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ECONOMIC COMMISSION FOR AFRICA
Committee of Nine on the Preparatory Work
for the African Development Bank

REPORT OF THE FOURTH SESSION
OF THE COMMITTEE OF NINE

Addis Ababa, 13 - 17 July 1964

REPORT OF THE FOURTH SESSION
OF THE COMMITTEE OF NINE

1. The Committee of Nine, entrusted by the Conference of African Finance Ministers with the work preparatory to the establishment of the African Development Bank, held its fourth session in Addis Ababa from 13 to 17 July 1964. Delegates from Cameroun, Ethiopia, Guinea, Liberia, Mali, Nigeria, Sudan, Tunisia and the United Republic of Tanganyika and Zanzibar were present. A representative of the Afro-Malagasy Union for Economic Co-operation (UAMCE) attended the meeting as an observer. (A list of participants is attached as Annex I).
2. In the absence of the Chairman, H.E. Mr. Mamoun Beheiry (Sudan), and Mr. Yawand Wossen Mangasha (Ethiopia), one of the Vice-Chairmen, and in view of the fact that Mr. Sékou Traoré (Mali), the other Vice-Chairman, was prevented from taking the chair, Mr. Mansour Moalla (Tunisia) was unanimously elected temporary Chairman of the fourth session of the Committee.
3. The Deputy Executive Secretary of the Economic Commission for Africa, on behalf of the Executive Secretary, who was in Geneva to attend the ECOSOC session, addressed the Committee. (The text of his address is attached as Annex II.).
4. The Representative of the Republic of the Sudan conveyed the regrets of H.E. Mr. Mamoun Beheiry, the Finance Minister of the Republic of the Sudan, for not being able to attend the meeting.
5. The Committee adopted its agenda as shown in Annex III to this report.
6. The Committee then considered a report by the Executive Secretary on the status of ratification of the ADB Agreement and on activities undertaken subsequent to the third session of the Committee (E/CN.14/ADB/51). It was noted that, as of 13 July 1964, fifteen countries (Cameroun, Congo (Leo), Ghana, Guinea, Ivory Coast, Kenya, Liberia, Mali, Morocco, Nigeria,

Sierra Leone, Sudan, Tanganyika, Togo and Uganda) had completed their procedure of ratification of the Agreement, i.e. depositing the instrument of ratification and paying the first instalment of their subscription. It was further noted that Ethiopia had paid the first instalment but not deposited the instrument of ratification, while Dahomey, Mauritania, Niger and Tunisia had handed their instruments of ratification to the Secretary-General of the United Nations but not yet paid their first subscriptions to the capital of the Bank. Other Signatory Governments were reported to be in the process of ratifying the Agreement (Algeria, Burundi, Central African Republic, Congo (Brazzaville), Libya, Senegal, Somalia, Rwanda, United Arab Republic and Upper Volta).

7. In this connexion tribute was paid to the Executive Secretary for the various steps taken in order to speed up the process of ratification.

8. The Committee decided to send a message by telegram to the Conference of African Foreign Ministers, meeting in Cairo, giving an objective account of the status of ratification of the ADB Agreement and requesting them to inform the Heads of State Conference of the position and urge them to take steps to expedite the remaining ratifications.

9. The Committee also decided to send another telegram to the Finance Ministers of those countries which had ratified the Agreement but had not yet paid the first instalment to the paid-up capital of the Bank.

10. The Committee reviewed the status of contributions by African Governments to the preparatory expenses. It noted that, as of 13 July 1964, US\$241,200 had been contributed by twenty-two countries; nine other States had not yet contributed.

11. In this connexion it was decided that all governments which had not yet paid be asked to meet their obligations by paying the first two instalments which had been called. As regards certain countries which had already paid the third instalment although this had not been called by the secretariat, the Committee expressed the view that those governments should be reimbursed and informed accordingly.

12. The Committee went on to discuss the question of membership of the United Republic of Tanganyika and Zanzibar and the accessions to the ADB Agreement by Malawi and Northern Rhodesia (Zambia) (E/CN.14/ADB/WP/1). In this connexion, it authorized the ECA secretariat to pursue discussions with the three governments concerned. It was thought desirable to have the State of Malawi join the ADB at the first meeting of the Board of Governors; it was pointed out that a procedure similar to that which had been used for Kenya may be applied to Northern Rhodesia on its becoming independent as Zambia on 24 October 1964.

13. During the general discussion on technical and financial assistance so far made available to the Bank, it was emphasized that the secretariat had not approached governments or institutions for assistance, but had followed up offers made by certain governments and international institutions. Although some delegations felt that the secretariat should approach non-African governments and all international and regional institutions for assistance, there was general agreement that the initiative should be left to the Bank. However, it was thought that the general publicity about the Bank presently undertaken by the secretariat would make the Bank better known to third parties and stimulate proposals for technical and financial assistance from them.

14. The Committee examined the Draft Report on the General By-Laws of the ADB (E/CN.14/ADB/45). The text of the Draft Report itself was adopted without any changes. As regards Article 10(2) of the Draft General Regulations (Annex I), the Committee thought the first financial year of the Bank should run from the entry into force of the ADB Agreement up to 31 December 1965. The budget for that year should be submitted three months after the first meeting of the Board of Governors; for subsequent years, it should be submitted before 1 November of the preceding financial year (Art. 12(1) and (3)). A Draft Resolution should be prepared for the Board of Directors which would authorize the President of the Bank to enter, within limits, into commitments and incur, within limits, expenditure on behalf of the Bank.

15. On the Draft Rules of Procedure of the Board of Governors (Annex II), the Committee requested the secretariat:

- (a) to explain in a Note to Rule 6 that Governors and their Alternates could be accompanied by their advisers at meetings; and
- (b) to provide in Rule 10(2) that summary records and the decisions of the Board should be circulated to the Members of the ADB and not simply "made available".

16. As regards the Rules of Procedure of the Board of Directors (Annex III), the secretariat was requested:

- (a) to explain in the Notes in some detail the complex problem of giving notice to the Directors under Rule 12(1); and
- (b) to provide for the possibility of unanimous amendment of these Rules in Rule 13.

17. Subject to minor amendments to Article 8(2) in Annex I; Rule 12(2) in Annex II; and Rule 1(2) in Annex III, the Report was thereupon adopted by the Committee.

18. Next the Committee considered the paper on the Headquarters Agreement of the ADB (E/CN.14/ADB/42). It requested the secretariat to reword para.15 in order to make it clear beyond any possible doubt that a provisional installation of the Bank should be located in the country in which its Permanent Office would be situated. Subject to a minor amendment of the French text of Art. 2(3) of the Draft Agreement, it then adopted the Report and Draft Agreement on the subject.

19. The Report concerning the Terms of Service of Governors and Directors of the ADB and their Alternates (E/CN.14/ADB/46) was adopted with minor amendments to Note 2 to Art. 1, the French text of Art. 3, and Art. 6(2) of the Draft Regulations attached thereto.

20. In considering the Note by the Executive Secretary on the Terms of Service of the President and Vice-Presidents of the ADB (E/CN.14/ADB/52), the Committee agreed to propose that these high officers of the Bank should, upon appointment, take an oath in a public meeting of the Board of Governors at which members of the Board of Directors should be present. The Draft Letter of Appointment should refer to a termination allowance payable upon termination of service whether the latter took place at the end of the term of office or earlier (para. 5(c)); para.7 of that Letter should provide for a reasonable period of notice which the Bank would endeavour to give to the addressee in the case of termination at its own initiative. The Regulations might provide for a pension payable to dependents in case of death of the incumbent while in office. Subject to minor amendments to the French text of para. 5 of the Report and paras. 3(b) and 5(c) of the Draft Letter, the Note was then approved.

21. As regards the Draft Report on the general structure of the services of the ADB (E/CN.14/ADB/43), the Committee requested the secretariat to revise the proposed text so as to provide that the Office of the Secretary-General of the Bank appeared distinct from offices which might be directly attached to the President. Thus, the Office of the Secretary-General, within which would develop the administrative services of the Bank, should be at the same level as the other three departments mentioned in the report. The organigrams of the Bank should be modified accordingly. With these observations, the report was adopted. The secretariat was requested to transmit it to the Board of Directors of the ADB.

22. The Committee took note of the study prepared by the Executive Secretary on the establishment of an accounting and internal auditing system for the ADB (E/CN.14/ADB/44) and requested the secretariat to transmit it to the Board of Directors of the ADB.

23. The Committee approved the Report on the Staff Rules and Regulations of the ADB (E/CN.14/ADB/47), subject to the following amendments:

(a) Draft Report:

Para. 12 should make it clear that the President might recruit staff members from non-member countries if he were satisfied that no suitable candidates from member countries were available; and

Para. 44 (and Staff Reg. 5.6(b), etc.): The maximum duration for fixed term contracts should be five years.

(b) Draft Staff Regulations:

Reg. 2.2: The text might perhaps follow more closely the corresponding UN Staff Regulation;

Reg. 2.3: 3rd sentence, should include the phrase "the whole time", etc.;

Reg. 4.1: Note 2 should refer to the budgetary control exercised by the Board of Directors;

Regs. 5.7(c) and 5.11: The age limit should be 65 years though, at his own request, a staff member might retire after he had attained the age of sixty;

Reg. 5.8(a)(v): Should end by the phrase: "... and the retention of the staff member is likely to prejudice the interests of the Bank";

Reg. 5.12(a)(iii): The phrase "for a period of not more than (two) years" at the beginning should be deleted. The Notes to the Regulation should make it clear that, as distinct from secondment, the Bank would continue to bear the financial responsibility for a staff member who was on detached service;

Reg. 16.2: Under this Regulation all staff members whose home is further away from the Principal Office than a reasonable distance to be determined by the President, should be entitled to "home leave" irrespective of the country in which the home is situated;

Reg. 10.2: The secretariat should consider the need for a provision ensuring that a staff member will be indemnified by the Bank for any liability incurred by him on behalf of the Bank with proper authorization; and

The Staff Regulations, not the Staff Rules, should contain the provisions relating to the taking of the oath by staff members.

(c) Draft Staff Rules:

Rule 4.3/1: Para.(b) should enable payment in respect of one ward and, in exceptionally deserving cases, payment up to the age of 24; Para (c) should be deleted;

Rule 4.5 and, with a minor amendment, Rule 4.6 were approved;

Rule 4.9 : The Secretariat was requested to submit a text for this Rule;

Rule 4.12(i) should refer to 12 months;

Rule 4.13(iv) should refer to two years;

Rule 5.3: The Notes should make it clear that the alternate of the Head of the Personnel Office may act in his stead as the Secretary of the Junior Staff Administration Board;

Rule 5.6: The Notes on internationally recruited staff should indicate that Administrative Instructions will lay down the rule that the most economical direct route must be used and also determine the means of transport the choice of which would commit the Bank to reimbursement and salary payment;

Rule 5.13: The proposed probationary periods were approved;

Rule 5.15: The Notes should indicate that the President may designate a medical board for examination in certain cases;

Rule 5.19: The Notes should refer to the problem of detachment and technical assistance by the ADB;

Rule 5.23: The proposed periods of notice were approved;

Chapter 10: It should be proposed that, for the time being, disciplinary matters should be referred to the appropriate Staff Administration Board but that a staff member of the same grade as the staff member who is charged, should be designated as an ad hoc member of the Board.

(d) Salaries and Allowances

A. The Committee did not adopt, at this stage, any definitive Salary Scales for the staff. It requires fuller information for this purpose. It does, however, consider that salaries paid by the ADB should certainly not be excessive or too low; that they should ensure that highly qualified African candidates should join the Bank rather than other international financial institutions and that its staff members should not be tempted to leave the Bank on account of terms offered elsewhere; and that salaries of the junior staff should represent these paid by a model employer in the country where such staff will be working.

B. Allowances: The Committee did not adopt, at this stage, any definitive Allowance Scales. It did, however, express itself in favour of a Dependency Allowance on the lines of that paid by the United Nations. As regards children, it might be based on an average African family: a full children's benefit should be paid for the first three or four children; the allowance should be reduced in the case of the remaining children within the average family size. Except for the spouse and children, no benefits should be paid. In addition, the President might assume discretionary powers to pay an Education Grant in deserving cases in respect of secondary or university education. A Rent Allowance might be introduced by him pursuant to the provisions of Reg. 4.2(iv).

C. Minor Corrections are to be made to paras 13 and 29 of the Report; to Staff Regs. 5.5(iii) and (iv) and 4.4(b); to Staff Rules 1.2, 2.1(d), 3.2, 5.8 and 5.24. The English text should refer to "Termination Allowance" (not: "Indemnity").

24. Proposals concerning staff model contracts of the ADB (E/CN.14/ADB/50) were before the Committee. The Committee, after reviewing them, suggested that they be annexed to its report on staff regulations of the ADB.

25. In examining the Note on the Adjudication of Staff Disputes of the ADB (E/CN.14/ADB/47/Add.1), the Committee was in agreement that such disputes could not be settled by a national court in accordance with a national system of law. They also felt that, as far as possible, staff disputes should be settled within the Bank itself. Indeed, some members felt that disputes to which junior staff were parties should not be taken further. Disputes with senior staff members, or with junior staff, if the point at issue were of considerable importance, should, if necessary, be considered in a second instance. A suggestion was made that they might be submitted to the Chief Justice (Président de la Cour de Cassation) of the country in which the Principal Office of the ADB was located as arbitrator - sitting alone or

with other arbitrators from the Bank. It was thought that the Commission of African Jurists might be consulted about suitable machinery. Finally, hopes were expressed that in future an Inter-African Administrative Tribunal might be created which would serve a number of African organizations.

26. While the Committee discussed the paper on the terms and conditions for direct loans of the ADB (E/CN.14/ADB/39) very thoroughly and with considerable care, it felt that in view of the complexity and the technical character of the questions raised therein, its conclusions should advance the study of these problems rather than solve them.

27. Generally, the Committee's feeling was that the rigidities of some existing regulations should be avoided; that the Banks should proceed pragmatically rather than by an easy adoption of a comprehensive system of rules; that special care should be paid to the development of terms and conditions for loans designed for multi-national projects. As regards these issues - as in the case of several others - the Committee was favourably impressed by the IADB practices and procedures. If time were left before the termination of the Committee's labours, the secretariat might prepare a selection of suitable terms for all direct loans (para.11(b)).

28. As regards the question of registration of loan contracts (para.10), the Committee, without deciding on the legal aspects of the question, ~~though~~ that terms and conditions of loan transactions should be known to the Member Governments and that a summary of the principal terms should be always made public.

29. The Committee felt that, on the whole, it preferred the IADB practice under which the loan contracts take effect upon signature but that disbursements are subject to conditions precedent among which should figure the completion of ratification procedures etc. in the country of the borrower (para.36).

30. In general, the Committee was not in favour of the establishment of revolving funds under the loan contracts of the Bank. On the other hand, it did not express a marked preference either in favour of the application of the instalment method or the opening of a credit line. It thought both methods should be admissible (para.43).

31. As regards the sale of participations, the Committee thought that there should be priority given to African markets with regard to such sales (para.63).

32. The Committee carefully considered the implications of the questions raised as regards the problem of the choice of law by the ADB (para.78). Without arriving at definitive answers to these essentially legal issues, its tentative general conclusions may be summed up as follows:

- (a) Except where otherwise agreed, international law should govern the Bank's loan and guarantee contracts with members;
- (b) Loan contracts with borrowers other than members should be governed by the general principles of international private law. The law of the borrower's country may apply to many aspects of such a transaction. The Committee is aware of the difficulty that the Bank will face if its loan transactions are governed by a variety of legal systems of the borrowers' countries. Further studies are required.
- (c) For financial reasons, bonds may have to be subject to the law of the bond-holder's country.

33. As regards the settlement of disputes, the Committee was unanimous in favouring arbitration rather than litigation.

34. Finally, the Committee requested the secretariat to amend paras.45, 48 and, in particular, the end of para.56 of the paper which should make it clear that the rate of interest payable by the borrower could not be increased. With these amendments, the paper was approved.

35. The Committee carefully examined the question as to when, once the ADB Agreement had entered into force, the first meeting of the Board of Governors should be convened. The Committee agreed to advise the Executive Secretary of the ECA that, while it was the duty of the Secretary-General to convene that meeting "to take place within 30 days from the date on which the Agreement enters into force"^{1/} (such date hereinafter called "D day"):

(a) he should convene the meeting as late as possible within the period of 30 days - for instance on D day plus 30 days - so as to give governments which have not yet done so the opportunity to complete their ratification formalities before the meeting, so that they can attend it as members of the Bank; but that, at the same time,

(b) he should bear in mind that, in view of the fact that a large number of Governors and Alternate Governors of the ADB would be attending meetings of the IBRD, IMF, etc., in Tokyo, it would not be possible for them to attend the first meeting of the Board of Governors from 28 August to 30 September 1964.

36. In reply, the Deputy Executive Secretary explained that the Trustee was bound, in any event, to convene the first meeting of the Board of Governors of the Bank in conformity with the terms of para. 3 of resolution 2 of the Conference of Finance Ministers, bearing in mind the advice tendered under (a) in the preceding paragraph (D day plus 30 days). Should the date for which the meeting is convened by him in accordance with that resolution fall within the period 28 August to 30 September 1964, the Trustee would communicate to the Member Governments the advice tendered to him under (b) in the preceding paragraph and, in the light of that advice, suggest, in addition, another date for the meeting to follow that period as closely as possible. This means that he would apply the "D day plus 30 days" formula without any qualification if D day occurred before 28 July or after 30 August 1964.

^{1/} Para. 3, resolution 2 adopted by the Conference of Finance Ministers at its Final Plenary Session on 4 August 1963 at Khartoum.

37. In discussing arrangements for the first meeting of the Board of Governors, the Committee had before it a tentative provisional agenda for that meeting (E/CN.14/ADB/WP/5) and a note by the Executive Secretary on the procedure for the election of the Directors of the ADB by the Governors of the Bank (E/CN.14/ADB/WP/3). It reviewed the draft agenda and proposed that the item on the location of the Principal Office of the ADB should come immediately after the election of Directors. It agreed with the solutions envisaged by the secretariat to some procedural problems for the election of Directors and, in particular, suggested that (a) nomination of Directors should precede their actual election and that nomination papers should be handed to the Secretary of the Board no later than one hour before the opening of the session scheduled for the election; (b) although Governors had the right to abstain from voting, they should be urged to take part in the balloting; and that (c) the contents of the note under consideration should be the subject of a recommendation of the Committee to the Board of Governors.

38. The Committee also reviewed a tentative provisional agenda for the first meeting of the Board of Directors of the ADB. In this connexion it expressed the view that efforts should be made to hold that meeting immediately after the election of the Directors and if possible while the Board of Governors was still meeting; that the election of the President of the Bank should be placed as the first item on the agenda of the Board of Directors after the Introductory Address; and that arrangements should be made for the official installation of the President before the Board of Governors at their first meeting.

39. Furthermore, the Committee thought that African countries which were not members of the Bank should be invited to attend the first meeting of the Board of Governors as observers and that the same should apply to non-African governments which had shown a keen interest in the establishment of the ADB; Specialized Agencies of the United Nations; international and regional institutions and organizations pursuing a policy conducive to the development of Africa; any other agencies operating in Africa as well as well-known representatives of world finance, trade and industry.

40. In the course of the discussion on the same item, the Committee agreed on the principle that expenditures incurred in the organization of the first meeting of the Board of Governors and the Board of Directors should be borne by the ADB. It expressed, at the same time, its gratitude to the Executive Secretary for informing the Committee that all efforts would be made to meet, as far as possible, organizational arrangements with existing administrative and professional services of the ECA.

41. The Committee also noted the invitation by the distinguished Representative of Nigeria to hold the first meeting of the Board of Governors in Lagos, and requested the Trustee to take it into consideration when calling that meeting, should time and other conditions permit.

42. The Committee had also before it a statement of accounts (E/CN.14/ADB/WP/4) on expenditures and commitments incurred in relation to the preparatory work. It noted with satisfaction that considerable economies had been made and that the budgetary appropriations made available had been thriftily administered, by the secretariat. It paid tribute to the Executive Secretary for having covered a great deal in general expenses and for procuring additional funds to meet expenses for professional assistance. In view of the substantial balance now available, the Committee thought it would be possible to defray, from the budget for the preparatory work, travel and subsistence allowance expenses for attendance at the meetings of the Committee of Nine - now met by the governments concerned - and decided to put such a suggestion before the Board of Governors. At the same time, the Committee thought that any balance of funds received by the secretariat for the preparatory work should be transferred to the ADB, with the suggestion that it should be used for administrative expenditures and, possibly, the organization of the first meetings of the Boards of Governors and Directors.

43. On the question of applications for posts with the ADB, the Committee was satisfied with the explanation given by the secretariat on the procedure adopted for the preparation of files for each applicant. It requested the secretariat to transmit the files, together with any other information gathered on the applicants, to the first President of the ADB.

44. A request was made to the secretariat to study ways and means by which the African Development Bank could establish training facilities for professionals serving with African financial institutions.

45. Before closing its fourth session, the Committee was informed that the Government of Ethiopia had finalized its deposit of ratification of the ADB Agreement with the Secretary-General of the United Nations. Thus, it recognized that, Ethiopia being the sixteenth signatory to ratify the ADB Agreement, the status of ratifications on 17 July 1964 was as follows: sixteen Signatory Governments had finalized their ratification procedures; their subscriptions, in aggregate, to the capital stock of the Bank corresponded to 57.7 per cent of the total.

46. The Committee, having noted with satisfaction that there was every likelihood of the ADB Agreement entering into force in the next few weeks, agreed to hold its final session a few days before the first meeting of the Board of Governors. It then expressed its gratitude to the Executive Secretary for the exhaustive documentation prepared for it and thanked the secretariat for making its fourth session possible.

The present report was then adopted by the Committee.

ANNEX I

LIST OF PARTICIPANTS AT THE FOURTH SESSION
OF THE COMMITTEE OF NINE

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LIST OF PARTICIPANTS AT THE FOURTH SESSION
OF THE COMMITTEE OF NINE

Delegations

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| Mr. Mansour Moalla (Acting Chairman) | Director, Office of the President of the Republic, Tunisia |
| Mr. Albert Njeng-Bikim | Development Bank of Cameroun |
| Mr. Bulcha Demeksa | Director-General, Budget Department, Ministry of Finance, Ethiopia |
| Mr. Wolde-Mariam Girma | Chief of Planning Department, Ministry of Finance, Ethiopia |
| Mr. Sangare N'Faly | Assistant Director General, National Credit, Guinea |
| Mr. P. Clarence Parker, Jr. | General Manager, The Liberian Bank for Industrial Development and Investment |
| Mr. Sékou Traoré | Adviser to the Bank of the Republic of Mali |
| Mr. O. Akinrele | Deputy Secretary, Ministry of Finance, Nigeria |
| Mr. O.O. Vincent | General Manager, Central Bank of Nigeria |
| Dr. Bashir El Bakri | Sudan Ambassador to Nigeria |
| Mr. G.M.S. Mawalla | Principal Assistant Secretary, The Treasury, United Republic of Tanganyika and Zanzibar |

Observer

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| Mr. A. Foalem | Director, Department for Economic and Financial Affairs, UAMCE |
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Secretariat

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| Mr. F. N'Liba N'Guimbous | Deputy Executive Secretary, Economic Commission for Africa |
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Mr. Alexander Elkin

Legal Adviser

Mr. Giovanni Mancini

Secretary to the Committee of Nine

Mr. Oscar A. Spencer

Economic Adviser

Mr. Joseph Mubiru

Assistant Secretary to the Committee
of Nine

ANNEX II

OPENING ADDRESS TO THE FOURTH SESSION OF THE COMMITTEE OF
NINE BY MR. F. N'LIBA N'GUIMBOUS, REPRESENTATIVE OF THE
EXECUTIVE SECRETARY, ECONOMIC COMMISSION FOR AFRICA

ANNEX II

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Mr. Chairman, Your Excellencies, Ladies and Gentlemen,

I would like once again to bid you welcome to Addis Ababa, the Headquarters of the Economic Commission for Africa, and to express both to you and to the Governments of the countries you represent, the thanks and congratulations of the ECA for the sustained and faithful effort put forth by your Committee in the accomplishment of a task that was intrinsically difficult by reason of its political implications and its material obligations. That task was first to conceive and define, then to decide when to set up a Development Bank appropriate to the dimensions and needs of the African continent today, and finally to study, formulate and propose solutions for all the problems rising out of its entry into function.

I will not anticipate the observations which will be made by those more competent than I, who will render the Committee of Nine the tributes it richly deserves for its three years of work of undeniable ability.

Events elsewhere have already given an advance hint of this recognition. Certain members of the Committee have been called on by their Governments to take up duties which would themselves suffice to bear witness, if that were necessary, to the high standing, capability and experience of the members. I would recall that the first chairman of this Committee, His Excellency Romeo Horton, was called upon by his Government to take up the responsibilities of Minister of Trade of the Republic of Liberia immediately after the Conference of African Finance Ministers. At the same time, our present Chairman, His Excellency Mr. Mamoun Beheiry was, shortly after his election by you, elevated by his Government to the post of Minister of Finance of the Republic of the Sudan. These distinctions, which have deprived us of their active collaboration, nevertheless leave us with a certain justified pride.

I am happy that we are able now to benefit from the collaboration of those who have taken their places in the Committee, and while Mr. Parker, of Liberia, has been with us throughout, I would like to refer particularly to the participation of His Excellency Dr. Bashir Elbakri, who represents the Republic of the Sudan, and to whom, on behalf of all of us, I extend a special welcome.

Finally I would like to say how much I regret the absence of Mr. Yawand-Wossen Mangasha, one of our Vice-Chairmen who, because of his daily presence at the ECA and the Secretariat of the Committee of Nine, customarily served as Chairman of this Committee when Mr. Beheiry was prevented from doing so. A mission for his Government, whom he so ably represents, has prevented his being with us during this session, and his place is taken by Mr. Bulcha Demeksa, to whom we extend a warm welcome.

But since it is an ill wind that blows no good, the secretariat of the ECA rejoices, with you, that this situation gives us the opportunity to meet under the guidance of the first Vice-Chairman, Mr. Sékou Traoré. Having been acquainted with the talents and qualities of this colleague since the beginnings of the Committee of Nine, we are assured in advance that he will guide the work we are undertaking to-day to success. We appreciate the opportunity the more in that by having Mr. Traoré to take the Chair at this, the fourth session, your Committee will have had the privilege, at least in its present, second version, of guidance by each of its chairmen in turn.

Until Mr. Traoré arrives, you have agreed, in order to save time, to ask our friend Mr. Moalla to preside temporarily over your work. This means that you have now gone through the entire list of your chairman, for he it was who so competently served as chairman of the Sub-Committee which drafted the Statutes of the Bank. We extend a hearty welcome to him.

Finally, as always, we have the benefit of the competence and devotion of our helpers (interpreters, translators and other technicians), some of whom have become old friends of the Committee of Nine. Allow me to extend to them our welcome and sincere thanks.

The secretariat of the ECA is proud and happy, in carrying out part of the mandate entrusted to it by the Conference of African Finance Ministers, to have had the collaboration of a Committee so enlightened and co-operative as yours.

When one considers the time which has passed since that mandate was conferred on us, in relation to the breadth and diversity of the cares which assail our young African States, it is satisfactory to note that special attention has been given by these Governments to the question of the African Development Bank. Let me briefly recall the progress made therein:

- In February 1964, at the time of the sixth session of the ECA, the actions taken in the matter by the Governments, within six months of the Khartoum Conference, were briefly as follows: signature of the Agreement by 30 States; ratification by 13 Governments; deposit of instruments of ratification and contribution by 5 countries.

- Third Session of the Committee in Tunis, a month later, in March 1964: 2 further ratifications, bringing their number to 15, and 1 further deposit of instruments and contribution, making 6 in all.

- Today, that is to say, only 3 months after your last meeting, the situation is as follows: 27 ratifications; as to deposits and contributions, if we include the formalities initiated in New York by a certain number of States, there are now 19 countries, of which 15 are completely up to date, which can be regarded as having deposited their instruments and paid in the required part of their contribution, covering altogether 63 per cent of the Bank's capital.

Perhaps before you leave here, or at least immediately after the present session, it will be enough for a single large country, whose subscription exceeds 2 per cent of the capital, or two or three countries taking out a minimum subscription, to complete the formalities, and the first Council of Governors can be called.

One thing is certain: it is to each one of you, for his action in his own country and in his African contacts outside it; to the determination you have so often expressed in correspondence, in the Press, and in direct interventions; and finally to the realistic, efficient and convincing qualities of the work you have done, that the credit is due for having guided our Governments to take active interest in the matter.

Another thing which is obvious is that this session will be the last one in isolation, without prejudice, of course, to your intention, logical and necessary as it is, to hold a last session linked with the convocation of the first Council of Governors.

This brings me to note by chance that the present session is the eighth since that of 1962 in Monrovia. The session linked with the convocation of the Council of Governors will be the last, that is, the ninth. Thus, as it completes its task, your Committee will at the same time have complied with the universal law of harmony: the Committee of Nine African countries will have held nine sittings to bring the African Development Bank into being.

At our last session, in agreement with you and with the idea put forward at the sixth session of the ECA, we had invited observers to join us, representing those countries which, although not members of the Committee, had acquired membership of the Bank by the completion of the formalities. This was a very rewarding experience in Tunis, but, regarded objectively, the rewards operated somewhat at the cost of speed and therefore of efficiency.

Since the convocation of the Council of Governors depends on the will neither of the Committee of Nine nor of the secretariat of the ECA,

but is automatically linked to the progress made by the States in adding their contributions; and since, moreover, due allowance has been made for the extent of the tasks which remain to be done by leaving the door open to any State which has become a member to send an observer to your work, we have refrained on this occasion from sending out formal invitations.

As in preceding sessions, the agenda submitted to you by your secretariat contains three categories of items.

Firstly, items are submitted to you, for adoption, which have already been subjected by you to analysis and discussion for orientation. The secretariat believes it has faithfully taken account of your instructions and in consequence submits to you the texts in a finalized form in the hope that you will retain them as they are.

Then there are items submitted for your careful consideration.

Finally, the draft agenda includes a third category of items, of a prospective nature, on which your views are sought.

The substance and presentation of all this material leads me to stress once more how highly the Executive Secretary of the ECA values the collaboration of the Secretary of your Committee, Mr. Mancini, and the assistance given by its Adviser, Mr. Elkin.

When you have considered the material you will, I am sure, wish to join in this well-deserved tribute.

Mr. Chairman, Ladies and Gentlemen, I am firmly convinced that you will, as always, thanks to the spirit and methods you have made your own, complete this work in the normal space of time, and that it will be marked by the success which is now linked with your reputation. My best wishes go with you in it.

E/CN.14/ADB/53
Annex III

ANNEX III
AGENDA OF THE FOURTH SESSION
OF THE COMMITTEE OF NINE

ANNEX III

AGENDA

1. Opening addresses.
2. Adoption of the agenda.
3. Consideration and adoption of the reports on:
 - (a) status of ratification of the ADB Agreement and possible date of coming into force of the Agreement;
 - (b) activities undertaken subsequent to the third session of the Committee (E/CN.14/ADB/51).
4. General discussion on technical and financial assistance offered to the ADB (E/CN.14/ADB/WP/2).
5. Questions of membership (E/CN.14/ADB/WP/1) :
 - (a) the membership of the United Republic of Tanganyika and Zanzibar and the African Development Bank;
 - (b) Accession by Nyasaland (Malawi) to the ADB Agreement;
 - (c) Accession by Northern Rhodesia (Zambia) to the ADB Agreement.
6. Adoption of draft reports on:
 - (a) general by-laws for the ADB (E/CN.14/ADB/45);
 - (b) headquarters agreement for the ADB (E/CN.14/ADB/42);
 - (c) general structure of the services of the ADB (E/CN.14/ADB/43).
7. Consideration of the draft report on terms of service of Governors and Directors of the ADB and their Alternates (E/CN.14/ADB/46).
8. Discussion of proposals concerning terms of service of the President and the Vice-President(s) (E/CN.14/ADB/52).
9. Consideration and adoption of the draft report on staff rules and regulations of the ADB (E/CN.14/ADB/47).

10. Discussion of adjudication of staff disputes (E/CN.14/ADB/47/Add.1).
11. Discussion of proposals concerning staff model contracts
(E/CN.14/ADB/50).
12. Discussion of proposals on terms and conditions for direct loans
by the ADB (E/CN.14/ADB/39).
13. Consideration of a study concerning the accounting system for the
ADB (E/CN.14/ADB/44).
14. Arrangements for the first meeting of the Board of Governors.
15. Other business.
16. Adoption of the final report.

ANNEX IV
REFERENCE DOCUMENTS

ANNEX IV

REFERENCE DOCUMENTS

| <u>Title</u> | <u>Symbol</u> |
|--|-----------------------------------|
| Terms and conditions for direct loans by the ADB | E/CN.14/ADB/39 and Corrigendum |
| The headquarters agreement of the ADB - An outline of its guiding principles and an annotated draft agreement | E/CN.14/ADB/42 |
| The general structure of services of the ADB | E/CN.14/ADB/43 |
| Proposals for the establishment of an accounting and internal auditing system for the ADB | E/CN.14/ADB/44 |
| Draft report of the Committee of Nine on the general by-laws of the ADB | E/CN.14/ADB/45 |
| Draft report concerning the terms of service of Governors and Directors of the ADB and their Alternates | E/CN.14/ADB/46 |
| Draft report of the Committee of Nine on the staff rules and regulations of the ADB | E/CN.14/ADB/47 |
| Adjudication of staff disputes of the ADB | E/CN.14/ADB/47/Add.1 |
| Revised Provisional Agenda | E/CN.14/ADB/49/Rev.1 |
| Model letters of appointment of the ADB | E/CN.14/ADB/50 |
| Activities undertaken after the third session of the Committee of Nine on the work preparatory to the establishment of the ADB | E/CN.14/ADB/51 |
| Terms of service of the President and Vice-Presidents of the ADB | E/CN.14/ADB/52 |