors in project development, studies, marketing efforts, project financing, and networking for investor identification. Prior to joining Schaffer Associates, Mr. Nedelcovich was U.S. Executive Director at the African Development Bank. In this capacity, he played a key role in helping the ADB to formulate and establish the Private Sector Development Unit and the AFREXIM Bank.*

Mr. Nedelcovich is the author of numerous publications and several articles on issues related to political and economic development in Africa. He has lectured widely on the role of private enterprise in the growth of developing countries. He is active on the Boards of the Corporate Council on Africa (USA)--serving in the capacity of Vice Chairman-- and also on the African Business Round Table. He is also a member of several private business associations.

Panel B: Regulatory and Legal Obstacles to Private Sector Development

Chairperson

Mrs. Ellen Johnson-Sirleaf is a former Assistant Administrator and Director of the Regional Bureau for Africa of the United Nations Development Programme (UNDP).

Main Speaker

Mr. Raj Makoond is the Director of the Joint Economic Council of Mauritius.

Discussants

1. *Mr. Alexander Keyserlingk, President and CEO, African Management Services Company (AMSCO), the Netherlands.*

Mr. Keyserlingk joined the International Finance Corporation (IFC) in Washington, D.C. in 1971, after having worked in various capacities in audit firms. He was appointed Division Manager (Africa Department) in charge of North, West and Central Africa in 1979. From 1986 to 1992, Mr. Keyserlingk served as General Manager for the Africa Project Development Facility (APDF). Following a period as IFC's special representative in Europe, Mr. Keyserlingk joined AMSCO as President and Chief Executive Officer in 1994.

Mr. Keyserlingk holds a Bachelor of Arts degree from Brebeuf College in Canada (1961). He studied economics at the University of Fribourg in Switzerland and Business Administration at the University of München in Germany. He is also a chartered accountant.

2. *Mr. Gilles Toscano is the Legal Regional Adviser in the Office of the International Finance Corporation (IFC), Abidjan, Côte d'Ivoire.*

Panel C: Promoting International Private Capital Flows and Joint Venture in Africa: What do Investors seek?

Chairperson

Dr. Youssef Boutros-Ghali was appointed Minister of State for Economic Affairs, Cairo, Egypt, in 1996. Prior to taking up this post he was Minister for International Cooperation from 1993 to 1996, and also served for a short period as Minister of State at the Council of Ministers. Dr. Boutros-Ghali was the Economic Advisor to the Prime Minister from 1986 to 1993, as well as the Economic Adviser to the Governor of the Central Bank of Egypt (1991-1993).

Before becoming Minister of State at the Council of Ministers, Dr. Boutros-Ghali was Associate Professor of Economics at Cairo University. He has published several books and papers on various economic and financial issues. Dr. Boutros-Ghali holds a Ph.D. in Economics from Cambridge and a B.Sc. in economics from Cairo University.

Main Speaker

Mr. Franklin Hugh Kennedy, Chief Executive, HSBC Equator Bank Plc Limited, U.K.

Mr. Kennedy is President and Chief Executive of Equator Holdings Limited and its principal operating subsidiaries, HSBC Equator Bank PLC and Equator Bank Limited. Equator Holdings operates exclusively in Africa with regional offices in Angola, Côte d'Ivoire, Ghana, Kenya, Mozambique, South Africa, Uganda and Zambia. Mr. Kennedy joined Equator in 1976 and has been directly involved in banking, trade and investment related transactions with senior government officials in approximately 35 African countries.

In 1995, Mr. Kennedy was appointed by the Office of the President and the US Trade Representative to serve on the private sector Trade and Advisory Committee for Africa (TACA) which provided input for a comprehensive US trade and development policy for Africa. Mr. Kennedy serves on the Boards of the Corporate Council on Africa and the African Business Roundtable. Mr. Kennedy holds a BA degree (honors) in Business Administration from the University of Western Ontario in Canada.

Discussants

1. Mr. Claes De Neergaard, Vice President, European Investment Bank, Luxembourg.

Mr. de Neergaard has served as the Vice President of the European Investment Bank in Luxembourg since September 1995. He is member of the Management Committee that is collectively responsible for the day-to-day management of the Bank. He has responsibility for Trans-European Network financing, new member countries, and operations in the ACP countries.

From 1991 to 1995, Mr. de Neergaard was Executive Director of the European Bank for Reconstruction and Development (EBRD) in London and was Chairman of the Audit Committee of EBRD from 1992 to 1994. Prior to joining the EBRD, Mr. de Neergaard worked in management positions in various private banks. From 1987 to 1991 he was the Managing Director of Nordbanken Luxembourg S.A. He holds a Bachelor of Science degree from Gothenburg School of Economics and Business Administration, and also took courses in German studies at the University of Stuttgart.

2. Mr. Nathan A. Mintah, Regional Manager, ABB Asea Brown Boveri, Sub-Saharan Africa Pty Ltd., South Africa.

Nathan A. Mintah is the Regional Manager for ABB's Project & Trade Finance for Sub-Saharan Africa. His responsibilities include structuring and arranging trade finance,

project finance, export credit finance, lease financing, etc., for ABB's customers in the power, oil & gas and industrial sectors. Prior to joining ABB, Mr. Mintah held positions with Oracle Corporation, Shearson Lehman Brothers (New York), and Morgan Stanley & Co. (New York).

Mr. Mintah holds an MBA from Yale University's School of Management and a B.Sc. degree in Mathematics (Eckerd College).

3. *Mr. Gregg Srinivasan, Partner, Levine & Srinivasan LLP, U.S.A.*

Mr. Srinivasan is a partner at the law firm of Levine & Srinivasan LLP. From 1990 to 1997, he was associated with the law firm of Shearman and Sterling. Mr. Srinivasan's areas of expertise include corporate and finance matters, in particular the formation, financing and ongoing operation of joint ventures and other business combinations. His practice includes matters relating to structured finance, project finance, country debt restructuring, and privatization in a variety of industries, including telecommunications and oil & gas.

Mr. Srinivasan graduated from Almas College summa cum laude with a double major in history and business administration. He holds a law degree from Stanford University Law School. While at Stanford he was the editor of the Stanford Law Review, and wrote and edited several chapters for a book on articles on the local aspects of business management. Mr. Srinivasan is a member of the New York Bar.

Panel D: African Financial Policies: Present and Future Trends

Chairperson

Mr. Charles Konan Banny is the Governor of the Central Bank of West African States (BCEAO).

Main Speaker

Mr. Evangelos A. Calamitsis, Director, African Department, International Monetary Fund, U.S.A.

Mr. Calamitsis is currently Director of the African Department of the International Monetary Fund (IMF), which is responsible for relations with 44 of the 181 member countries of the institution. He has worked extensively on macroeconomic and structural policy issues in sub-Saharan Africa; and during his long career in the IMF, he has led missions to many countries in the region. Mr. Calamitsis, who holds a Ph.D. in Economics from Harvard University, taught at the American University in Cairo before joining the IMF in 1965. A Greek citizen, he was born and raised in Egypt.

Discussants

1. ***Dr. Shamsudden Usman, Managing Director/Chief Executive, NAL Merchant Bank Plc.***

Dr. Shamsudden Usman is by birth a Nigerian and had since 1994 been the Managing Director/Chief Executive of NAL Merchant Bank Plc. Before his appointment to this position, he had been a Lecturer at Ahmadu Bello University, Zaria (1976-81), Controller, Nigerian Industrial Development Bank (1981-1985), Director of Budget/Special Economic Adviser, Kano State Government (1981-1983), Director-General, Technical Committee on Privatisation and Commercialisation (1989-1991) and Executive Director of the United Bank for Africa (1992-1993) as well as Union Bank of Nigeria Plc (1993-1994).

Mr. Usman holds a Bachelors degree in Economics from Ahmadu Bello University, Zaria, Nigeria, as well as Masters and Doctorate degrees from the London School of Economics and Political Science, University of London. He was the President of the Nigerian Economic Society (1986-1987) and had been a Fellow of the Nigerian Economic Society since June 1985.

2. ***Mr. Mark Pearson is the Regional Integration Adviser of the Common Market for Eastern and Southern Africa (COMESA). The Community has its headquarters in Lusaka, Zambia.***

Workshops: 14:30 - 16:00

Workshop A: Infrastructure Finance in Africa (Telecommunication, Power, Energy & Transport)

Chairperson

Dr. Ian Goldin is the Chief Executive of the Development Bank of Southern Africa, Midrand, South Africa.

Main Speaker

Mr. David Ferreira is the Manager, Private Sector Investments of the Development Bank of Southern Africa (DBSA). He is in charge of DBSA's portfolio of private sector investments. Before that, he was a Senior Financial Sector Specialist at the World Bank, designing and implementing public-private partnerships for infrastructure financing and delivery. Mr. Ferreira previously worked as a lawyer with the New York firm Davis Polk and Wardwell, based first on Wall Street and then in the City of London. Most of his experience in that capacity involved executing cross-border financing.

Mr. Ferreira holds BA and LLB degrees from the University of the Witwatersand in South Africa, a BA degree in Philosophy and Economics from Oxford University (where he studied as a Rhodes Scholar) and an MSc (Development Economics/Economic History) degree from the London School of Economics. He recently published a World Bank Discussion Paper, with Kamran Khatami, entitled *Financing Private Infrastructure in Developing Countries*.

Discussants

1. ***Mr. J.A. Rutland, Finance Director, Energy Africa Limited, U.K. Mr. J. A. Rutland*** joined Engen's exploration and production business in 1993 and since transferred to Energy Africa. He has over 17 years' experience in oil and gas finance with investors in industry, James Capel and Hong Kong Bank and has been a director of a number of small oil exploration companies.
2. ***Mr. A. Lahlou is the Finance Director of the "Office National de l'Eau Potable" Morocco.***
3. ***Mr. Sow Yerim is the Director General of LOTENY Telecom, a company providing cellular telephone service in Côte d'Ivoire.***
4. ***Mr. Simon Riggall is the Managing Director of Citibank Project Finance.***

Workshop B: *Funding Patterns for African Borrowers-Sovereign and Corporate*

Chairperson

Mr Jock Paton, Director, Standard & Poor's, U.K. Mr. Jock Paton is a London-based Director in the Global Ratings Development department of Standard & Poor's. His duties encompass regional coverage of Africa and the Middle East as far as new ratings and developing capital markets are concerned. He joined Standard & Poor's in 1986 as the first non-American hired by the Ratings Group and, till assuming his present duties, was Director of Operations for Europe, having joined as a senior analyst within the International Corporate Finance Group. Prior to joining Standard & Poor's, he was for three years senior manager at Price Waterhouse and Partners. Mr. Paton holds an M.A. degree in Modern History and is a qualified accountant (ACA).

Main Speaker

Jean-Paul Hallauer, is the Acting Director, Africa & Middle East, of Société Générale, France.

Discussants

1. ***Mr. Nicholas Cranston is a Manager, Debt Advisory Group, and responsible for Government and Institutional Advisory work within ING Barings. Mr. Cranston joined Barings in 1982 from Oxford University and has extensive experience of arranging transactions in the international capital markets for corporate, sovereign and supranational clients, including the African Development Bank. Mr. Nicholas Cranston was also the principal author of the African Development Finance Corporate Feasibility Study commissioned by the ADB and completed in 1995.***
2. ***Mr Mark Keatley joined Ashanti Goldfields as Chief Financial Officer in 1994. At Ashanti, Mark Keatley has overseen the Group's fund-raising efforts, which have included the \$185 million Euro-Revolving Credit Facility in 1995 (named "Deal of the Year" by Corporate Finance magazine), and the \$250 million global convertible bond in 1996 (the largest ever by a mining company). Ashanti made history in 1996 as the first African operating company to be listed on the New York Stock Exchange. Mr. Keatley has also overseen the expansion and consolidation of Ashanti Goldfields making it the leading gold producer in Africa outside of South Africa. From 1987 to 1993 Keatley served at the International Finance Corporation in various positions. Mr. Keatley holds an MA in History and an M Phil in International Relations degrees from Cambridge University and an MBA from Stanford Business School.***
3. ***Mr. James O. Onobiono is the President of the African Business Roundtable and the Director General of the Compagnie Financiere et Industrielle, Cameroon.***

Workshop C: Information Technology and Private Sector Development in Africa

Chairperson

Mr. C. Boucher, a Canadian, is the Vice President for Corporate Management of the African Development Bank.

Main Speaker

Mr. Ayisi wa Makatiani, originally from Kenya, is the President of Africa Online, the largest Internet and online service provider in Africa outside of South Africa, with services in Kenya, Côte d'Ivoire, Ghana, Tanzania and is launching them in Zimbabwe, Uganda, Egypt, South Africa and Senegal in Summer 1997. Africa Online, which was founded by three Kenyan nationals at the Massachusetts Institute of Technology and Harvard University, is a subsidiary of the US-based online service Prodigy Inc.

Before co-founding Africa Online, Ayisi Makatiani was an independent consultant to major corporations including NYNEX and Bell Atlantic, and was a promoter of central

African music with his own group "Club Sergenti". Mr. Makatiani, earned his B.Sc. in Electrical Engineering from MIT in Boston.

Discussants

1. ***Dr. Nii Quaynor is Chairman of Network Computer Systems in Accra, Ghana. During a thirteen-year career with Digital Equipment Corporation, Mr. Quaynor served in various responsible positions and was Senior Engineering Manager responsible for the Corporate-wide Performance Measurement and Analysis Group. In 1991 he was appointed Chairman of Digital Ghana. Before joining Digital, Mr. Quaynor worked at the University of Cape Coast in Ghana as the Head of Computer Science Department and Senior Lecturer. He has also lectured in many colleges abroad. Mr. Quaynor owns several patents and has published in numerous journals. He holds a B.S. degree in computer engineering from Dartmouth College (USA) and an M.Sc. and Ph.D. degrees in Computer Science from the State University of New York.***
2. ***Mr. Felix Duku is currently the Manager in charge of Information Technology in Ecobank Ghana, where he has played a pioneering role in the introduction of electronic banking in Ghana. He is currently managing a project aimed at implementing a WAN (Wide Area Network) initially for Ecobank in Ghana, and ultimately across the West Africa sub-region where Ecobank has a strong presence.***

Mr. Felix's major area of expertise is systems integration with a major focus on financial applications. He has over 10 years of working experience in information technology (after graduating in Computer Science). He has successfully worked on a number of projects including the computerization of the Ghana National Expenditure Budget.

Workshop D: *Stock Markets, Local Currency Instruments and Investment Strategies in African Securities*

Chairperson

Mr. Thomas J. Trebat is Managing Director, Citicorp Securities Inc.

Main Speaker

Mr. John. R. Niepold is the Manager of the African Emerging Markets Funds.

Discussants

1. ***Mr. Hayford Ikponmwosa Alile is a Nigerian by birth and is currently the Director-General of the Nigerian Stock Exchange, a position which he has been holding since 1979. He has the responsibility of overseeing all the activities of the Nigerian Stock Exchange.***

He holds BA and MBA Degrees as well as Diplomas in Public Administration and Management. He did his undergraduate studies at University of Ibadan, Nigeria, and postgraduate studies at Howard University as well as at the Graduate School of Management, Rutgers University, USA. He also attended a Public Administration Course at the Public Administration Management Centre, Kent, England and a Management Course at the Harvard Graduate Business School, Boston, USA. He is a member of many international associations and has served on many National Commissions and Boards in Nigeria.

2. ***Mr. Jean Damien Perrier is an Executive with the Banque Nationale de Paris (BNP).***
3. ***Mr Ken Ofori-Atta is the Executive Chairman and Co-Founder of Databank Financial Services Limited of Accra, Ghana. Databank's Subsidiary, Databank Brokerage Limited, has two major shareholders, Robert Fleming and Blakeney Management both in the UK. Databank's services include IPO's privatization, joint-venture negotiations, structured instruments, corporate advisory, asset management and stock brokerage services. Databank is currently launching a \$30 million West Africa Enterprise Fund to invest in both listed and unlisted securities in the West Africa sub-region. Prior to founding Databank in 1990, Mr. Ofori-Atta schooled at Columbia University and Yale University, and worked at both Morgan Stanley and Salomon Brothers in New York.***

Summing-up: 16:00 - 17:30

Keynote Speaker

Dr. Mark Mobius is the President of the Templeton Emerging Markets Fund, Inc. and the Templeton China World Fund. He heads the Emerging Markets Division globally for Templeton with offices in Hong Kong, Singapore, Vietnam, South Africa, India, Russia, Poland and Argentina. He is the coordinating manager of funds totaling US\$10 billion. The Templeton Emerging Markets Fund, Inc. was ranked number one in the Lipper International Closed-End Funds Service for the three years and two years ending 31 December 1992.

Dr. Mobius has spent 30 years living in Asia and working in emerging markets, and has extensive experience in economic research and analysis. In 1992, he was named by *The Sunday Telegraph* in the UK as the "Investment Trust Manager of the Year". Prior to joining Templeton International in 1987, he was Director and then President of International Investment Trust Company Ltd. in Taipei, Taiwan as well as Manager of the Taiwan ROC Fund (1983-1986). Before that, he served as a Director at Vickers da Costa, an international securities firm which later merged with Citibank. Before joining Vickers, for ten years Dr. Mobius operated his own regional economics and research consulting firm in Hong Kong.

Dr. Mobius holds Bachelors and Masters degrees from Boston University, and received his Ph.D. in Economics and Political Science in 1964 from the Massachusetts Institute of Technology. He is the author of *The Investor's Guide to Emerging Markets*, which was published in English, German, Japanese and Spanish.

Annex 3

Documents Presented at the Symposium

Private Sector Development in Africa.

- (i) Opening Address; Omar Kabbaj, President, ADB;
- (ii) Closing Remarks; Omar Kabbaj, President, ADB;
- (iii) Development of Africa's Private Sector: Some New Approaches Based on Old Truths; Lawrence Sommers;
- (iv) Discours Liminaire de M. Quureshi;
- (v) Private Sector Development in Africa: Progress, Obstacles and Challenges; Cyril Enweze, Vice President (Operations), ADB;
- (vi) Infrastructure Finance in Africa: Telecommunications, Power, Energy and Transport; David Ferreira, Manager, development Bank of Southern Africa;
- (vii) Financial policies in Africa: Present and Future Trends; Evangelos A. Calamitsis, director African department, IMF;
- (viii) Stock Markets, Local Currency Instruments and Investment Strategies in African Securities; John R. Niepold, African Emerging Markets Fund, USA;
- (ix) Private Sector Development in Africa: Progress, Obstacles and Challenges; James Onobiono, President, ABR, Cameroon;
- (x) Private Sector Development in Africa: Progress, Obstacles and Challenges; Jemal-Ud-Din Kassum. Vice president, Investment Operations, IFC;
- (xi) Private Sector Development in Africa: Progress, Obstacles and Challenges; N. Selbie, Managing Director, CDC, UK.;
- (xii) Privatization in Africa: Present and Future Trends; Jean-Louis Sarbib, Vice President Africa Region, World Bank;
- (xiii) International Private Capital Flows and Joint Ventures in Africa: What do Investors Seek? Franklin H. Kennedy, Chief Executive, Equator Holdings Limited;
- (xiv) Stock Markets, Local Currency Instruments and Investment Strategies in African Securities; H.I. Alile, Director General, Nigerian Stock Exchange;
- (xv) Finding Patterns for African Borrowers - Sovereign and Corporate; Jean-Paul Hallauer, Acting Director, Middle East and Africa, Societe Generale.
- (xvi) Regulatory and Legal Obstacles to Private Sector Development; Alexander N. Keyserlingt, President and COE, African Management Services Company (AMSCO).

Annex 4
GOVERNORS WHO MADE STATEMENTS

Wednesday, May 28, 1997 - Morning

1. The Governor for Côte d'Ivoire
2. The Government of China
3. The Governor for Egypt
4. The Governor for Nigeria
5. The Governor for Canada
6. The Governor for the United States of America
7. The Governor for Japan
8. The Governor for Morocco

Afternoon

1. The Governor for Sweden
2. The Governor for the United Kingdom
3. The Governor for the Netherlands
4. The Governor for Belgium
5. The Governor for Italy
6. The Governor for France
7. The Governor for Malawi
8. The Governor for Republic of South Africa
9. The Governor for Zambia
10. The Governor for Ethiopia
11. The Governor for Kenya
12. The Governor for Uganda
13. The Governor for Tanzania
14. The Governor for Libya

Thursday, May 29, 1997 - Morning

1. The Governor for Uganda
2. The Governor for Tanzania
3. The Governor for Libya
4. The Governor for Spain
5. The Governor for Korea
6. The Governor for Denmark
7. The Governor for Norway
8. The Governor for Finland
9. The Governor for Germany
10. The Governor for Portugal
11. The Governor for Rwanda
12. The Governor for Seychelles
13. The Governor for Algeria
14. The Governor for Sudan
15. The Governor for Switzerland
16. The Governor for Austria
17. The Governor for Zimbabwe
18. The Governor for Swaziland
19. The Governor for Mauritius
20. The Governor for Ghana
21. The Governor for Lesotho
22. The Governor for Burundi
23. The Governor for Congo
24. The Governor for India

Annex 5
Official Records

AFRICAN DEVELOPMENT BANK
Board of Governors
Thirty-Third Annual Meeting
ABIDJAN, 28 - 29 May, 1997



AFRICAN DEVELOPMENT FUND
Board of Governors
Twenty-Fourth Annual Meeting
ABIDJAN, 28 - 29 May, 1997



BOARDS OF GOVERNORS

OFFICIAL RECORD

ABIDJAN, 29 MAY 1997

AFRICAN DEVELOPMENT BANK
Board of Governors
Thirty-Third Annual Meeting
ABIDJAN, 28 - 29 May, 1997

AFRICAN DEVELOPMENT FUND
Board of Governors
Twenty-Fourth Annual Meeting
ABIDJAN, 28 - 29 May, 1997

OFFICIAL RECORD

1. The Thirty-Third Annual Meeting of the Board of Governors of the African Development Bank (ADB) and the Twenty-Fourth Annual Meeting of the African Development Fund (ADF) were held jointly from 28 to 29 May, 1997 in Abidjan, Côte d'Ivoire.
- 1.1 The 1997 Annual Meetings were preceded on 25 and 26 May 1997, by the deliberations of the Sub Committee of the Ad Hoc Committee, the deliberations of the Ad Hoc Committee of the Board of Governors on GCI-V, the meetings of the Boards of Directors and the Bureau of the Boards of Governors, the Steering Committee as well as the presentation of the ADB Group financial situation and operations. Tuesday, 27 May 1997 was devoted to the Annual Meetings Symposium on "Private Sector Development in Africa."

Opening Ceremony

2. The formal opening ceremony was held at the Palais des Congrès, Hotel Ivoire, Abidjan, on 28 May 1997, and was presided over by His Excellency Mr. Henri Konan **BEDIE**, the President of the Republic of Côte d'Ivoire.
- 2.1 Honourable **Niamien N'GORAN**, Minister of Finance and Economy of Côte d'Ivoire and Governor of the ADB, in his welcome address, observed that the presence of so many well known personalities from the top finance and economic circles testified to the international community's keen interest in the ADB Group and the future of the African continent.
- 2.2 Commenting on the Highly Indebted Poor Countries (HIPC's) Initiative, he appealed to the international community to take necessary steps to ensure that the procedures for implementing this mechanism are rendered more flexible to make it operational as soon as possible.
- 2.3 He thanked President **KABBAJ** for the resolve, courage and firmness which he has shown in the management of the Bank since he took up office in September 1995. He also commended the Boards of Governors, Executive Directors and Staff of the Bank for the volume and quality of work accomplished since the last Annual Meetings.
- 2.4 He appealed to the Boards of Directors and Management of the Bank Group to review the application of sanctions for arrears after thirty (30) days of arrears. He indicated that, in his view, a 45-day period would be more realistic.
- 2.5 In his opening statement, Honourable J.L.T. **MOTHIBAMELE**, Deputy Minister of Finance of the Republic of Botswana and Chairman of the Boards of Governors, expressed his gratitude to the President of the Republic of Côte d'Ivoire for the great honour he has accorded the Annual Meetings by

- graciously accepting to preside over the opening ceremony. He also thanked Management and Staff of the Institution for efficiently servicing the several meetings held by the various subsidiary bodies of the Boards of Governors.
- 2.6 With respect to the on-going negotiations on the GCI-V, he was pleased to report that the discussions have been carried out with a lot of understanding and strong spirit of partnership.
- 2.7 Regarding the ADB Group's operational objectives for the period 1997-2001, he emphasized the importance of regional integration as the way forward for Africa and urged the Bank Group to pursue the necessary measures to promote it among borrowing member countries, especially through enhanced support to the efforts of sub-regional organizations.
- 2.8 Concluding, he made a special appeal to his colleagues to take appropriate steps to deal with the problem of arrears on Bank Group loans as recommended by the African Heads of State and Government at their 1996 Libreville Summit. He also urged the Board of Directors and Management to take the necessary measures to bring Bank Group staff benefits in line with those of comparable multilateral institutions.
- 2.9 In his statement, Mr. Omar **KABBAJ**, the President of the Bank Group, first expressed his gratitude to His Excellency, Henri Konan **BEDIE**, President of the Republic of Cote d'Ivoire for his strong support and personal commitment to the Bank and its future. He further renewed his appreciation to the people and government of Cote d'Ivoire, for facilitating the work of the Bank Group as well as for providing a second home for staff and their families. He welcomed the opportunity of the Annual Meetings as a valuable contribution in the process of finding solutions to some of the most important and pressing issues Africa is facing today.
- 2.10 He outlined the salient features of Africa's economic performance and prospects in 1996, noting the encouraging results due partly to the progress made in the implementation of policy reforms. He then highlighted some policy considerations deserving attention in the quest for accelerated and sustainable economic growth and social development. Among these are a well developed private sector, enhanced regional integration and cooperation, appropriate infrastructural facilities and debt problems of the less developed countries. In his view, the pre-requisite for accelerating socio-economic growth include appropriate policies and adequate resources for investment.
- 2.11 With regard to the Bank Group operations and institutional reforms, he pointed out that the year 1996 witnessed the consolidation of the institutional reforms launched in the last quarter of 1995. The ADF resumed operations in the last quarter of 1996, there was a substantial increase in the Bank's net income and a decrease of almost 14% in the administrative budget.

- 2.12 Major efforts have also been made in human resource management practices including rules and procedures on recruitment, and performance evaluation and promotion. The training needs of staff have been assessed and the Boards of Directors have approved an appropriate programme to meet those needs.
- 2.13 A comprehensive review of the Bank's financial policies was also undertaken and the resulting recommendations were being implemented.
- 2.14 He emphasized the establishment of a task force composed of senior managers which will embark on the process of formulating a vision for the future of the Bank Group in the context of the development challenges and opportunities unfolding in the continent, as well as the special advantages of the Bank and the particular niches it might fill. This process of charting a collective vision will involve in varying degrees, all constituent parts of the Bank - staff, Executive Directors and member countries - so as to gain the requisite ownership when working for its realization.
- 2.15 His Excellency Henri Konan **BEDIE**, in his statement, expressed satisfaction at presiding over the ceremony, following the Bank's restructuring exercise and the completion of negotiations on ADF-VII.
- 2.16 He paid homage to his friend and brother, His Excellency El Hadj Omar **BONGO**, for his initiative in convening a meeting of his peers in July 1996 to discuss crucial issues relating to the Bank and the continent as a whole.
- 2.17 While welcoming the initiatives taken by the international community to reduce the debt burden of the poorest African countries, he stressed that such initiatives should be accompanied by a flow of substantial concessional resources. Nevertheless, besides the debt situation which is a major constraint to development, he felt that it was time for Africans to assume their responsibility, chart and control their own course for development. He concluded by formally declaring open the 33rd ADB Annual Meeting and the 24th ADF Annual Meeting.

Consideration of Agenda Items

3. During their joint plenary sessions, the Boards of Governors considered and approved the Report of the Joint Steering Committee presented by the Honourable Governor for Burundi.
4. The Board of Governors approved the agenda of the meeting and considered the following agenda items :

I. JOINT ITEMS

Adoption of the Summary Records of the Thirty-Second Annual Meeting of the ADB and of the Twenty-Third Annual Meeting of the ADF (Abidjan 1996) (ADB/BG/SR/96/XXXII/Rev.1 - ADF/BG/SR/96/XXIII/Rev.1)

5. The Boards of Governors adopted the above Summary Records subject to amendments to be communicated to the Office of the Secretary-General.

Procedure for Designating Members of the Bureau and the Subsidiary Bodies of the Boards of Governors (ADB/BG/WP/97/03 - ADF/BG/WP/97/02)

6. The Boards of Governors approved the proposed procedure based essentially on the General Rule for designating, on the basis of alphabetical order, members of the Bureau of the Boards of Governors, the Joint Steering Committee and the Standing Committee on the Conditions of Service of Elected Officers.

Designation of the Members of the Bureau and the Joint Steering Committee of the Boards of Governors for the period starting from the end of the 1997 Annual Meetings to the end of the 1998 Annual Meetings (ADB/BG/WP/97/04 - ADF/BG/WP/97/03)

7. The Boards of Governors approved the following proposal concerning the composition of their Bureau for the period starting from the end of the 1997 Annual Meetings to the end of the 1998 Annual Meetings:

Chairman	:	Botswana
First Vice-Chairman	:	Canada
Second Vice-Chairman	:	Burundi

8. The Boards of Governors also approved the proposal on the composition of the Joint Steering Committee for the period starting from the end of the 1997 Annual Meetings to the end of the 1998 Annual Meetings, as follows:

Algeria	Djibouti
Angola	France
Benin	Germany
Chad	Ghana
Denmark	

By-Election of ADB Executive Directors and Designation of an ADF Executive Director (ADB/BG/WP/97/13 - ADF/BG/WP/97/10)

9. The Boards of Governors took note of the changes in the membership of the Board of Directors of the African Development Bank and confirmed the

election/designation of the following persons as Executive Directors, effective from the dates indicated below :

	<u>Executive Director</u>	<u>Countries Represented</u>	<u>Effective Date of Election</u>
(i)	Mr. Abdalla M.A. TRAINA	Libya, Mauritania and Somalia	30 August, 1996
(ii)	Mr. Emile-Robert PERRIN	France, Italy and Belgium	1 July, 1997

9.1 The ADB Board of Governors adopted Resolution B/BG/97/01 attached as annex.

9.2 The ADF Board of Governors confirmed the designation of Mr. Emile-Robert PERRIN representing France, Italy and Belgium as an Executive Director of the Fund with effect from 1 July, 1997 and adopted Resolution F/BG/97/01 attached as annex.

Management Report on Arrears (ADB/BG/WP/97/09 - ADF/BG/WP/97/05)

10. The Boards of Governors observed that the arrears situation has improved in recent months except for the chronic cases which are largely confined to countries experiencing civil war and social or political upheaval. This improvement is largely due to the strengthening of the Bank's sanctions policy on arrears and the important decision taken on the issue at the Libreville Summit of African Heads of State and Government in July 1996. Nevertheless, continued vigilance is necessary to prevent a resurgence of arrears, especially short-term arrears which may occur for administrative reasons but which are prejudicial both to the Bank and its member countries. Governors undertook to continue to give this matter their personal attention so that the recent positive trend in the number of countries under sanctions for arrears is maintained.

10.1 A long lasting solution to the chronic arrears cases will require concerted action by the international community in the context of economic reform programmes. Nevertheless, the Board of Directors and Management should study, in the meantime, options for tightening further the sanctions policy in such cases. In this regard, the Board of Directors and Management should consider the possibility for amending Article 44 of the Bank's Agreement with the aim of providing an intermediate step, such as suspension of voting rights, before the grave sanction of suspension of membership in the Bank is invoked.

10.2 The Boards of Governors, taking into account new developments in the continent, requested Management to closely monitor, in conjunction with other institutions, the situation in countries in chronic arrears.

10.3 The Boards of Governors approved the above report.

Draft Cooperation Agreement between the African Development Bank (ADB), the African Development Fund (ADF) and the Southern African Development Community (SADC) (ADB/BG/WP/97/02 - ADF/BD/WP/97/01)

11. The Boards of Governors approved the proposed cooperation agreement between the African Development Bank (ADB), the African Development Fund (ADF) and the Southern African Development Community (SADC) and adopted Resolutions B/BG/97/02 - F/BG/97/02 attached as annex.

Status Report on the Implementation of the Recommendations Related to Managerial Issues contained in the Study on the Governance of the African Development Bank (ADB/BG/WP/97/11 - ADF/BG/WP/97/09)

12. The Boards of Governors took note of the status of implementation of the recommendations contained in the above report, especially with reference to those concerning Staff Rules and Regulations, Administrative Tribunal, Appointments and Promotions Panels, Performance Evaluation System, Training Programme for Staff, Procedures for Procurement of Goods and Services, Delegation of Authority and Information Technology Plan.

12.1 The Boards of Governors requested the Boards of Directors and Management to continue monitoring the implementation of these recommendations and to submit a progress report at the next Annual Meetings.

12.2 With respect to Staff Benefits in particular, the Boards of Governors requested the Boards of Directors to consider lifting the freeze imposed on salaries since 1992 with the view to boosting the morale of Bank staff.

Management Report on the Special Review of Policies and Operations relating to the Budget and Investment of Liquid Assets (ADB/BG/WP/97/10 - ADF/BG/WP/97/06)

13. The Boards of Governors took note of the progress made in the implementation of the recommendations contained in the above report.

II ADB ITEMS**Designation of a Member of the Standing Committee on the Conditions of Service of Elected Officers for the Period starting from the end of the 1997 Annual Meetings to the end of the 1998 Annual Meetings (ADB/BG/WP/97/06)**

14. In keeping with the existing rule of renewal by a third, and considering the new procedure for designating members of the Steering Committee on the Conditions of Service of Elected Officers, the ADB Board of Governors decided to replace Finland by India on the Committee. The Standing Committee on the Conditions of Service of Elected Officers for the period starting from the end of the 1997 Annual Meetings to the end of the 1998 Annual Meetings would, therefore, be composed of Cameroon, India and Uganda.

Adoption of the 1996 Annual Report and Audited Statements of Accounts of the ADB, NTF and the Special and Trust Funds for the Financial Year ended 31 December, 1996 (ADB/BG/WP/97/07)

15. The Board of Governors commended the Board of Directors, the President and Staff of the Bank for the increase in the Bank's Net Income during the 1996 Financial Year.
- 15.1 It approved the Annual Report of the Board of Directors and the Audited Statements of Accounts of the ADB, NTF, and the Special and Trust Funds for the Financial Year ended 31 December, 1996, and adopted Resolution B/BG/97/03 attached as annex.
- 15.2 The Board of Governors took note of the Austrian Governor's concern about the high contribution of ADF in the administrative budget of the Bank.

Allocation of the Net Income of the ADB for the year ended 31 December, 1996 (ADB/BG/WP/97/08)

16. The Board of Governors approved the Board of Directors' proposal that Five Million Units of Account (UA 5,000,000) representing approximately five per cent (5%) of the Net Income for 1996, be allocated as ADB's contribution to the Heavily Indebted Poor Countries (HIPC's) Initiative. The extent of the Bank's contribution to the above initiative would be reviewed annually, paying particular attention to the need to continue to strengthen the reserves and overall financial position of the Bank.
- 16.1 The Board of Governors also approved the Board of Directors' proposal to allocate to the General Reserve of the Bank, the amount of Eighty-One Million Three Hundred and Sixty-Nine Thousand Nine Hundred and Eighty-Five Units of Account (UA 81,369,985) representing the balance of the Net Income for the 1996 financial year, after appropriation of Seventeen Million

Two Hundred and Fifty-Five Thousand Seven Hundred and Sixty-Six Units of Account (UA 17,255,766) to the Special Reserve.

16.2 The Board of Governors requested Management to study the resumption of assistance to African Research Institutes through allocation of net income.

16.3 The Board of Governors adopted Resolution B/BG/97/04 attached as annex.

The Report of the Ad Hoc Committee on the Fifth General Increase in the Capital Resources of the ADB (GCI-V) (ADB/BG/WP/97/14)

17. The ADB Board of Governors noted that since the capital increase will not be needed immediately for operational purposes, discussions on the way to proceed with the capital increase should continue based on financial considerations, lending projections, and other related issues.

17.1 With respect to the structure of capital stock and voting rules, given the direct link between this item and the size and nature of Bank capital, and since final decision could not be reached on these two issues, it was decided to defer consideration of this item.

17.2 The Sub-Committee of the Ad-Hoc Committee of the Board of Governors on GCI-V will continue with its work and is scheduled to submit its final report to the Ad-Hoc Committee by September 1997, in order to enable the latter Committee to furnish appropriate recommendations, in due course, to the Board of Governors.

17.3 The Board of Governors then considered and adopted the following Resolutions attached as annexes :

- (i) Resolution B/BG/97/05 concerning Measures to Enhance Governance of the African Development Bank and Amending the Agreement establishing the Bank;
- (ii) Resolution B/BG/97/06 concerning Amendments to the General Regulations of the African Development Bank; and
- (iii) Resolution B/BG/97/07 Amending the Rules of Procedure Governing the Election of the President of the African Development Bank.

III. ADF ITEMS

Adoption of the 1996 Annual Report and Audited Statement of Accounts of the ADF for the Financial Year Ended 31 December, 1997 (ADF/BG/WP/97/04)

18. The ADF Board of Governors approved the Annual Report of the Board of Directors and the Audited Statement of Accounts of the ADF for the

Financial Year ended 31 December, 1996, and adopted Resolution F/BG/97/03 attached as annex.

**Report on the Seventh General Replenishment of the Fund (ADF-VII)
(ADF/BG/WP/97/07)**

19. The ADF Board of Governors noted that consultations on the Seventh Replenishment of the African Development Fund has been successfully completed. This has enabled the Bank Group to resume concessional lending operations to support investment programmes in the 39 low-income borrowing member countries that cannot have access to non-concessional resources.
- 19.1 The Board of Governors took note of the progress made with regard to the conditions precedent to the release of the second tranche of the ADF-VII. Governors registered the approval of ADF Deputies for the release of the second tranche.
- 19.2 The Board of Governors expressed its gratitude to the Government of the Republic of Botswana for its contribution to the Seventh Replenishment. In this regard, the Board of Governors launched an appeal to other regional members who are in a position to contribute to the ADF, to consider doing the same. It also urged Management to undertake sensitization missions in such countries.
- 19.3 The Board of Governors took note of the contribution of UA 6.6 million announced by the Republic of South Africa and expressed its thanks to the South African Authorities. The Board of Governors took note of the fact that the contribution of the Kingdom of Saudi Arabia to the Seventh Replenishment of the ADF Resources is US\$ 25 million.

SUMMARY OF THE KEY POINTS OF GOVERNORS' STATEMENTS

20. Governors commended the Boards of Directors, Management and staff of the Bank for the operations, financial and institutional reforms successfully undertaken during the period under review. These efforts have resulted in substantial gains for the Institution, including renewed support of the shareholders, their confidence in the Bank's future, an increase in the Bank's net income as well as reduction in administrative expenses. They encouraged the Board of Directors and Management to pursue those reforms.
- 20.1 On the operational front, Governors emphasized that private sector initiatives and regional integration are among priority areas for Bank Group investments, with a view to enhancing sustained economic growth and promoting social development on the continent.
- 20.2 Governors also felt that borrowers should be closely associated with the various stages of processing and implementation of Bank Group financed

projects. They should be given the opportunity to participate in the preparation of country strategy papers.

- 20.3 Governors encouraged Management to continue to work in close collaboration with the Bretton Woods Institutions and all other multilateral and bilateral development agencies operating in Africa for a coordinated approach to addressing the development problems of the continent.
- 20.4 Governors requested the Board of Directors and Management to harmonize staff emoluments with similar packages existing in other Multilateral Development Institutions, taking into account the relevant comparative parameters.
- 20.5 While endorsing the justifications provided for a capital increase, Governors felt that all options should be carefully studied and that those concerning capital shares and governance between the borrowing and non-borrowing members should remain open.

Resolutions Adopted

(A) For the Bank

- (i) By-Election of ADB Executive Director (B/BG/97/01)
- (ii) Adoption of the 1996 Annual Report and Audited Statements of Accounts of the ADB, NTF and the Special and Trust Funds for the Financial Year ended 31 December, 1996 (B/BG/97/03)
- (iii) Allocation of the Net Income for the Financial Year ended 31 December, 1996 (B/BG/97/04)
- (iv) Measures to Enhance Governance of the African Development Bank and Amending the Agreement establishing the Bank (B/BG/97/05).
- (v) Amendments to the General Regulations of the African Development Bank (B/BG/97/06).
- (vi) Amendments to the Rules of Procedure Governing the Election of the President of the African Development Bank (B/BG/97/07).

(B) For the Fund

- (i) Designation of an Executive Director of the ADF (F/BG/97/01)
- (ii) 1996 Annual Report and Audited Statements of Accounts of the ADF for the Financial Year Ended 31 December, 1995 (F/BG/97/03).

(C) For the Bank and the Fund

- (i) Cooperation Agreement between the African Development Bank (ADB), the African Development Fund (ADF) and the Southern African Development Community (SADC) (B/BG/97/02 - F/BG/97/02);
- (ii) Resolution B/BG/97/08 - F/BG/97/04 expressing the Boards appreciation and gratitude to His Excellency Henri Konan BEDIE, President of the Republic of Côte d'Ivoire, for the continued support which his Government and the Ivorian people have always shown the African Development Bank Group and for the excellent facilities placed at their disposal for the conduct of the Annual Meetings;
- (iii) Resolution B/BG/97/09 - F/BG/97/05 concerning the Vote of Thanks of the Boards of Governors to the Chairman, Bureau and the Joint Steering Committee of the Boards of Governors for the period starting from the end of the 1996 Annual Meetings to the end of the 1997 Annual Meetings;
- (iv) Date and Venue of the Thirty-Fourth Annual Meeting of the Board of Governors of the ADB and the Twenty-Fifth Annual Meeting of the Board of Governors of the ADF (B/BG/97/10 - F/BG/97/06).

Date and Venue of the Thirty-Fourth Annual Meeting of the Board of Governors of the ADB and the Twenty-Fifth Annual Meeting of the Board of Governors of the ADF (1998) (ADB/BG/WP/97/12 - ADF/BG/WP/97/08)

21. The Boards of Governors decided to hold the next Annual Meetings of the Bank Group from 27 to 29 May, 1998, in Gaborone, Botswana and adopted Resolution B/BG/96/10 - F/BG/96/06 attached as annex.

V. OTHER BUSINESS

22. Under "Other Business", some ADB Governors, referring to the current credit policy of the Bank, suggested that the Board of Directors and Management consider the possibility of formulating an appropriate credit policy which will provide the regional member countries greater access to non-concessional resources. Several Governors, while taking note of this observation, think that it is presently premature to reopen discussions on this issue.
- 22.1 The Board of Governors requested the Boards of Directors and Management to study the possibility of giving to the Bank's major shareholders permanent membership within the Joint Steering Committee. A report on this issue will be submitted to the Boards of Governors during the next Annual Meetings.
- 22.2 The Boards of Governors requested Management to closely monitor the development of African development finance institutions and their

association called Association of African Development Finance Institutions (AADFI).

- 22.3 The ADB Board of Governors took note of the request made by one Governor that Management prepare an information note on the Bank's borrowing policy and Management's undertaking to do so as early as possible. The information note would be sent to all Governors.
- 22.4 The Boards of Governors expressed their deep gratitude to His Excellency Henri Konan **BEDIE**, President of the Republic of Cote d'Ivoire for the continued support which he has always shown to the African Development Bank Group, and for the excellent facilities provided by the Ivorian Authorities for the conduct of the Annual Meetings.
- 22.5 The Boards of Governors expressed their gratitude to the Chairman of the Boards, the President of the Bank, members of the Boards of Directors as well as staff of the ADB Group for the efficient preparations and smooth conduct of the 1997 Annual Meetings.
- 22.6 The 1997 Annual Meetings of the ADB Group were attended by 1,176 participants, comprising Governors, Alternate Governors, members of the Boards of Directors, Delegates, Staff and Observers.

Done in Abidjan on 29 May 1997

Cheikh I FALL
Secretary-General

Annex 6

List of Documents from the Meetings of the Boards of Governors.

- (i) Boards of Governors Documents - Compilation of all documents submitted to the Board for the meeting, including the agenda and programme of meetings.
- (ii) Compendium of Statistics, 1977 - Statistical information on the operational activities of the Bank Group (ADB, ADF, and NTF). It contains tables and graphs on loan approvals, commitments, amounts of loan cancellations, effective loans, disbursements, repayments, disbursed debt outstanding and procurement of goods and services.
- (iii) Selected Statistics on Regional Member Countries - Benchmark data on for assessing recent development processes in regional member countries: basic indicators; national accounts; external sector; external debt and financial flows; money supply, prices and exchange rates; agriculture and social indicators.
- (iv) Financial and Operational Analysis, 1992-1996 - Charts and graphs on key macro-economic developments in Africa and the financial performance of the Bank for 1996.
- (v) 1996 Annual Report.
- (vi) African Development Report 1997: Fostering Private Sector Development- Review of recent socio-economic performance in the continent and examination of policy issues with special focus on private sector.