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THE WORLD BANK

Washington, D.C.

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The World Bank

1818 H Street NW

Washington DC 20433

Telephone: 202-473-1000

Internet: [www.worldbank.org](http://www.worldbank.org)

**PUBLIC DISCLOSURE AUTHORIZED**

NIGERIA - Agricultural  
Development Bank (NIR/71/016)

90-2  
558

 **Archives**

 **1051334**

R1980-001 Other #: **5821B**

Nigeria - Agricultural Development Bank - set

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TO RE-ORDER SPECIFY  
**No. 618 FOLDER**  
MADE IN U. S. A.



## OFFICE MEMORANDUM

TO: Mr. K. G. Awunyo (LEG)

FROM: Anne Gesell Vaughn (IRD) *AG Vaughn*

SUBJECT: NIGERIA: NIR/71/016 - Nigerian Agricultural  
Development Bank

DATE: 9 February, 1978

Please find attached, for the Bank's records, one original fully signed Project Revision Form "G" for the subject project, which we have received from the UNDP Resident Representative in Lagos under cover of his letter dated 5 January, 1978 (attached).

An extra copy of this revision is also attached for your Department's files.

This project is now completed and the attached budget is final.

Attachments - 1 original ProRev  
1 xerox copy "  
1 original letter

cc: Messrs.R.Jones(CTR)	)	
R.Drake(CTR)	)	
P.E.Taylor-Lewis(WA1)	)	w/copy attachments
C.Bolduc(WAP)	)	
Mrs.M.Berta(IRD)	)	

eps

UNITED NATIONS  
DEVELOPMENT PROGRAMME



OFFICE OF THE RESIDENT  
REPRESENTATIVE IN NIGERIA

TELEPHONES

26110  
26116  
26118  
26119

P. O. BOX 2075

LAGOS

CABLES: UNDEVPRO-LAGOS

STREET ADDRESS:

11, QUEEN'S DRIVE-IKOYI

REFERENCE: NIR/71/016

5 January, 1978.

Dear Miss Gesell,

NIGERIA: NIR/71/016 - Assistance to the Agricultural  
Development Bank.

...  
Reference your letter dated 8 December 1977 on the above subject, we are returning herewith for your records one signed copy of Project Revision "G", reflecting final expenditures for the above project.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'L. Houzer', written over a large, stylized circular flourish.

L. Houzer,  
Resident Representative.

Miss Anne V. Gesell,  
International Relations Department,  
The World Bank,  
1818 H St. N.W.  
Washington D.C. 20433,  
USA.

cc: Mr. Leon Segal,  
Chief,  
West Africa Division,  
Regional Bureau for Africa,  
UNDP/New York.

" Mr. L. Shapiro,  
MIS, UNDP,  
New York.

FEB 1 1978

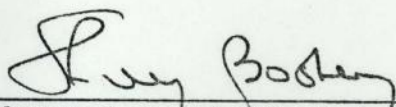


UNITED NATIONS DEVELOPMENT PROGRAMME

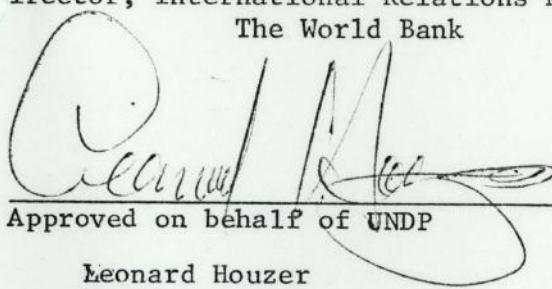
PROJECT REVISION - FINAL

Country : Nigeria  
Project Title : Assistance to the Agricultural Development Bank  
Project Number : NIR-71-016-G-01-42

The attached budget of the above project is hereby revised to reflect the final expenditures.

  
Submitted on behalf of the Executing Agency  
Shirley Boskey  
Director, International Relations Department  
The World Bank

12/7/77  
Date

  
Approved on behalf of UNDP  
Leonard Houzer  
Resident Representative

- 5 JAN 1978

Date

PROJECT BUDGET COVERING UNDP CONTRIBUTION

(In U.S. dollars)

Country : Nigeria

Project Title : Assistance to the Agricultural Development Bank

Project Number : NIR-71-016-G-01-42

	<u>Total</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
20. <u>SUB-CONTRACTS</u>						
21-01 Sub-contract	886,179	258,052	265,848	231,810	13,807	116,662
29. Component Total	886,179	258,052	265,848	231,810	13,807	116,662
50. <u>MISCELLANEOUS</u>						
54. Direct Costs	97	-	-	97	-	-
59. Component Total	97	-	-	97	-	-
99. UNDP total contribution	886,276	258,052	265,848	231,907	13,807	116,662



NIR/71/016

8 December, 1977

Mr. Leonard Houzer  
Resident Representative  
United Nations Development Programme  
P.O. Box 2075  
Lagos  
Nigeria

Dear Mr. Houzer:

NIGERIA: NIR/71/016 - Assistance to the Agricultural  
Development Bank

Please find attached a Project Revision Form "G", reflecting final expenditures for the above project.

The revision has been signed by Mrs. Shirley Boskey, Director of the International Relations Department, on behalf of The World Bank, and we would appreciate receiving a fully signed document for our files in due course.

Yours sincerely,

Anne Vaughn Gesell  
International Relations Department

Attachments (4)

cc: Mr. Michel Doo Kingue w/ProRev  
Assistant Administrator &  
Regional Director  
Regional Bureau for Africa  
United Nations Development Programme  
One United Nations Plaza  
New York, N.Y. 10017

cc: Mr. R. Jones (CTR) w/ProRev

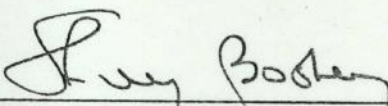
AGVaughn/eps *agv*

UNITED NATIONS DEVELOPMENT PROGRAMME

PROJECT REVISION - FINAL

Country : Nigeria  
Project Title : Assistance to the Agricultural Development Bank  
Project Number : NIR-71-016-G-01-42

The attached budget of the above project is hereby revised to reflect the final expenditures.

  
\_\_\_\_\_  
Submitted on behalf of the Executing Agency  
Shirley Boskey  
Director, International Relations Department  
The World Bank

12/7/77  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved on behalf of UNDP

\_\_\_\_\_  
Date



PROJECT BUDGET COVERING UNDP CONTRIBUTION

(In U.S. dollars)

Country : Nigeria

Project Title : Assistance to the Agricultural Development Bank

Project Number : NIR-71-016-G-01-42

	<u>Total</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
20. <u>SUB-CONTRACTS</u>						
21-01 Sub-contract	886,179	258,052	265,848	231,810	13,807	116,662
29. Component Total	886,179	258,052	265,848	231,810	13,807	116,662
50. <u>MISCELLANEOUS</u>						
54. Direct Costs	97	-	-	97	-	-
59. Component Total	97	-	-	97	-	-
99. UNDP total contribution	886,276	258,052	265,848	231,907	13,807	116,662

## OFFICE MEMORANDUM

TO: Mrs. Shirley Boskey  
FROM: Anne Gesell Vaughn *AG Vaughn*  
DATE: 5 December, 1977  
SUBJECT: NIGERIA: NIR/71/016 - Assistance to the Agricultural Development Bank

The attached Project Revision Form "G", reflecting final expenditures for the above project, has been prepared in the Bank and cleared by the Controller's Department.

Please may we have your signature on all four attached copies.

Attachments (4)

eps



## OFFICE MEMORANDUM

TO: Mr. M. Loewen, International Relations Department  
FROM: Robert L. Drake, Jr., <sup>RLD</sup> Controller's Department  
SUBJECT: UNDP-Nigeria-Assistance to the Agricultural  
Development Bank (NIR-71-016-G-01-42)

DATE: November 21, 1977

*[Handwritten initials]*

As requested by Mr. Jones in his memorandum of October 28, 1977,  
attached is a final budget for the above-mentioned project. It will be  
appreciated if you would arrange for the proper signatures to the documents.

Attachments

cc: Mr. R. Jones

file

Mr. S. Chandra

October 28, 1977

Robert Jones

UNDP/IBRD - 1160 - Nigerian Agricultural Bank - NIR/71/016

We have completed disbursements for the above-mentioned project.

Please prepare the final budget figures for submission to the International Relations Department (IRD).

Would you please have your final figures cleared with Mr. Conde-Rocha.

IRD will then initiate the Final Budget Revision to close out this project.

cc: Mr. M. Smith (IRD) ✓

FConde-Rocha/plm



## OFFICE MEMORANDUM

TO: Mr. K. G. Awunyo (LEG)  
FROM: Peter Gisle (IRD)  
SUBJECT: NIGERIA: NIR/71/016 - Nigerian Agricultural Bank

DATE: 15 July, 1977

Please find attached, for the Bank's records, one original signed Project Revision Form "F" for the subject project, which we have received from the UNDP Resident Representative's office under cover of a letter from Mr. A. Nolte, dated 29 June, 1977 (copy attached).

An extra xerox copy of this revision is also attached for your Department's files.

Attachments - 1 original ProRev  
1 xerox copy "  
1 copy letter

cc: Messrs.R.Jones(CTR) )  
R.Drake(CTR) )  
P.E.Taylor-Lewis(WAL) ) w/copy attachments  
C.Bolduc(WAP) )  
Mrs.M.Berta(IRD) )

eps

UNITED NATIONS  
DEVELOPMENT PROGRAMME



OFFICE OF THE RESIDENT  
REPRESENTATIVE IN NIGERIA

TELEPHONES

26110

26116

26118

26119

P. O. BOX 2075

LAGOS

CABLES: UNDEVPRO-LAGOS

STREET ADDRESS:

11, QUEEN'S DRIVE-IKOYI

REFERENCE: NIR/67/532  
NIR/66/523  
NIR/71/016

29 June 1977

Dear Mr. Gisle,

NIR/67/532 - Transport Survey of Midwestern Nigeria (Revision B)  
NIR/66/523 - Road Development Survey Northern Nigeria (Revision F)  
NIR/71/016 - Nigerian Agricultural Bank (Revision F)

.....  
We are pleased to enclose Project Revisions for the subject projects which incorporate 1976 actual delivery figures.

Yours sincerely,

J. Austin Nolte

Resident Representative a.i.

Mr. Peter Gisle  
International Relations Department  
The World Bank  
1818 H St. N.W.  
Washington D.C. 20433  
USA.

JUL 13 1977

*Petr: On the point (as usual!) of writing — I finally am "released" from Lagos 5 August. Next post: Khartoum! (Incidentally, I looked with horror yesterday on a letter to IBRD, which went out late last year on NIR/67/532 — I can't believe I could write such a letter!)*

*All the very best,*

*Petr.*

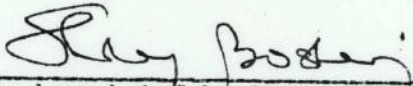


UNITED NATIONS DEVELOPMENT PROGRAMME

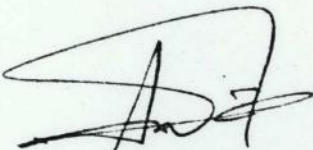
Project Revision Form

Country : NIGERIA  
Project Title : Nigerian Agricultural Bank  
Project Number : NIR/71/016/F/01/42

The subject project budget is hereby revised to reflect actual 1975 and 1976 expenditures and expected final disbursements under the project to be made in 1977.

  
\_\_\_\_\_  
Submitted on behalf of the Executing Agency  
Shirley Boskey  
Director, International Relations Department  
The World Bank

5/3/77  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
M. A. NOLTE  
Resident Representative a.i.  
Submitted on behalf of UNDP

26 MAY 1977  
\_\_\_\_\_  
Date

Project Budget Covering UNDP Contribution  
(in U.S. Dollars)

Country : NIGERIA  
Project Title : Nigerian Agricultural Bank  
Project Number : NIR/71/016/F/01/42

	<u>TOTAL</u> \$	<u>1973</u> \$	<u>1974</u> \$	<u>1975</u> \$	<u>1976</u> \$	<u>1977</u> \$
29 Subcontracts	891,517	258,052	265,848	231,810	13,807	122,000
59 Miscellaneous	97			97		
99 GRAND TOTAL:	891,614	258,052	265,848	231,907	13,807	122,000



NIR/66/523  
NIR/67/532  
NIR/71/016

8 July, 1977

Mr. Manville Nolte  
Resident Representative, a.i.  
United Nations Development Programme  
P.O. Box 2075  
Lagos  
Nigeria

Dear Mr. Nolte:

NIGERIA: NIR/66/523 - Road Development Survey,  
Northern Nigeria  
NIR/67/532 - Transport Survey of  
Midwestern Nigeria  
NIR/71/016 - Nigerian Agricultural Bank

Please refer to my letter of May 6 and advise when I may expect to receive the fully signed Project Revision Forms for the three subject projects.

Yours sincerely,

Peter Gisale  
International Relations Department

PGisale/eps

WORLD BANK / IFC  
OUTGOING MESSAGE FORM  
(TELEGRAM/CABLE/TELEX)

XXXXXXIBRD  
☐ IDA  
☐ IFC  
☐ ICSID

TO: UNDEVPRO

DATE: 17 MAY, 1977

LAGOS

ORIGINATOR'S EXT.: 9/676/1177

COUNTRY: NIGERIA

CLASS OF  
SERVICE: TELEX: 961 21372

CABLE NO. & TEXT:

YOURMISC 795 1976 DELIVERY REPORTS AND PROJECT REVISIONS WERE SENT MAY 6.

REGARDS

GISLE

INTBAFRAD

NOT TO BE TRANSMITTED

REFERENCE:	NIR/67/532 & NIR/71/016	AUTHORIZED BY (Name):	Peter Gisle
DRAFTED BY:	PGisle/eps	DEPARTMENT:	International Relations
CLEARANCES AND COPY DISTRIBUTION:		SIGNATURE (Of individual authorized to approve):	
		SECTION BELOW FOR USE OF CABLE SECTION	
		CHECKED FOR DISPATCH:	

PINK - File Copy; WHITE - Transmittal Copy; YELLOW - Bill Copy



## WORLD BANK GROUP

ROUTING SLIP		DATE April 29, 1977	
NAME		ROOM NO.	
Mr. Peter Gisle, IRD		P-715	
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
COMMENT		PER OUR CONVERSATION	
FOR ACTION		PER YOUR REQUEST	
INFORMATION		PREPARE REPLY	
INITIAL		RECOMMENDATION	
NOTE AND FILE		SIGNATURE	
REMARKS			
<u>Nigerian Agricultural Bank</u>  From the last calculations and data given to me by Controller's and BMB, it would appear that the amount budgeted for 1977 (US\$122,000) is sufficient. Let us pray we will not have any more surprises.			
FROM Charles Bolduc		ROOM NO. A-240	EXTENSION 3627





ROUTING SLIP		DATE: 29 March, 1977	
NAME		ROOM NO.	
Mr. R. Jones (CTR)		N-424	
Mr. G. Bolduc (WAP) <i>Wadsworth</i>		A-242	
<i>Mr. Bolduc o/a</i>			
<i>Charles,</i>			
<i>Can you handle please</i>			
APPROPRIATE DISPOSITION	NOTE AND RETURN		
APPROVAL	NOTE AND SEND ON		
CLEARANCE	PER OUR CONVERSATION		
COMMENT	PER YOUR REQUEST		
FOR ACTION	PREPARE REPLY		
INFORMATION	RECOMMENDATION		
INITIAL	SIGNATURE		
NOTE AND FILE	URGENT		
REMARKS:			
<p><i>it is largely history</i></p> <p><u>NIR/71/016/F - Nigerian Agri. Bank</u> <i>now</i></p> <p>Please may we have your clearance <i>reply?</i> on the attached.</p> <p>Thanks,</p> <p><i>4/1/77</i></p>			
Peter Gisle			
FROM:	IRD	ROOM NO.:	EXTENSION:
		P-715	9/676/1177

Andre Rocha

INCOMING TELEX Via UN New York

sd *RL*

Distribution:

Mrs. Boskey

1839 TU 123 IBRD LAGOS 24 13/5 0900

INTBAFRA

WASHINGTON

May 13 77

MAY 16 1977

MISC 795 BOSKEY NIR/71/016 AGRICULTURAL BANK AND NIR/67/532  
MIDWEST TRANSPORT. OBLIGED 1976 FINANCIAL DELIVERY REPORTS AND  
DRAFT FINAL PROJECT REVISIONS

NOLTE

COL: 795 NIR/71/016 NIR/67/532 1976"

→  
LINDEVPRO  
LAGOS

YMMISC 795 PER 1976 DELIVERY REPORTS  
AND PROJECT REVISIONS WERE SENT MAY 6  
REGARDS GISE

RECEIVED  
MAY 16 1977  
10 0 36



NIR/66/523 (Rev."F")  
NIR/67/532 (Rev."H")  
NIR/71/016 (Rev."F")

6 May, 1977

Mr. Merville Nolte  
Resident Representative, a.i.  
United Nations Development Programme  
P.O. Box 2075  
Lagos  
Nigeria

Dear Mr. Nolte:

NIGERIA: 1976 Agency Project Delivery Reports  
NIR/67/532 - Transport Survey of  
Midwestern Nigeria  
NIR/66/523 - Road Development Survey,  
Northern Nigeria  
NIR/71/016 - Nigerian Agricultural Bank

Please find attached the 1976 Agency Project Delivery Reports and corresponding Project Revisions for the subject projects, signed on behalf of the Bank by Mrs. Shirley Boskey, Director of the International Relations Department.

Kindly return one fully signed Project Revision for each project, in due course, for our records.

Yours sincerely,

Peter Gisle  
International Relations Department

Attachments

cc: Mr. Michel Doo Kingue - w/l copy each ProRev  
Assist.Admin. & Reg.Dir.  
EBA, UNDP, New York.

cc: Mr.R.Jones(CTR)-w/l copy ea.ProRev

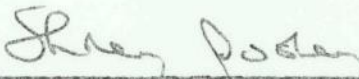
PGisle/eps

UNITED NATIONS DEVELOPMENT PROGRAMME

Project Revision Form

Country : NIGERIA  
Project Title : Nigerian Agricultural Bank  
Project Number : NIR/71/016/F

The subject project budget is hereby revised to reflect actual 1975 and 1976 expenditures and expected final disbursements under the project to be made in 1977.

  
\_\_\_\_\_  
Submitted on behalf of the Executing Agency  
Shirley Boskey  
Director, International Relations Department  
The World Bank

5/3/77  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Submitted on behalf of UNDP

\_\_\_\_\_  
Date



Project Budget Covering UNDP Contribution  
(in U.S. Dollars)

Country : NIGERIA  
Project Title : Nigerian Agricultural Bank  
Project Number : NIR/71/016/F

	<u>TOTAL</u> \$	<u>1973</u> \$	<u>1974</u> \$	<u>1975</u> \$	<u>1976</u> \$	<u>1977</u> \$
29 Subcontracts	891,524	258,052	265,848	231,810	13,807	122,000
59 Miscellaneous	97			97		
99 GRAND TOTAL:	891,621	258,052	265,848	231,907	13,807	122,000

## OFFICE MEMORANDUM

TO: Mrs. Shirley Boskey  
FROM: Peter Cisle  
SUBJECT: NIGERIA: NIR/71/016 - Nigerian Agricultural Bank

DATE: 2 May, 1977

The attached Project Revision Form "F", reflecting actual 1975 and 1976 expenditures and expected final disbursements in 1977, has been prepared and cleared by those concerned in the Bank.

Please may we have your signature on all four attached copies.

Attachments (4)

eps



Mr. R. Wadsworth, Chief, WAPAL

April 20, 1977

C. Bolduc

Nigerian Agricultural Bank

Matters concerning this seemingly never-ending project are coming up again.

A number of cables and a telephone conversation with Mr. Slaghuis, the Financial Director of BMB, have shattered our common understanding that only an estimated F1 15,000 (US\$6,000) remained outstanding to be paid to BMB from the UNDP account for the above project. Instead, he advises us that BMB auditors have uncovered an additional F1 306,579.64 (US\$122,632) which they claim is owed to them. He's sorry for the inconvenience.

Mr. Condé-Rocha from Controller's believes that these claims are quite legitimate. In fact, Controller's have all the referred-to invoices but one. Incidentally, at no time in our recent conversations with them was mention ever made of these outstanding invoices. The understanding was that, on the basis of Mr. Slaghuis' cable of December 17, 1976, the only amount still to be invoiced was for the above-mentioned F1 15,000 (US\$6,000).

Action Required

1. Revision of UNDP budget. Fortunately the amount budgeted by UNDP for 1977, which was based on Claudio Macherio's earlier estimates, covers the largest part of what is required to cover the above claims. Some adjustments may be required and I should be in a better position to know how much after I receive the full accounting of claims and disbursements which Controller's have promised me for this project. This revised estimate will be processed through Mr. P. Gisle, from International Relations.
2. Revision of disbursement ceilings in contract for consultants' services. The amount mentioned in the contract, representing the maximum which the Bank may disburse for BMB's services (US\$707,099), will have to be amended upwards. The new amount will be determined on the basis of the accounting reports to be provided by Controller's. A draft letter for the purpose of amending the contract has been prepared and has already been cleared by the Legal Department.
3. Statement of final claim. Also in draft form is a letter requesting BMB to provide us with a statement from their part that these are the last and final claims pertaining to the above project. This letter has also been cleared by the Legal Department.

CBolduc:ss

cc: Messrs. Gisle, Condé-Rocha

P-715



NIR/71/016

16 February, 1977

Mr. Menville Nolte  
Resident Representative, a.i.  
United Nations Development Programme  
P.O. Box 2075  
Lagos  
Nigeria

Dear Mr. Nolte:

NIGERIA: NIR/71/016 - Nigerian Agricultural Bank

Please find attached the Agency Terminal Report for the subject project.

In accordance with instructions from UNDP, regarding the procedures for submitting Terminal Reports on projects which have been contracted in their entirety, we would appreciate your forwarding the enclosed letter and the report to the Government.

We are also enclosing a copy of our letter and the report for your records.

Yours sincerely,



Peter Gisle  
International Relations Department

Attachments

cc: Mr. Michel Doo Kingué  
Assistant Administrator &  
Regional Director  
Regional Bureau for Africa  
United Nations Development Programme  
One United Nations Plaza  
New York, N.Y. 10017.

cc: Messrs. C. Bolduc (WAP)  
Prince E. Taylor-Lewis (WAL)

GAVE ALL ORIGINALS  
TO MR. BOLDUC &  
HE WILL MAIL.

PGisle/eps

## WORLD BANK GROUP

ROUTING SLIP		DATE February 15, 1977	
NAME		ROOM NO.	
Mr. Gisle		E 806	
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
COMMENT		PER OUR CONVERSATION	
FOR ACTION		PER YOUR REQUEST	
INFORMATION		PREPARE REPLY	
INITIAL		RECOMMENDATION	
NOTE AND FILE		SIGNATURE	
<p>R RKS</p> <p>Would you mind very much having this letter cleared by Alan Arben, in our Lagos office, before having it forwarded to anyone in Nigeria (e.g., Perm. Sec, Min Agric, UNDP)? He had been following the Project since its inception and this would give him a last chance to intercept it if he has any comment of substance to make. If not, he could forward it onwards</p> <p>Thank you.</p> <p><i>[Signature]</i></p>			
FROM Charles Bolduc		ROOM NO. A-240	EXTENSION 3627





INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Cable Address - INTBAFRAD

INTERNATIONAL DEVELOPMENT ASSOCIATION

Cable Address - INDEVAS

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

Area Code 202 • Telephone - EXecutive 3-6360



February 15, 1977

Mr. B. Oloruntoba  
Permanent Secretary  
Federal Ministry of Agriculture  
and Rural Development  
PMB 12613  
Lagos, Nigeria

Dear Mr. Oloruntoba:

Nigerian Agricultural Bank

The final report of the consulting firm of Berenschot-Moret-Bosboom (BMB) as managers of the Nigerian Agricultural Bank was distributed towards the end of last year. The consultants were financed by UNDP during the period April 1973 to March 1976, and the World Bank acted as Executing Agency. We understand that the consultants have already sent you the report but a copy is attached for easy reference.

In our capacity as Executing Agency for UNDP, we have reviewed the consultants' report and endorse for the most part their comments and recommendations. It is particularly gratifying that in three years they achieved most of the short-term objectives, including: the creation of a viable agricultural banking institution capable of assisting in the implementation of Nigeria's long-term agricultural policy; and, quite significantly, the selection and training of suitable Nigerian staff who have, except for the general manager's position, taken over the management of the Bank.

There are, however, a number of points contained in the report which we would like to bring to your attention. These include a number of recommendations which pertain to general policy matters and depend, for a large part, on clear directions from the Federal Military Government:

- (a) the establishment of definite areas of responsibility so as to develop a smooth working relationship between the Bank and the cooperative movement and, particularly, with the Agricultural Cooperative Division of the Federal Ministry of Cooperatives and Supply;



February 14, 1977

- (b) the establishment of long-term plans and policies which would allow NAB to assume a larger role as a direct lender to smallholders, individually or in groups, without endangering its financial position or jeopardizing the objects in the Company's Memorandum of Association;
- (c) to allow NAB to adopt for its staff conditions of service which, by recognizing the important role of the Bank as an instrument of development policy, will enable it to attract and retain qualified and experienced staff; and
- (d) to allow the Board of Directors, in its basic and rotating membership, a broader base of representation to eventually include various sectors of Nigeria's economy such as the State Governments, the farming community, business and the cooperative movement.

We wish this young but already successful institution every success in its hard but challenging task ahead.

Sincerely yours,

R. Wadsworth, Chief  
Agriculture Projects Division 1  
Western Africa Regional Office

Attachment

Cleared with and cc: Mr. Wisle (I.R.D.)  
cc: Mr. Taylor-Lewis

CBolduc:ss



3627

1. Mr. HACHELO  
2. West Africa File  
(Nigerian  
Agricultural  
Bank)

February 2, 1976

Mr. P. Heynderickx  
Regional Manager  
Borenschot Moret Bosboom  
24 Ozumba Ikadiwe Avenue  
Victoria Island  
Lagos

Dear Mr. Heynderickx:

Nigerian Agricultural Bank  
Extension of B.B.'s Consultant Contract

As indicated in my telephone conversation with you on Thursday January 29, UNDP have agreed to finance a four man-month extension to BB consultant contract for services to Nigerian Agricultural Bank on the basis of your proposals, which are acceptable to UNDP and IARD, and which are as follows:

- |   |       |             |
|---|-------|-------------|
| 1. Conversion of home service to field service for: |       |             |
| General Manager                                     |       |             |
| Operations Specialist                               |       |             |
| Administration Specialist                           |       |             |
| 2. Contract Extension:                              |       | <u>Cost</u> |
| General Manager 1 month to Feb 29 1976              |       | Dfl. 20,000 |
| Operations Specialist 1 month to Feb 29 1976        |       | Dfl. 14,625 |
| Administration Specialist 2 months to Feb 29 1976   |       | Dfl. 36,000 |
|   |       | Dfl. 70,625 |
| (equivalent at 2.6)                                 |       | US\$ 27,200 |
| 3. 4 months per diem - 116 days at \$15.00 p.d.     |       | \$ 1,770    |
| equivalent (\$1 = \$1.62)                           |       | US\$ 2,800  |
|   | Total | US\$ 30,000 |


All other contract terms will remain unchanged including the report obligations.

I have written to Mr. Olorunfemi, Permanent Secretary, Federal Ministry of Agriculture and Rural Development, advising him of UNDP's proposal to finance a four man-month extension of the contract. On receipt of Mr. Olorunfemi's confirmation that this is acceptable to FMG, UNDP and IARD will confirm the extension possibly by an exchange of letters from either Washington or Lagos.

February 2, 1976

I will write to you again when I have a reply from Mr. Oloruntimehin and Washington.

Yours sincerely,

  
Alan W. Arben  
Agricultural Specialist

cc: UNDP Resident Representative, Lagos  
Mr. Baron Mackay, General Manager,  
NAB  
P.M.B. 2155  
Kaduna

cc: Mr. R. Wadsworth, Division Chief, WAPAI ✓  
Legal Department (Washington)



File

January 18, 1977

Francesca G. Stone

NIGERIA - Industrial Study Team

In the light of the justification provided to him by Mr. P. Wright, Mr. Lari has ruled, as an exception to policy, that the three industrial economists to be recruited on fixed-term assignments for Nigeria will be on Bank contracts. The consultants will also be appointed by the Bank.

All costs are to be reimbursed by the Nigerian Government.

---

cc: Messrs P. Bottelier

P. English

V. Riley

E. Lari

✓ L 808

FCS/lb

Mr. C. Hachero, WAP

December 29, 1976

Robert Jones, CTR

UNDP/IBRD - Nigeria Assistance to ADB - NIG/71/016

Please find attached Berenschot-Moret-Bosboom's (BMB) reply to our cable of December 9 which was cleared and copied to you.

Provision covering the costs of shipment of personal effects for BMB's team has been made on Appendix C-3 of the Contract. However, our contractual obligation terminated on February 29 and the foreign currency ceiling has been reached.

A contract amendment would have to take place in order to increase the amount listed on Section 3.01 of the Contract if your department decided to accept BMB's final billing in the amount of Fls. 15,000 or US\$ 6,000.

The new amount not to be exceeded in accordance with Section 3.01 would be US\$ 714,000 (Disbursements \$707,799 + 6,000 = \$714,000).

For your information funds have been made available by the UNDP for this project on the basis of Mr. R. Wadsworth's letter of February 24 and would certainly accommodate this increase.

Please let us know of your department's decision on this matter as soon as possible.

Attachment

cc: Mr. Peter Gisle (IRD) ✓

FConde-Rocha/plm



248423 WORLDWANK

52177 BERBO NL

INCOMING TELEX

sd

(Telex NO.)

Distribution:

Cont. Mr. Perch

1976 DEC 17 PM 2 25

TILBURG, 17-12-1976

RECORDS AND  
COMMUNICATIONS

ATTENTION MR. JONES

RE: YOUR TELEX DEC. 10 REF. UNDP/IBRD NIGERIAN AGRICULTURAL BANK  
NIG 71/016 CONTRACT NOV. 17 1972

THE AMOUNTS MENTIONED ARE CORRECT AND IN ACCORDANCE WITH INVOICES  
SENT AND AN PAYMENTS RECEIVED.

STILL TO BE INVOICED TRANSPORT OF PERSONAL EFFECTS TEAMMEMBERS  
TOTAL ESTIMATE FOREIGN CURRENCY GUILDERS 15.000 FOR WHICH PRO-  
VISIONS WERE MADE PARTLY IN THE CONTRACT 1972, PARTLY IN THE  
AGREED EXTENSION.

FINAL INVOICES WILL BE SENT AS SOON AS SUPPORTING BILLS ARE  
RECEIVED.

1976 DEC 22 PM 5 09

RECEIVED

REGARDS,  
SLAGHUIS.



RS  
XX

HERBO

DECEMBER 9, 1976

TILBURG

2331

THE NETHERLANDS

LT

FOR SLACHUIS REF UNDP/IBRD NIGERIAN AGRICULTURAL BANK NIG/71/016  
CONTRACT NOVEMBER 17, 1972 COMMA WE HAVE DISBURSED FOREIGN CURRENCY  
GUILDERS 1,881,006.79 EQUIVALENT US DOLLARS 707,798.60 AND LOCAL  
CURRENCY NAIRAS 39,250.00 EQUIVALENT US DOLLARS 61,718.95 STOP  
IBRD AGREES ABOVE US DOLLARS DISBURSEMENTS TO BE NEW CONTRACT  
CEILINGS PER SECTION 3.01 AND 3.03 OF CONTRACT STOP PLEASE  
CABLE YOUR AGREEMENT BEFORE DECEMBER 15 ENABLE CLOSE PROJECT  
REGARDS

JONES

INTBAFRAD

STANLEY J. PERCH

CONTROLLER'S

F. Conde-Rocha/db

Cleared and cc Mr. C. Hachero (WAP)  
cc Mr. P. Gisle (IRD) ✓

Charge UNDP

FORM NO. 75  
(1-76)

THE WORLD BANK

ROUTING SLIP

DATE:  
10 December, 1976

NAME

ROOM NO.

Mr.R.Jones (CTR)

N-433

Mr.S.Chandra (CTR)

P-1114

Mr.G.Bolduc (WAP)

A-242

APPROPRIATE DISPOSITION

NOTE AND RETURN

APPROVAL

NOTE AND SEND ON

CLEARANCE

PER OUR CONVERSATION

COMMENT

PER YOUR REQUEST

FOR ACTION

PREPARE REPLY

INFORMATION

RECOMMENDATION

INITIAL

SIGNATURE

NOTE AND FILE

URGENT

REMARKS:

For your clearance, please.

FROM: Peter Gisle  
IRD

ROOM NO.:  
E-306

EXTENSION:  
2175/6



UNITED NATIONS  
DEVELOPMENT PROGRAMME



OFFICE OF THE RESIDENT  
REPRESENTATIVE IN NIGERIA

TELEPHONES

26110  
26116  
26118  
26119

P. O. BOX 2075

LAGOS

CABLES: UNDEVPRO-LAGOS

STREET ADDRESS:

11, QUEEN'S DRIVE-IKOYI

26 November 1976  
PQ/go

REFERENCE: NIR/71/016

Dear Mrs. Boskey,

NIR/71/016 - Nigerian Agricultural Bank

... Further to our letter of 17 November 1976, of which a copy  
is attached, on the subject of the preparation of a final budget  
for the Nigerian Agricultural Bank project. I am pleased to en-  
... close two copies of a draft budget for your consideration.

In making our calculations, we have taken into account the  
points made in Mr. Wadsworth's letters of 18 December 1975 and  
24 February 1976.

If the project revision meets with your agreement, I would  
be obliged if you would authorise the Head of the World Bank  
Mission in Lagos to sign the document on your behalf.

Please inform me of the present position of the Agency  
Terminal ~~MAN~~ Report.

Yours sincerely,

P. M. Quennell  
Programme Officer

Mrs. S. Boskey  
Director, International Relations Department  
World Bank,  
1818 H Street N.W.  
Washington, D.C. 20433

cc: Mr. Peter Reitter, Chief of Mission  
World Bank, Lagos

cc: Mr. R. Jones (CTR)  
Mr. S. Chandra (CTR)  
Mr. G. Bolduc (WAP)  
IRD

DEC 9 1976



ORIG. ATTACHMENT

UNITED NATIONS DEVELOPMENT PROGRAMME

Project Revision No: 5

AMENDMENT

COUNTRY: NIGERIA

PROJECT TITLE: NIGERIAN AGRICULTURAL BANK

PROJECT No: NIR/71/016/F/01/42

The above project is amended (a) to make provision for the extension of the Project to the end of February 1976, requiring an additional \$30,000;

(b) to reflect actual delivery for 1975

(c) to increase the budget by a further \$71,000 to account for devaluation of the US. dollar against the Netherlands guilder in which sub contract payments are calculated.

K. ALUKO-OLOKUN  
(Letter Ref. TA 2002/S.59/XX/786  
Agreed on behalf of the Government

3 November 1975  
Date

\_\_\_\_\_  
Agreed on behalf of the Executing Agency

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved on behalf of UNDP

\_\_\_\_\_  
Date



PROJECT BUDGET COVERING UNDP CONTRIBUTION

(in U.S. Dollars)

Country: Nigeria

Project Title: Nigerian Agricultural Bank

Project No: NIR/71/016/F/01/42

	TOTAL	1973	1974	1975	1976	1977
	\$	\$	\$	\$	\$	\$
20 SUB-CONTRACT	899,080	258,052	265,848	231,810	42,370	101,000
59 MISCELLANEOUS	97			97		
99 UNDP TOTAL CONTRIB	899,177	258,052	265,848	231,907	42,370	101,000

UNITED NATIONS  
DEVELOPMENT PROGRAMME



OFFICE OF THE RESIDENT  
REPRESENTATIVE IN NIGERIA

*PPK*  
*2* *Lee*

TELEPHONES

26110  
26116  
26118  
26119

P.O. BOX 2075  
LAGOS

CABLES: UNDEVPRO-LAGOS  
STREET ADDRESS:  
11, QUEEN'S DRIVE-IKOYI

Ref: PRO 300 CP

Date 17 November 1976

Dear Mrs. Boskey,

As required by UNDP/PRO/53, we provide below those projects executed by your Agency, on which field work will be completed in 1976. We would appreciate it if you would prepare the necessary semi-final or final budgets in due course.

Yours sincerely,

*Kurt Jansson*  
Kurt Jansson

Resident Representative

NIR-71-016

12/3/76  
CC:Mr. Jones  
IRD

Mrs. S. Boskey  
Director, International Relations Department  
I.B.R.D.  
1818 H Street, N.W.  
Washington, D.C. 20433

*12/6 1076*



## OFFICE MEMORANDUM

TO: Mr. G. Bolduc (Projects Dept. West Africa)  
FROM: Peter Gisle (International Relations Department)  
SUBJECT: Final Report - Nigerian Agricultural Bank (NAB)

DATE: August 23, 1976

Please refer to your memorandum of August 18. I have no difficulty in understanding the confusion which has arisen, largely because of some apparent discrepancy between oral advice provided by me, and the written text of the Project Document.

Without boring you with details, the UNDP has recently changed its Policies and Procedures in regard to reporting, and since the modifications appear simpler and more purposeful, we may as well follow them.

The relevant paragraph of the UNDP Manual (3714 page 7 - 3.3.3.) states:

The report is submitted by the subcontractor to the recipients designated and in the quantity stipulated in the contract. Upon receipt of the report the Agency sends a letter to the Government, through the Resident Representative, setting forth the Agency's views on the subcontractor's recommendations. Where the Agency fully endorses the subcontractor's final report the letter need contain no more than an explicit statement to that effect.

Obviously the letter to the Government, and the report, will be copied to both the UNDP field office and to UNDP headquarters.

I hope this clarifies the situation. If not, let me know.

cc: Messrs. Wadsworth, Grinchaw, Arben

PGisle/eb

## OFFICE MEMORANDUM

TO: Mr. P. Gisle, International Relations Department  
FROM: C. Bolduc, WAPA I  
SUBJECT: Final Report - Nigerian Agricultural Bank (NAB)

DATE: August 18, 1976

---

1. There seems to be some slight confusion as to the nature and the extent of the reporting requirements from our side in order to terminate our involvement as Executing Agency of the UNDP financed NAB project.

2. I would like to draw your attention to Section 5.01 (h) of the Project Document which states:

The Executing Agency shall "furnish to UNDP, within three months after receipt of the Final Report required under Section 5.02, a report showing all information necessary and appropriate to an evaluation of the benefits derived from the Project".

3. The Final Report has been submitted to us, and we are in possession of 7 copies although 20 were required according to the contract.

4. We are aware that the report has now to be officially submitted through you to UNDP and we are drafting a letter to that affect. What we are not sure about is the extent to which this letter has to cover our obligations mentioned under para. 2 above. Could you please advise.

cc: Messrs. Wadsworth, Grimshaw, Arben.



WORLD BANK GROUP

ROUTING SLIP		DATE 5-7-76	
NAME		ROOM NO.	
Mr. P. Gisle		E-806	
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
COMMENT		PER OUR CONVERSATION	
FOR ACTION		PER YOUR REQUEST	
INFORMATION		PREPARE REPLY	
INITIAL		RECOMMENDATION	
NOTE AND FILE		SIGNATURE	
<p>RKS</p> <p>Attached is a cable from Berenschet which is self explanatory. Data required for form no. 494 may not be known until next week. I'll be out on mission &amp; am returning these reports.</p>			
FROM		ROOM NO.	EXTENSION
C.F. HACHERO		A-243	2730

C. E. HICKS

FROM

ROOM NO.

EXTENSION

Ellen

Use suggested

by + please  
get rid of. (on form)

NOTE AND FILE

INITIAL

INFORMATION

FOR ACTION

COMMENT

APPROVAL

APPROPRIATE DISPOSITION

SIGNATURE

RECOMMENDATION

PREPARE REPLY

PER YOUR REQUEST

PER OUR CONVERSATION

NOTE AND SEND ON

NOTE AND RETURN

ROUTING SLIP

DATE

NAME

ROOM NO.



248423 WORLDBANK

INCOMING TELEX

52177 BERBO NL  
(Telex No.)

FROM: NETHERLAND

ATTENTION WADSWORTH

RE DRAFT FINAL REPORT NIGERIAN AGRICULTURAL BANK

YOUR TELEX 30TH APRIL DRAFT REPORT NOT YET SUBMITTED TO BOARD  
NAB OR NIGERIAN GOVERNMENT METCALFE VISITING LAGOS NEXT WEEK  
WILL INSTRUCT MACKAY TO SUBMIT COPIES FOR REVIEW ALL PARTIES  
INVOLVED

REGARDS

METCALFE

248423 WORLDBANK

52177 BERBO NL ++

DISTRIBUTION:

Mr. Wadsworth  
Mr. Taylor-Lewis

1. R. [initials]  
(P. Gisle informed)
2. [initials]
3. W. A. Files  
(Nigeria NAB)

*Claudio*  
*Please*  
*discuss*  
*before*  
*you*  
*leave*  
*for Liberia*

1976 MAY -4 AM 8:21  
COMMUNICATIONS  
SECTION

5/4/76  
RECEIVED

4 Initial Reports  
Sent off to  
UNDP NY - 11/5/76  
(See Jack Sheet file)

A.P.G. POYCK  
BERENSCHOT-MORET-BOSBOOM  
P.O. BOX 1  
TILBURG  
THE NETHERLANDS

April 30, 1976

2126

TELEX 52177

RE DRAFT FINAL REPORT NIGERIAN AGRICULTURAL BANK PLEASE  
CABLE INFORMATION WHETHER COPIES WERE SENT TO NIGERIAN GOVERNMENT  
BY WHOM COMMA WHEN AND NUMBER OF COPIES ~~RECEIVED~~

WADSWORTH

NAB

R. Wadsworth, Division Chief

Chachero:al

West Africa Agric. Proj. I

cc: Mr. Gisle ✓



WORLD BANK / IFC  
OUTGOING MESSAGE FORM  
(TELEGRAM/CABLE/TELEX)

FILE

XXXXIBRD  
☐ IDA  
☐ IFC  
☐ ICSID

TO: BOOK OF THREE  
(See Below)

DATE: 15 APRIL, 1976

ORIGINATOR'S EXT.: 2175

COUNTRY:

CLASS OF  
SERVICE: LT

CABLE NO. & TEXT:

JANSSON INFO REITTER INFO JOSEPH WE HAVE NOT RECEIVED YOUR EXPENDITURE  
CEILINGS WILL THEREFORE SUMMARIZE THE UNAVOIDABLE FACTS STOP FIRST WE CONFIRM  
OUR LEGAL COMMITMENTS NECESSARY TO MEET PRIOR CLOSING NIR/66/523 NORTHERN  
ROADS OF \$39,000 AND NIR/67/532 MIDWEST TRANSPORT OF \$19,200 SECONDLY RE NAB  
NIR/71/016 WE EXPECT TO NEED APPROX. \$65,000 TO PAY FOR SERVICE RENDERED  
LAST FOUR MONTHS 1975 PLUS \$35,000 FOR FIRST TWO MONTHS 1976 STOP EXACT  
FIGURES NOT AVAILABLE SINCE EXPENDITURE STATEMENTS FOR OCTOBER AND FEBRUARY  
NOT AVAILABLE STOP THE TOTAL \$100,000 WILL HAVE TO APPEAR UNDER 1976 CEILING  
SINCE THIS THE YEAR OF ACTUAL DISBURSEMENT STOP REGARDS

GISLE

INTBAFRAD

(1)

JANSSON  
UNDEVPRO  
LAGOS  
NIGERIA

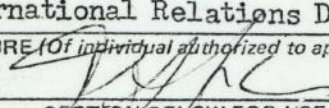
(2)

REITTER  
INTBAFRAD  
LAGOS  
NIGERIA

(3)

JOSEPH  
UNDEVPRO  
NEW YORK

NOT TO BE TRANSMITTED

REFERENCE:	NIR/66/523; NIR/67/532; NIR/71/016.	AUTHORIZED BY (Name):	Peter Gisle
DRAFTED BY:	PGisle/eps	DEPARTMENT:	International Relations Dept.
CLEARANCES AND COPY DISTRIBUTION:	cc: Mr. F. Conde-Rocha (Controller's)	SIGNATURE (Of individual authorized to approve):	
		SECTION BELOW FOR USE OF CABLE SECTION	
		CHECKED FOR DISPATCH:	

WORLD BANK GROUP

ROUTING SLIP		DATE	
NAME		ROOM NO.	
Mr. Gisle		E 806	
	APPROPRIATE DISPOSITION		NOTE AND RETURN
	APPROVAL		NOTE AND SEND ON
	COMMENT	<input checked="" type="checkbox"/>	PER OUR CONVERSATION
	FOR ACTION		PER YOUR REQUEST
	INFORMATION		PREPARE REPLY
	INITIAL		RECOMMENDATION
	NOTE AND FILE		SIGNATURE
REMARKS			
FROM		ROOM NO.	EXTENSION
Mr. Hachero		A-242	2730



C O P Y

Mr. Wadsworth

UNDP

Dear Alan:

NIR/71/016

1. Mr. Harbwa %  
2. West Africa  
File  
(Nigerian  
Agriculture  
Bank)

Our reply to Wadsworth's letter of 24/2/76 will be to this effect:

- (1) Project Revision E, which we prepared, reflected actual (vis-a-vis budgetted) delivery for 1974. Increase of \$27,319.90 due to dollar devaluation. Figures supplied by IBRD! (see attached sheet) - you must have a new man in that section, as IBRD sends figures of actual delivery for all UNDP projects every year and he should have known this!
- (2) We appear never to have received a delivery report for 1973, and must presume actual equalled budgetted expenditure.
- (3) We await a delivery report for 1975. IBRD should already be preparing it. If it shows an increase of \$70,760.55 due to dollar devaluation over 1975 budget, we very rapidly do another revision, IBRD and the Res. Rep. sign it, it goes to our HQ and IBRD receives payment (as per standard procedure!) - assuming we are still solvent.
- (4) It seems to me at first glance that Heyndrichz did do his sums correctly, the extension should have cost what it did (\$30,000?), the experts stayed till end of Feb. and all is OK - I think?
- (5) The budget for this extension should be incorporated in the same project revision we will prepare to reflect actual 1975 delivery. Could you let us have a single "official" dollar figure for the extension?

No good at all this rain, I hope you are not actually sitting out to see us!

10/3/76

February 24, 1976

Mr. Kurt Jansson  
Resident Representative  
United Nations Development Program  
P.O. Box 2075  
Lagos, Nigeria

Dear Mr. Jansson:

NIR/71/016 - Nigeria Agricultural Bank

When the extension of the Nigerian Agricultural Bank Consultants Contract was first proposed we informed our Lagos office that funds under the existing contract were nearly depleted and that expenditures from August, 1975 onwards would have to be met by Government unless additional UNDP funds could be provided. Mr. Rowe's letter of November 14, 1975, also referred to this matter.

On December 17, 1975, you wrote to Mrs. Boskey enclosing Project Revision Form E for the NAB project which increased the UNDP contract contribution from \$765,000 to \$792,320. The signed form was returned to you with Mr. Gisle's letter of January 21, 1976.

Unfortunately we are unable to reconcile the revised budget prepared by your office with actual expenditures to date and estimated disbursements required to complete the original contract. Total disbursements under the contract to date (including consultant's statement of expenditures for the month of July, 1975) amounts to US\$755,711 (see Schedule 1). We have received the August, 1975 statement with a dollar equivalent of US\$13,807, which would bring total disbursements to US\$769,518, leaving a balance of US\$22,802. We estimate total expenditures covering the period September until the contract termination dates would be approximately US\$93,563 (Schedule 2). This will result in an estimated cost overrun of approximately US\$71,000 (Schedule 2) despite the increase in the UNDP contributions from \$765,000 to \$792,320.

The cost overrun is due mainly to exchange rate fluctuations. The original budget of US\$765,000 was based on a foreign exchange rate of FL2.95 to US\$1 and N1 to US\$0.6578. The dollar devaluation resulted in a foreign currency loss of approximately US\$71,000 (for details see Schedule 1).



We are now processing the August, 1975 claim under the contract, but we have not yet received the September, 1975 claim from the Federal Ministry of Agriculture. After the September, 1975 payment has been made the remaining contract obligations would have to be met by Government, unless further UNDP funds are available.

Your comments would be very much appreciated together with the basis on which the figures in Project Revision Form E were calculated. Should UNDP funding be limited to \$792,320 Government will have to be informed as soon as possible. If this is so would you please confirm whether the Bank as executing agency should do this or whether your office will act.

Sincerely yours,

Ralph Wadsworth  
Agriculture Projects Division I  
Western Africa Regional Office

Attachment:

CHachero:al

Cleared with and cc: Messrs. Taylor-Lewis, Gisle, Awunyo, Conde

cc: Messrs. Reitter, Arben

Filed: NAB

## NIGERIAN AGRICULTURAL DEVELOPMENT BANK

## Disbursements from UNDP Funds

Mo.	Yr.	-----Foreign Currency-----		-----Local Currency-----		UNDP Exchange 1/ Rate, 1US\$=	
		Fls.	US\$	N	US\$	Fls.	N
Mar.	73	234,000.00	79,322.03	5,500.00	8,361.20	2.95	.6578
Apr.	73	56,000.00	18,983.05	1,100.00	1,672.24	2.95	.6578
May	73	56,000.00	18,983.05	1,100.00	1,672.24	2.95	.6578
Jul.	73	24,155.77	9,115.38	1,240.00	1,885.07	2.65	.6578
Sep.	73	113,627.00	44,735.04	2,270.00	3,450.90	2.54	.6578
Oct.	73	73,594.22	28,974.10	1,310.00	1,991.49	2.54	.6578
Nov.	73	52,150.00	20,531.50	1,180.00	1,793.86	2.54	.6578
Dec.	73	41,000.00	14,909.09	1,100.00	1,672.24	2.75	.6578
Subtotal		650,526.99	235,553.24	14,800.00	22,499.24		
Jan.	74	43,515.20	15,541.14	1,340.00	2,037.09	2.80	.6578
Mar.	74	65,000.00	23,381.29	1,100.00	1,672.24	2.78	.6578
Mar.	74	84,445.63	30,376.13	910.00	1,383.40	2.78	.6578
Apr.	74	30,085.25	11,352.92	680.00	1,033.75	2.65	.6578
June	74	55,429.90	20,916.94	1,040.00	1,581.03	2.65	.6578
July	74	78,700.00	29,698.11	1,360.00	2,211.38	2.65	.615
July	74	56,000.00	21,132.08	1,100.00	1,788.62	2.65	.615
Aug.	74	61,862.20	23,344.23	1,360.00	2,211.38	2.65	.615
Sep.	74	52,858.70	19,577.30	1,110.00	1,804.88	2.70	.615
Nov.	74	112,000.00	42,264.15	2,200.00	3,577.24	2.65	.615
Dec.	74	19,667.00	7,564.23	860.00	1,398.37	2.60	.615
Subtotal		659,563.88	245,148.52	13,060.00	20,699.38		
Feb.	75	78,618.00	32,088.98	1,450.00	2,357.72	2.45	.615
b.	75	83,257.28	33,982.56	1,200.00	1,951.22	2.45	.615
Apr.	75	55,123.70	22,968.21	1,240.00	2,016.26	2.40	.615
May	75	123,611.95	50,869.12	2,300.00	3,739.84	2.43	.615
Aug.	75	88,965.61	33,699.09	1,860.00	3,024.39	2.64	.615
Sep.	75	45,884.28	17,380.41	1,200.00	1,951.22	2.64	.615
Nov.	75	62,759.00	23,862.74	1,180.00	1,918.70	2.63	.615
Subtotal		538,219.82	214,851.11	10,430.00	16,959.35		
TOTAL		1,848,310.69	695,552.87	38,290.00	60,157.97		

1/ Exchange rates: UNDP official rates for the month of disbursement.



Disbursements from UNDP Funds1. Summary - (US\$)

<u>Year</u>	<u>-----Expenditures-----</u>		<u>Total</u>
	<u>Foreign</u>	<u>Local</u>	
1973	235,553.24	22,499.24	258,052.48
1974	245,148.52	20,699.38	265,847.90
1975	214,851.11	16,959.35	231,810.46 <u>1/</u>
Total	695,552.87	60,157.97	755,710.84

UNDP Contribution 2/

US\$ 792,320.00

Less: Actual disbursements 755,710.84  
 August 1975 statement 3/ 13,806.71

769,517.55

Balance after payment August statement

US\$ 22,802.452. Estimated Loss Resulting from Erosion in Dollar ValueForeign Expenditures (Dutch Guilders)

Actual dollar disbursements US\$695,552.87

Total guilders claimed, Fl 1,848,310.69  
 at original rate of Fl 2.95

626,546.0069,006.87Local Currency (Nairas)

Actual dollar disbursements US\$ 60,157.97

Total nairas claimed N38,290.00  
 at original rate of N0.6578

58,209.181,948.79Estimated LossUS\$ 70,955.66

1/ Disbursements cover only up to July 1975 statement of expenditures of consultants.

2/ Budget Revision E increasing fund from US\$765,000.00 to US\$792,320.00.

3/ Fl. 32,696.10 or US\$12,245.73 (exchange rate Fl. 2.67); N960 or US\$1,500.96 (exchange rate N0.615).

## NIGERIAN AGRICULTURAL DEVELOPMENT BANK

Estimated Overrun1. Foreign Currency Expenditures (Dutch Guilders)A. Services

	Sept.	Oct.	1975 Nov.	Dec.	1976 Jan.	Total	Remarks
General Manager	16,000	16,000	16,000	16,000	16,000	80,000	Termination Date 1-31-76
Project Specialist	11,700	11,700	11,700	11,700	5,850	52,650	Termination Date 1-15-76
Administrative Specialist	14,400	14,400	-	-	-	28,800	Termination Date 10-30-75
Agricultural Economist	14,000	14,000	7,000	-	-	35,000	Termination Date 11-15-75
	<u>56,100</u>	<u>56,100</u>	<u>34,700</u>	<u>27,700</u>	<u>21,850</u>	<u>196,450</u>	

B. International Travel

	No.	Rate	
First Class	1	4,500	4,500
Second Class	3	3,500	10,500
			<u>15,000</u>

C. Other Reimbursible Costs

Transfer of Personal Effects	3,000
Reporting	15,000
Transport, Reports, Documents	2,000
	<u>20,000</u>

Summary

A. Services	Fl. 196,450
B. International Travel	15,000
C. Others	20,000
	<u>Fl. 231,450</u>
	US\$ <u>86,685 1/</u>

2. Local Currency Expenditures (Naira)

	No. Days	Rate	Amount
General Manager	151	10	1,510
Project Specialist	135	10	1,350
Administrative Specialist	61	10	610
Agricultural Economist	76	10	760
			<u>N 4,230</u>
			US\$ <u>6,878 2/</u>

Dollar Equivalent

Foreign Currency	\$ 86,685.00
Local Currency	<u>6,878.00</u>
Total estimated amount required up to original termination date	\$ 93,563.00
Less Balance UNDP Funds	\$ 22,802.45
Estimated Cost Overrun	\$ <u>70,760.55</u>

1/ At FL. 2.67 to \$1.00 (UNDP rates).

2/ At N 0.615 to \$1.00 (UNDP rates).





# Record Removal Notice



<b>File Title</b> Nigeria - Agricultural Development Bank - set		<b>Barcode No.</b>  1051334
<b>Document Date</b> 19 February, 1976	<b>Document Type</b> Letter	
<b>Correspondents / Participants</b> To : International Bank for Reconstruction Attention : Mr. Van Gigch From : Administrative Division, Lagos		
<b>Subject / Title</b> NIR / 71/ 016 - Nigerian Agricultural Bank		
<b>Exception(s)</b> Information Provided by Member Countries or Third Parties in Confidence		
<b>Additional Comments</b>		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.
		<table border="1"><tr><td><b>Withdrawn by</b> Chandra Kumar</td><td><b>Date</b> 28-Jan-15</td></tr></table>
<b>Withdrawn by</b> Chandra Kumar	<b>Date</b> 28-Jan-15	

## OFFICE MEMORANDUM

TO: IRD Files  
FROM: Peter Gisle  
SUBJECT: NIGERIA: NIR/71/016 - Nigerian Agricultural Bank

DATE: 13 February, 1976

Mr. Hachero, Western Africa Projects, today alerted me of a cost overrun on the subject project estimated to \$71,000. This amount is irrespective of the proposed extension of the project through February 1976 costed at \$30,000.

Mr. Hachero told me that Controller's had advised him of the shortage of funds.

Mr. Hachero explained that he had just taken over the project so he could not answer my question how come we did not anticipate this, particularly since we have been receiving bills at regular intervals.

I asked Mr. Hachero to contact the Lagos office to clarify the situation since we could hardly ask UNDP for \$71,000 on the basis of "we just found out..."

Mr. Hachero agreed.

PGisle/eps



INTRAFRAD

February 5, 1976

LAGOS

2126

NIGERIA

TELEX.

FOR ARSEN REURCAR FEB 3 WOULD APPRECIATE YOUR CABLING SUMMARY COSTS  
OF CONTRACT EXTENSION AS AWUNYO PREFERS LETTER AMENDING CONTRACT  
PREPARED IN WASHINGTON REGARDS

WADSWORTH

Filed: Nigeria NAB

R. Wadsworth, Chif

Chachero:al

West Africa Agri. Proj. I

cc: Messrs. Groen, Awunyo, Gisle



FORM No. 75  
(2)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

ROUTING SLIP

Date

2-5-76

NAME

ROOM NO.

MR. P. GISEL

E-806

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

~~Prepare Reply~~

Comment

☒ Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

F. HATCHERO A-2/3 x 2720



Distribution: Mr. Wadsworth

Mr. Taylor Lewis

INTBAFRAD LAGOS FEBRUARY 3, 1976

INTBAFRAD WASHINGTON DC

44 FOR WADSWORTH RE NAB EXTENSION TO BB CONSULTANT CONTRACT.  
UNDP LAGOS HAVE AUTHORISED FOLLOWING EXTENSION TO BB CONTRACT.  
GENERAL MANAGER ONE MONTH TO FEB 28, PROJECTS SPECIALIST ONE  
MONTH TO FEB 28, ADMINISTRATION SPECIALIST TWO MONTHS TO FEB  
28, AT MONTHLY RATES QUOTED IN YOUR LETTER DEC 18 TO JANSSON  
PLUS NAIRA FIFTEEN PER DIEM WHICH IS CONTRACT LOCAL COST.  
HAVE ADVISED Olorunfoba in writing. ALSO ADVISED HEYNBERICKX  
VERBALLY BUT CONFIRMING IN WRITING STRESSING ALL OTHER CONTRAC-  
TUAL ARRANGEMENTS REMAIN UNCHANGED INCLUDING REPORT SUBMISSION.  
BB PROPOSE TEAM MEMBERS CONVERT HOME SERVICE TO FIELD HENCE FEB  
28. SUGGEST CONTRACT AMENDMENT BE COVERED BY AN EXCHANGE OF  
LETTERS. IF ACCEPTABLE WILL WASHINGTON OR LAGOS PREPARE.

RE PROPOSED PEASE RICE SUPERVISION MISSION. HAVE CLEARED  
MISSION WITH FED DIRECTOR AGRIC AND PERMSEC ECS MANR. AWAITING  
CONFIRMATION FROM SES BUT COMMUNICATIONS DIFFICULT. APPOINTMENT  
FIXED FED DIRECTOR AGRIC MARCH 8 1000 HRS.

RE PROBLEM ECS RICE PROJECT. FIRST DEVELOPMENT SITE  
UZOUWANI HAS ALSO BEEN CONTRACTED TO JAPANESE FIRM BY PREVIOUS  
ADA ADMINISTRATION WITH FINANCE FROM NAB FOR LARGE SCALE  
MECHANISED RICE CULTIVATION WITH NO SMALLHOLDERS. BOTH PROJECT  
IMPLEMENTATION TEAMS NOW ON SITE BUT LITTLE ACTUAL WORK STARTED.  
HAVE RECOMMENDED GO-SLOW UNTIL MISSION ARRIVES. ARBEN/DEVAN  
PROPOSE SITE VISIT FEB 10 DURING MID-WEST, ECS VISIT FEB 5 THRU  
12. FEDMIN AGRIC WERE UNAWARE OF SITUATION.

REGARDS

ARBEN

Mr. K. G. Awunyo (Legal Dept.)

21 January, 1976

Peter Gisle (International Relations Dept.)

NIGERIA: NIR/71/016 - Nigerian Agricultural Bank

Please find attached for the Bank's records one original fully signed Project Revision Form "E" for the subject project, which we have received from the UNDP Resident Representative in Nigeria under cover of his letter dated 17 December, 1975 (copy attached). We are attaching an extra copy of this Form for your Department files.

Attachments - 1 original ProRev Form  
                  1 copy               "       "  
                  1 copy letter

cc: Miss M. Lennon (Controller's)                                )  
     Messrs.R.Jones (Controller's)                                )  
          F.Povey/P.Taylor-Lewis(C.P.I,W.A.)                ) w/copy attachments  
          Ms.R.Maggenti(Proj.,W.A.)                                )

8  
EPS



21 January, 1976

NIGERIA: NIR/71/016 - Nigerian Agricultural Bank

Please find attached for the Bank's records one original fully signed Project Revision Form "E" for the subject project, which we have received from the UNDP Resident Representative in Nigeria under cover of his letter dated 17 December, 1975 (copy attached). We are attaching an extra copy of this Form for your Department files.

Attachments - 1 original ProRev Form  
1 copy " "  
1 copy letter

cc: Miss M. Lennon (Controller's) )  
Messrs. R. Jones (Controller's) )  
F. Povey/P. Taylor-Lewis (C.P.I., W.A.) ) w/copy attachments  
Ms. R. Maggenti (Proj., W.A.) )



NIR/71/016

21 January, 1976

Mr. Kurt Jansson  
Resident Representative  
United Nations Development Programme  
P.O. Box 2075  
Lagos  
Nigeria

Dear Mr. Jansson:

NIGERIA: NIR/71/016 - Nigerian Agricultural Bank

With reference to your letter dated 17 December, 1975, please find attached two copies of the fully signed Project Revision Form "E" for the subject project, which has now been signed on behalf of the Bank by Mrs. Shirley Boskey, Director of the International Relations Department.

One signed Project Revision Form is also being forwarded to the Regional Bureau for Africa, UNDP, New York, with copy of this letter, and the Bank's Legal Department has retained the fourth copy.

Yours sincerely,

Peter Gisle  
International Relations Department

Attachments (2)

cc: Mr. Michel Doo Kingie - w/1 copy ProRev. Form  
Assistant Administrator & Director  
Regional Bureau for Africa  
United Nations Development Programme  
One United Nations Plaza  
New York, N.Y. 10017

cc: Mr. R. Jones (Controller's)  
Messrs. F. Povey/P. Taylor-Lewis (C.P.I., W.A.)  
Ms. R. Maggenti (Proj., W.A.)

2  
eps



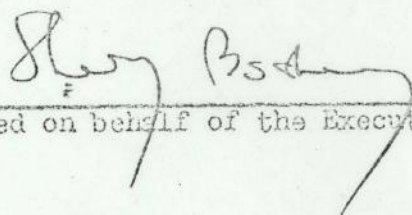
IRD

UNITED NATIONS DEVELOPMENT PROGRAMME

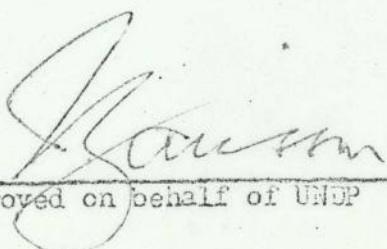
Project Revision Form

Country: Nigeria  
Project Title: Nigerian Agricultural Bank  
Project Number: NIR/71/016/E/01/42

The attached budget for the above project is rephased to reflect actual expenditure for the year 1974.

  
Agreed on behalf of the Executing Agency

Date: Jan 18 '76

  
Approved on behalf of UNDP

Date: 16/12/75

PROJECT BUDGET COVERING UNDP CONTRIBUTION  
(in U.S. Dollars)

Country: Nigeria  
Project Title: Nigerian Agricultural Bank  
Project Number: NIR/71/016/E/01/42

TOTAL		1973		1974		1975		1976	
m/m	\$	m/m	\$	m/m	\$	m/m	\$	m/m	\$
20 <u>SUB-CONTRACT COMPONENT</u>									
21-01 Dev. of Credit Policies	792,320		258,052		265,848		268,420		
21-99 Sub-Code total	792,320		258,052		265,848		268,420		
29 Component Total	792,320		258,052		265,848		268,420		
99 UNDP TOTAL CONTRIB.	792,320		258,052		265,848		268,420		



## OFFICE MEMORANDUM

TO: Mrs. Shirley Boskey

DATE: 16 January, 1976

FROM: *P. Gisle*  
Peter Gisle

SUBJECT: NIGERIA: NIR/71/016 - Nigerian Agricultural Bank

Please find attached four copies of Project Revision Form "E" for the above project. The various people concerned in the Bank have agreed to this rephrasing and, therefore, we request your signature on these Revision Forms please.

Attachments (4)

eps

WORLD BANK GROUP

ROUTING SLIP		DATE <b>9 January, 1976</b>	
NAME		ROOM NO.	
<b>Mr.R.Jones(Controller's)</b>		<b>N-433</b>	
<i>Cleared</i> <i>by Mr. Miles</i> <i>13/Jan '76</i>			
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
COMMENT		PER OUR CONVERSATION	
FOR ACTION		PER YOUR REQUEST	
INFORMATION		PREPARE REPLY	
INITIAL		RECOMMENDATION	
NOTE AND FILE		SIGNATURE	
<p>REMARKS</p> <p><b><u>NIGERIA: NIR/71/016 - Nigerian Agricultural Bank</u></b></p> <p><b>Please may we have your clearance on the attached Project Revision Form "E" for the above.</b></p> <p><b>Thank you,</b></p>			
<b>Peter Gisle</b> <b>IRD</b>		ROOM NO.	EXTENSION
FROM		<b>E-806</b>	<b>2175</b>



UNITED NATIONS  
DEVELOPMENT PROGRAMME



OFFICE OF THE RESIDENT  
REPRESENTATIVE IN NIGERIA

TELEPHONES

26110

26116

26118

26119

P. O. BOX 2075

LAGOS

CABLES: UNDEVPRO - LAGOS

STREET ADDRESS:

11, QUEEN'S DRIVE - IKOYI

REFERENCE:

<sup>71/016</sup>  
NIR/67/532

17 December 1975

Dear Mrs. Boskey,

NIR/71/016 - Nigerian Agricultural Bank

---  
I am pleased to enclose for your signature Project Revision E in four copies which reflects actual delivery for 1974 and commitments for 1975.

Would you please be so kind as to return two signed copies to this office, and one copy to Mr. A. Ambatchew, Regional Bureau for Africa, UNDP, New York?

Yours sincerely,

+ K. Jansson  
Resident Representative

Mrs. S. Boskey  
Director, International Relations Department  
IBRD  
1818 H Street NW  
Washington D.C.  
United States

cc Mr. Jones (Contn.)  
✓ IRD



INTERNATIONAL DEVELOPMENT  
ASSOCIATIONINTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENTINTERNATIONAL FINANCE  
CORPORATION

## OUTGOING WIRE

TO: UNDEVPRO.

DATE: 30 DECEMBER 1975

LAGOS

CLASS OF  
SERVICE: LT (Ext. 2175)

COUNTRY: NIGERIA

TEXT: REFERENCE REQUEST FROM UNDP HQ WE ANTICIPATE ~~THE~~ THE FOLLOWING DISBURSEMENTS IN  
Cable No.: 1976 AGAINST LEGAL COMMITMENTS AND FIRM CONTRACTUAL ARRANGEMENTS COLON NIR/66/523  
NORTHERN NIGERIA ROAD SURVEY US \$39,000 COMMA NIR/67/532 MIDWEST TRANSPORT SURVEY  
US \$19,200 AND NIR/71/016 AGRICULTURAL DEVELOPMENT BANK US \$63,000 STOP AMOUNTS  
FOR TWO FIRST PROJECTS REPRESENT OUTSTANDING BILLS WHICH PROBABLY WILL HAVE TO BE  
PAID PRIOR TO CLOSING OF ACCOUNTS

GISLE

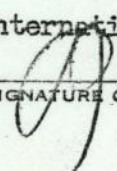
INTBAFRAD

## NOT TO BE TRANSMITTED

## AUTHORIZED BY:

NAME Peter Gisle

DEPT. International Relations Dept.

SIGNATURE   
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)  
REFERENCE: PGisle/eps

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

## CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Michel Doo Kingue, Assist. Admin. & Dir.  
Reg. Bureau for Africa, UNDP, New York.

cc: Mr. R. Jones (Controller's)

For Use By Communications Section

Checked for Dispatch: \_\_\_\_\_



## OFFICE MEMORANDUM

TO: Mr. Peter Gisle

DATE: November 11, 1975

FROM: Ralph Wadsworth

SUBJECT: Nigerian Agricultural Bank, Ltd.

Earlier this year you sent interim reports parts I to III to UNDP New York in accordance with our obligation as executing agents for the above project. These were acknowledged by the Regional Bureau for Africa on June 3, 1975.

Attached are four copies of interim report No. II (33 month report) which is in three parts, for you to send UNDP New York.

RWadsworth:fh

cc.: F. Povey

Attachments

*Last Sheet  
& Mailing Request  
Form filed in  
Last Sheet BLK  
BLK.*

*documents  
mailed to N.Y.  
20/11/75*

UNITED NATIONS  
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES  
POUR LE DEVELOPPEMENT

866 UNITED NATIONS PLAZA  
NEW YORK, N.Y. 10017

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: NIR/71/016

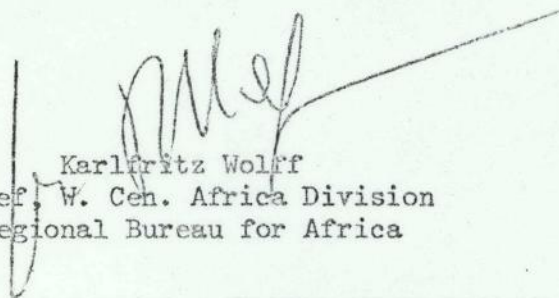
3 June 1975

Dear Mr. Gisle,

Subject: NIR/71/016 - Nigerian Agricultural Bank Ltd.  
Interim Report Parts I to III

Thank you for sending us the above-mentioned interim report.


Yours sincerely,

  
Karl Fritz Wolff  
Chief, W. Cen. Africa Division  
Regional Bureau for Africa

Mr. Peter Gisle,  
International Bank for Reconstruction and  
Development  
International Relations Department  
1818 H Street, N.W.,  
Washington D.C 20433



REQUEST FOR SHIPMENT AND MAILING OF PACKAGES

Department <b>International Relations</b>		Division <b>Technical Assistance</b>		Date <b>May 22, 1975</b>
<b>MATERIAL TO BE DISPATCHED</b>				
Quantity	Description			
4 sets	<p>each consisting of 2 documents described below:</p> <p><b>NIGERIA: Interim Report - Nigerian Agricultural Bank Ltd.</b></p> <p>(1) (Part I - Summary of Conclusions and Recommendations Part II - Main Report</p> <p>(2) Part III - Annexes</p>			
Send To			Special Instructions	
<p><b>Mr. Michel Doo Kingue</b>  Assistant Administrator &amp; Director  Regional Bureau for Africa  United Nations Development Programme  866 United Nations Plaza  New York, N.Y. 10017</p>				
Date Wanted at Destination	Valuation of Contents	Authorized Signature		
<b>RECORD OF DISPATCH</b>				
No. of Packages	Weights	Measurements	Insurance No.	Cost
Method of Dispatch		Shipment Via		
Date of Dispatch		Signature of Dispatcher		

UNITED NATIONS DEVELOPMENT PROGRAMME (SPECIAL FUND) PROJECTS  
REPORTS FACT SHEET

Agency: International Bank for Reconstruction and Development (IBRD)

Country: Nigeria UNDP Project Symbol: NIR/71/016

Project Title: Nigerian Agricultural Bank Ltd.

Report Title & Vols: Interim Report - Parts I & II (Report No. R639/218)

Author: Berenschot-Bosboom B.V.

Date, Place Published: April 1975, Kaduna, Nigeria

Language(s): English

Total Print Run: \_\_\_\_\_

No. of copies (sets)  
attached 4 sets (2 volumes each)

Type of Report: Technical: \_\_\_\_\_  
(check one) Inception: \_\_\_\_\_  
Progress: \_\_\_\_\_  
Mid-term: X  
Final: \_\_\_\_\_

Transmittal of Report to Government

Sent by: \_\_\_\_\_  
(IBRD, Subcontractor, other)

Date sent: \_\_\_\_\_

No. of copies sent: \_\_\_\_\_

Date copy sent to Resident Representative: \_\_\_\_\_  
Should UNDP seek derestriction of report? \_\_\_\_\_  
(usually only for Final Reports)

Confidential evaluation Attached \_\_\_\_\_  
(Final Reports only) To Follow \_\_\_\_\_

REMARKS:

Date sent to UNDP by agency: Peter Gisle May 22, 1975  
(International Relations Department)

Please complete this form for each report submitted and send two copies with the reports to the Technical Assistance Division, International Relations Department.



WORLD BANK GROUP

ROUTING SLIP		DATE May 19, 1975	
NAME		ROOM NO.	
Mr. A.W. Arben (Projects, W. Africa)		A-240	
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
COMMENT		XXX PER OUR CONVERSATION	
FOR ACTION		PER YOUR REQUEST	
INFORMATION		PREPARE REPLY	
INITIAL		RECOMMENDATION	
NOTE AND FILE		SIGNATURE	
REMARKS			
<p style="text-align: center;"><u>NAB - Interim Report</u></p> <p>With reference to our telephone conversation this afternoon regarding onforwarding the above to UNDP, New York, please complete the attached Reports Fact Sheet in duplicate &amp; return to us. Please make copies of this form so you may send two copies to us whenever you may have documents for UNDP.</p> <p style="text-align: right;">Thank you</p> <p style="text-align: right;">Sec. to Peter Gisle</p> <p style="text-align: right;">FROM International Relations Dept.</p>			
ROOM NO.		EXTENSION	
E-806		2175	

*Perd  
Return  
Of Fact  
Sheet*

## OFFICE MEMORANDUM

TO: Mr. P. S. Gisle, International Relations      DATE: May 19, 1975

FROM: A. W. Arben, WAPA1 *AW*

SUBJECT: NIGERIA - Nigerian Agricultural Bank (NAB)  
Interim Report - April 1975, prepared by Managing Consultants,  
Berenschot-Bosboom B.V.

I enclose 4 sets (2 volumes each) of the NAB Interim Report  
received from the consultants for onward submission to UNDP.

AWArben:yu



Form No. 75  
(2-60)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

*Niger NAB*  
ROUTING SLIP

Date

*1/27/75*

NAME

ROOM NO.

*MR BOUCHARD*

*E-806*

To Handle

Appropriate Disposition

Approval

Comment

Full Report

Information

Initial

Note and File

Note and Return

Prepare Reply

*X* Per Our Conversation

Recommendation

Signature

Send On

REMARKS

*Don't say*

From

REBBERSCROT BOSBOOM

TILBURG

January 24, 1975

TELEX 52177  
X 2126

THE NETHERLANDS

FOR POYCE AND METCALFE

REURLET DECEMBER 24 AND DRAFT HAS INTERIM REPORT RECEIVED JANUARY SIX STOP  
AFTER DETAILED REVIEW WE ARE HORRIFIED AT POOR OVERALL QUALITY OF REPORT  
WHICH IN OUR OPINION FAILS TO GIVE CLEAR VIEW OF PROGRESS OF NAB COMMA WHAT  
CONSULTANTS HAVE ACHIEVED OR RECOMMENDATIONS FOR FUTURE ACTION STOP IN  
PARTICULAR THE UNCONSTRAINED SECTION COMMA THE CONTENTS OF WHICH WERE LISTED  
DISCUSSED AND AGREED WITH METCALFE COMMA IS VERY DISAPPOINTING AS IT FAILS TO  
COVER MAJORITY OF ISSUES PROPOSED STOP ADDITIONALLY THE REPORT IS MUCH TOO  
LONG COMMA POORLY ARRANGED AND CONTAINS IRRELEVANT DETAIL WHICH SHOULD EITHER  
BE EXCLUDED OR PLACED IN ANNEXES STOP WE RECOMMEND COMPLETE REWRITING AND  
STRENGTHENING OF IE BEFORE SUBMISSION TO NAB BOARD STOP PLEASE CABLE PRESENT  
REPORT STATUS AND CONFIRM EXTENT OF REVISION IF ANY ALREADY MADE TO DRAFT REPORT  
SENT WASHINGTON STOP IF AS WE FEAR A COMPLETE REWRITE IS REQUIRED YOU WILL HAVE  
TO ESTABLISH REVISED TARGET DATES FOR COMPLETION NEW DRAFT IN

REGARDS

WADSWORTH

Ralph Wadsworth

WAP:1

cc.: Messrs. Rowe, Arden, Courbois &  
Povey

RWadsworth:fh FILE - NIGERIA - NAB



Mr. H. Mirza  
Chief  
World Bank Resident Mission  
P. O. Box 127  
Lagos, Nigeria

December 8, 1974

Letter No. 296

Dear Humayun,

Nigerian Agricultural Bank  
Berenschot Bosboom N.V.'s management contract

I enclose a letter which I have written to Dr. Bukar Shaib seeking clarification of FGN's intentions towards NAB and the future of Berenschot's management contract. I should be grateful if you would review the letter and then deliver it to Dr. Bukar Shaib. If you should have any comments and/or amendments to suggest, please hold the letter and advise me urgently.

Our basic position is that in NAB's interest we should prefer to see BB complete their contract, as originally planned, in advisory and training role supported by additional outside advisors to promote NAB's expansion. Naturally, the early appointment of Nigerians to the posts of general manager and heads of department is vital as is the orderly expansion of the technical and support staff. BB should complete their Interim Report to provide guidance to the Board and the Nigerian executives for future policy and procedures.

However, if FGN required early termination of BB contract, then our position would be as contained in the timetable of events attached to our letter to Dr. Bukar Shaib, with the Bank's responsibilities under the Project Document ceasing with the conclusion of BB's services. The Bank's role towards NAB would then be to advise and assist, if and when requested by FGN.

Would you please obtain UNDP's informal reactions to a) FGN's intentions as presently stated by Dr. Bukar Shaib and b) my letter to Dr. Bukar Shaib.

I am also enclosing for UNDP records a copy of Arben's notes of the tripartite meeting held in Kaduna on October 10th and 11th.

Metcalf and Poyck of BB visited Washington on November 26 to report on Metcalf's recent visit to Nigeria. I understand and am pleased to note that Grosjean and Pearce were able to stop Mackay, following the flurry of letters and cables from Tilburg, from making any precipitate approach to FGN. Mackay has now been instructed by BB Tilburg to maintain close liaison with your office and not to make any direct or independent approach to FGN on matters other than those concerning the routine operation of NAB.

Yours sincerely,

Roger E. Rowe  
Assistant Director  
Western Africa Regional Office

Enclosures

cc: Messrs. Povey, Bouchard, and Krishna

AWArben:yu



December 2, 1974

Dr. Bukar Shaib  
Permanent Secretary  
Federal Ministry of Agriculture  
and Natural Resources  
Lagos  
Nigeria

Dear Dr. Shaib:

Nigerian Agricultural Bank  
Berenschot Bosboom N.V.'s Management Contract

Mr. Grosjean of our Lagos office has informed me that at the meeting he held with you and Mr. M. Nolte of the UNDP on October 15, you indicated that your Government was considering the early termination of Berenschot Bosboom's services to the Nigerian Agricultural Bank. Mr. Grosjean indicated that the principal reason for this was that you were dissatisfied with the progress made by Berenschot in handing over executive responsibility to Nigerian personnel. Clearly, the prerogative of requiring the early termination of Berenschot's services is solely that of your Government; however, the contract under which Berenschot are employed is between this Bank and Berenschot. For this reason we are concerned that we should be given detailed and early notice of any intention you have to depart from the existing agreements between us. We need such information so that we may execute our responsibilities under the Project Document and avoid any possibility of a breach of contract between us and Berenschot. Consequently, we would be very grateful if we could have a statement of your Government's intentions.

I would like to take this opportunity to say that it is our hope that the decision you take would not be detrimental to NAB's future. In this respect, I believe there are two important considerations:

First, Berenschot are now preparing the Interim Report. This report will be the only comprehensive document on NAB policies, procedures, and operations and will contain Berenschot's recommendations for the future. In our view, part of Berenschot's past problems have been caused by their being required to set up and run NAB at the same time as being responsible for developing policy. Clearly, it would be in the interest of the new Nigerian management of NAB to have the advantage of comprehensive operational guidelines, as well as Berenschot's views on the directions NAB might take in the future. For the Interim Report to be really useful, time will be required to review the draft and thrash out differences in views. If, on the other hand, Berenschot are given insufficient time to prepare, discuss and review their drafts, then the likelihood is that the Interim Report will be of very limited value.



Dr. Bukar Shaib

- 2 -

December 2, 1974

Second, we agree that Nigerians should take over executive positions as early as possible (as you know the original planning for transfer of executive power agreed upon by all parties, was January 1, 1975). However, we think that it would be desirable for Berenschot staff to remain in an advisory role until such time as the new Nigerian management had worked itself in and was in full command of the situation. In the basic planning for the project, it was assumed that Berenschot's services should be gradually withdrawn during 1975 and the contract allows for this. We feel that while probably it would be possible to speed this up to some degree, it would be dangerous to aim at the final removal of Berenschot's services much before the end of June 1975.

As I have said earlier, the decision in this matter is that of your Government and we do not presume to pre-judge what that might be. Nonetheless, given our responsibilities and although we would be happy to see the contract follow its original course, I take the liberty of attaching for your consideration what we believe would be a timetable of events that would lead to the conclusion of Berenschot's services by mid 1975 with the minimum disruption to NAB's activities.

A copy of this letter is being sent to the UNDP Resident representative, Lagos, so that he may consider and discuss with you and IBRD Resident Mission, Lagos, UNDP's position under the Project Document.

At your convenience, I look forward to receiving your views on these matters.

Yours sincerely,

Roger E. Rowe  
Assistant Director  
Western Africa Regional Office

cc: Mr. Mirza  
Cleared with and cc: Messrs. F. Povey  
R. Krishna (Legal)  
E. Bouchard (International Relations)

AWARBEN:yu



Timetable of Events  
Leading to Termination  
of Berenschot's Services to NAB

1. FNG gives formal notice to UNDP and IBRD as provided for in the Project Document dated November 15, 1972, requesting termination of the Project Document on the grounds that Berenschot's services are not required after June 30, 1975; not less than 60 days' notice would be required.
2. NAB Board appoint from existing professional staff acting heads of department pending their final selection and appointment. Berenschot would then assume immediately an advisory role pending the arrival of their replacements.
3. FGN/NAB appoint a Nigerian general manager with full executive responsibility with the present general manager remaining in supernumerary capacity to supervise the handover and departure of Berenschot's team.
4. As the Interim Report is due January 1975, Berenschot should be encouraged to continue with its preparation as originally planned. After discussions of the report with Berenschot, IBRD will send its comments to you and to NAB Board.
5. Following your advice on the role of the replacement advisors, IBRD will suggest possible institutions for their recruitment, assist with the initial approaches, advise generally but would leave the contractual negotiations and arrangements to FGN/NAB (as you know we have directly sent names of individuals and institutions). After the advisors' arrival, which is unlikely to be before May 1975, Berenschot staff would complete their handover within two months but by no later than June 30, 1975.



## OFFICE MEMORANDUM

TO: Mr. Frank M. Crowe (Proj., W. Africa)      DATE: December 2, 1974

FROM: Edward W. Bouchard (International Relations Dept.)

SUBJECT: UNDP Administrator's Annual Report to the  
Governing Council on Activities in 1974

We would appreciate your completing the attached Tables 1, 2, 5 and 6, providing information on the number of experts serving in the field at any time during the calendar year 1974, by nationality and by country of assignment, with respect to the following Bank-executed projects:

SEN/72/013 - Livestock Feasibility Study

NIR/71/016 - Agricultural Development Bank

In addition to the above information, I would appreciate your letting me know the total number of experts in the field as of December 31, 1974 and how many of that total number are American.

The above requests would include consultants personnel. If you do not know their individual nationalities, then assume they are the same as country of firm.

I would be grateful if this information could reach me by January 10, 1975.

Attachments - Tables 1, 2, 5 & 6

EWBouchard/eps

WORLD BANK GROUP

*Fig*

ROUTING SLIP		DATE Nov.	
NAME		ROOM NO.	
Mr. Bouchard		E 806	
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
COMMENT		PER OUR CONVERSATION	
FOR ACTION		PER YOUR REQUEST	
INFORMATION		PREPARE REPLY	
INITIAL		RECOMMENDATION	
NOTE AND FILE		SIGNATURE	
REMARKS			
<p>Per our telephone conversation this morning.</p> <p>An <u>INTERNAL</u> document - NOT to be sent outside The Bank.</p>			
FROM A. Arben		ROOM NO. 1240	EXTENSION 3627



## OFFICE MEMORANDUM

TO: Mr. R. Wadsworth, Division Chief, WAPA1

FROM: A. W. Arben, WAPA1

SUBJECT: NIGERIA - Nigerian Agricultural Bank (NAB)  
Tripartite Meeting  
Back-to-Office and Full Report

DATE: November 5, 1974

Introduction

In accordance with the terms of reference dated October 2, 1974 I visited Kaduna (Nigeria) to attend the Tripartite meeting called by UNDP to review the status and progress of Nigerian Agricultural Bank (NAB), a UNDP-financed project for which the Bank is executing agent. The Bank team consisted of Messrs. Courbois (CPS), Grosjean (Resident Mission, Lagos) and Arben (WAPA1). The participants (see list in the notes of meeting, Annex 1) were representatives of UNDP, Lagos and Kaduna; Bank team; and representatives of Berenschot Bosboom NV (BB), the consultant management team. Despite an earlier commitment made to UNDP, no Government representative was present. Mr. Saleh (Deputy Permanent Secretary of FMANR) had planned to attend as representative for Dr. Bukar Shaib (Permanent Secretary of FMANR) but was unfortunately taken ill at the last minute and was unable to send a substitute. Despite the absence of FGN representative, it was decided to proceed with the meeting. A follow-up meeting was arranged between Dr. Bukar Shaib (FMANR), UNDP, Lagos and Bank mission, Lagos to discuss topics covered by the Tripartite meeting.

Tripartite Meeting

2. The tripartite meeting was held on Thursday and Friday, October 10 and 11, 1974. Notes of the meeting are attached as Annex 1. The meeting covered the following items:

- (a) Brief explanation of the purpose of the Tripartite meeting which is part of the procedure for all UNDP-financed projects.
- (b) Brief review of NAB operations
- (c) NAB policy
- (d) Additional technical assistance requirement
- (e) Interest rates for lending
- (f) Staff and Nigerianization
- (g) Interim report
- (h) Conclusions and Recommendations



November 5, 1974

3. The meeting agreed that the present constraints of NAB which require resolution are:

(a) a clear statement from FGN of NAB's future role and policy in stimulating agricultural development generally and rural development in particular. With the present change in FGN policy of providing unencumbered development funds to the State governments, many States are setting up co-operative banks to finance small farm agricultural development. Additionally, FMANR is strengthening and revitalizing its cooperative division with FAO assistance. With the emergence of these various institutions, duplication of effort and in some cases competition seems inevitable and would be a waste of Nigeria's limited management resources. If NAB is to become involved in the rural credit sector then changes will be required to the present Memorandum and Articles of Association (MEMARTS).

(b) The early appointment of local staff to key positions including that of General Manager is essential; if BB, the consultants, are to relinquish their executive role and adopt an advisory and training role. It is important for two reasons, firstly to lift the morale and experience of local staff and satisfy the political requirements of Government and secondly, permit BB to adhere to the terms of their contract to hand over executive responsibility to Nigerian personnel as part of the successful establishment of NAB by end 1975.

(c) At present FGN insists on a flat lending rate of 5 percent for NAB. If NAB is to cover its operating costs, credit risks and cost of capital as required by its MEMARTS and the Board, then the flat 5 percent rate will be inadequate. A more flexible approach is suggested by charging interest in the range 5 percent to 12 percent depending on the borrowers' ability to service the debt.

(d) A need exists for additional expertise to stimulate NAB's expansion in the mass credit field. The number and type of experience required will be dependant on FGN's plans for NAB involvement in agriculture. UNDP have indicated their willingness to consider additional financing if requested by FGN.

It was proposed that these points should be discussed with Dr. Bukar Shaib in Lagos as soon as possible after the tripartite meeting.

#### Meeting with Dr. Bukar Shaib

4. The meeting with Dr. Bukar Shaib took place after Messrs. Courbois and Arben left Nigeria. Cabled advice from IBRD Lagos of October 18 (copy attached as Annex 2) indicates that FGN wishes:

- (a) to proceed with the appointment of Nigerians to all key positions, including that of general manager, as soon as possible to replace BB staff members;



November 5, 1974

- (b) all BB staff to be withdrawn immediately without further period as advisors;
- (c) appoint advisors from any suitable country to assist newly appointed Nigerians;
- (d) no specific dates mentioned but Bukar Shaib indicated that whole process should be completed well before end 1975;
- (e) IBRD should recruit the advisors; and
- (f) Bukar Shaib declined to discuss any of the other outstanding issues.

A full report is awaited from IBRD Lagos.

#### Discussions in Washington

5. The opportunity was taken of a visit of Mr. Saleh (Deputy Permanent Secretary, FMANR) to Washington for an informal discussion (October 29) on NAB. Present were Messrs. Saleh, Liman (FMANR, Deputy Director of Agriculture), Povey (WAIDB) and Arben (WAPA1). The discussions were fruitful as Mr. Saleh was present at the meeting with Dr. Bukar Shaib (para 4). It transpires that:

- (a) Basically BB have performed well but FGN feel they could have done more. Comparison has been made with Bank of Industry and Commerce which was formed after NAB but has made more loans. The major problem appears to be that one member of the BB team (Dr. Gall) is not acceptable to Board members and FMANR. The general manager, Mackay, is liked and respected. There appeared to be no special feelings concerning the other two team members as they maintain a low profile.
- (b) FGN regards the appointment of a Nigerian General Manager of prime importance. However they have no specific candidate in mind, have not yet advertised but hope to make a decision by the end of the year.
- (c) The advisors mentioned in Dr. Bukar Shaib discussions (para 4(c)) are not the additional technical assistance originally proposed (para 3(d)). The role of any new advisors appointed would be the same as BB, namely to advise newly appointed Nigerian staff but only when requested.
- (d) FGN wishes to continue with NAB and has earmarked substantial funds which will be made available when the management is changed. FGN has not yet finalized their thinking for NAB's role in agricultural development.
- (e) The deadline for these changes is end June 1975.
- (f) The early appointment of Nigerian staff to key positions is required. However, Mr. Saleh has instructed that the Board meeting on October 29 not to consider the recent applications as he will not be present.



November 5, 1974

BB Contract Conditions

5. Should FGN make a formal request to UNDP and IBRD for the removal of BB, sixty days notice is required. IBRD then have the right to terminate the BB contract also with sixty days notice. IBRD's liability to BB is to pay for all time spent up to termination and the normal costs of repatriation but BB have an obligation to minimise their expenditure. There appears to be no penalty for early termination of contract. These points require confirmation by the Legal Department.

6. BB's contract finishes approximately end 1975 for field services. It was the original intention of BB (agreed with IBRD) to move to an advisory role from January 1975. This has been jeopardised by the delay in appointment of counterpart staff by NAB Board, due, in part, to misunderstanding as to the calibre and purpose of the original recruitment of Nigerian professional staff. BB selected the candidates with the intention of promotion to counterpart if suitable; but NAB Board appointed them as professionals, not as potential counterparts.

7. Basically BB have made satisfactory progress in difficult circumstances and, subject to the early removal of Dr. Gall and the changeover to an advisory role, I recommend that BB be strongly supported. If BB's contract was to be terminated early, there will be a considerable check to NAB's progress.

It is doubtful if outside Nigerians could be recruited and in post before March 1975. Assuming BB's contract is terminated and IBRD is prepared to accept responsibility for the selection and recruitment of a new team of advisors, they would probably not be in post before May 1975. Allowing two months for orderly transfer of responsibility, the earliest BB could depart without disruption would be June 1975. This would meet the deadline mentioned by Mr. Saleh. However the problem appears to be one of political acceptability rather than the practicalities of an orderly changeover.

8. IBRD Lagos have been requested to cable any advance notice they may receive that FGN intends to formally request the early termination of BB's contract. Should FGN give formal notice, IBRD will need to review its direct involvement with NAB and to decide whether or not to accept responsibility for selection and recruitment of a new team of advisors.

9. Conclusions and Recommendations

- (a) Copy of tripartite meeting notes to be sent to UNDP Lagos.
- (b) Await full report from Lagos on Dr. Bukar Shaib meeting. Meanwhile advise BB that they should consider the prompt removal of Dr. Gall from Nigeria without replacement, press for the early appointment of existing staff as counterparts on



a temporary or acting basis pending NAB Board final selection so that the remainder of BB team can hand over in an orderly manner executive responsibility as soon as possible and adopt an advisory role.

- (c) Bank should write to Dr. Bukar Shaib explaining the danger of a hasty transfer of executive responsibility, if the progress of NAB is to be maintained, pointing out that, in its opinion, transfer could not be achieved until June 1975 at the earliest if FGN formally requests to UNDP and IBRD early termination of BB's contract. FGN would need to clarify NAB future role and instruct NAB Board to recruit and appoint (as a matter of urgency) the counterpart staff including the general manager.
- (d) Bank should also write to UNDP Lagos for their official reaction and position on Dr. Bukar Shaib's proposals.
- (e) Draft letters to Dr. Bukar Shaib and UNDP will be prepared, following review of the Lagos meeting full report which is expected to arrive in Washington shortly (para 4).
- (f) BB's contract should be referred to Legal Department for advice on procedure to be followed, should FGN give formal notice for the termination of BB's services as consultants to NAB (para 5).

cc: Messrs. Wright, Povey, Thalwitz, Rowe, Pouliquen, Wadsworth  
Mirza, Wyss, Bowron, Rychener (Controller's), Awunyo (Legal),  
Yudelman, van der Tak, Courbois, de Vries, Elliott, Stevens,  
van Gigch, Crowe, Bourgin, Grimshaw, Bevan, Bouchard

West Africa Files

AWArben:yu

Nigerian Agricultural Bank (NAB) - Notes of Discussion  
at UNDP Tripartite Meeting on October 10-11, 1974 held at Kaduna, Nigeria

Present: M. A. Nolte (Chairman)	Deputy Resident Representative, UNDP, Lagos
J. D. Pobanz	Program Officer, UNDP, Lagos
Peter Quennell	UNDP, Kaduna
K. Peter Goptwald	UNDP, Kaduna
Paul Grosjean	IBRD, Lagos
Alan Arben	IBRD, Washington (WAPA1)
Pierre Courbois	IBRD, Washington (CPS)
C. E. Metcalfe (Director)	Berenschot Bosboom N.V. (Consultants)
Baron E.R.A. Mackay	" "
Dr. P.J. Van Dooren	" "

No representative from FGN was present as Mr. Saleh, Deputy Permanent Secretary (who was to represent Dr. Bukar Shaib, Permanent Secretary, FMANR) was unable to attend through sickness.

1. Purpose of Meeting

Mr. Nolte opened the meeting by explaining the purpose of a UNDP tripartite meeting. It is part of UNDP practice for sponsored projects to hold a yearly tripartite meeting of all parties to review progress, discuss problems and recommend solutions, and to determine whether any changes are necessary. Matters discussed are summarised in a tripartite report which is prepared and circulated by UNDP. Notwithstanding the absence of a Government representative, it was decided to proceed with the meeting. It was agreed that Mr. Nolte of UNDP accompanied by Mr. Grosjean of IBRD Lagos would discuss the draft report of the meeting with FGN to ascertain their views and would then finalise the report for release to all parties.

2. Brief Review of NAB Operations

NAB was set up with IBRD assistance and UNDP finance to meet the long term need of Nigeria for an agricultural development bank. Berenschott Bosboom NV (BB) were appointed IBRD-consultants in November 1972 with, initially, executive responsibility to start operations of the Bank to be followed by an advisory role when Nigerian staff were available and trained to take over. The Bank formally commenced operations on April 1, 1973.



As no feasibility study had been prepared, BB had to start from scratch which included the leasing of offices and housing, procurement of vehicles and equipment and the recruitment of local staff. Most of the present professional staff were recruited August/September 1973. The operating procedures have been developed and implemented during the initial period. NAB role and lending policies are evolving in response to Government plans for agricultural development which in some areas are themselves still in a state of flux.

Initially, lending progress was slow due in part to lack of adequate finance from Government. The position is now much improved and funds are made available as and when loans have been approved by the Board.

NAB's current financial situation is:

	Govt. -----	Naira millions-----	
	<u>Equity</u>	<u>Loans</u>	<u>Total</u>
Received	-	11.0	12.0
Applied for	-	7.0	7.0
Balance available in Government 74/75 allocation	<u>1.0</u>	<u>6.0</u>	<u>7.0</u>
	<u>2.0</u>	<u>24.0</u>	<u>26.0</u>

NAB loans to borrowers current position is:

	<u>N Million</u>
NAB board approved	20.0
Applications under investigation	<u>24.0</u>
	<u>44.0</u>

NAB board consists of nine members, all of whom are appointed by FGN and, with the exception of the Chairman, are civil servants from various ministries and Government banks. The full board meets quarterly but there is a standing committee of five directors who meet to approve loans between N 20,000 and N 100,000. Loans above N 100,000 must be approved by the full board. Whilst loans up to N 20,000 may be approved by management.

The financial results for the first year's operation to May 31, 1974 was an operating loss of N 130,000. Preliminary results for the current financial year indicate that the bank is covering its operating costs but no provision has been made for credit risks.

Presently FGN makes loan funds available to NAB on an ex gratia grant basis. Continuing discussions with the Federal Ministry of Finance (FMF) seek to regularise the basis for the grants and subsequent loans and funds. Tentative proposals are for loan funds to bear interest at



2 percent after a 6-year grace period with repayment of loan in ten equal annual instalments commencing in Year 7. NAB has yet to calculate the implication of these proposals on its long term cash flow. FGN has allocated (in the Nigeria 5YP 1975 - 1980) N170 million for NAB.

### 3. Policy of NAB

NAB's original role as conceived was to stimulate agricultural development in Nigeria which should yield a financial return but which would not have the maximisation of profit as its prime purpose. The financial return was to be adequate to cover its operating costs. The original concept was for NAB to act as source of large-scale agricultural credit to substantial borrowers such as State organizations, cooperative unions and companies capable of providing bankable collateral. Small farmers were not directly considered at that time. Since then there has been a change of emphasis on the part of IBRD towards a rural credit policy aimed at the smaller farmer. IBRD has therefore tried to encourage NAB to adopt a more positive approach to rural development by the provision of technical assistance to organisations in the design and engineering of schemes and projects and of finance for the farm credit component.

Whilst FGN appears to be in full agreement with the concept, it does not necessarily agree with the approach at this time. In five recently appraised IBRD financed projects (3 Northern States Rural Integrated Development Projects and 2 Swamp Rice Projects), NAB was to participate in various degrees in the farm credit component. At FGN's request, NAB'S role has been deleted from these projects on the grounds that NAB is not yet sufficiently experienced or adequately staffed to contribute to the successful operation of the projects. BB find themselves in a difficult position as although they are in basic agreement with the IBRD on the need for and the approach to rural credit, they are constrained by the lack of authority and encouragement from the Board and the restrictions of the Memorandum and Articles of Association (MEMARTS).

Additionally, FGN is revitalising the cooperative division of FMANR with FAO assistance and is also establishing a Rural Credit Training Institute with FAO assistance and with Finnish Government finance. It appears that there may be some duplication and/or conflict between the various assistance programs. UNDP is in a delicate position as their various programs are in response to FGN requests. The need for liaison between the various programs to prevent overlap was agreed. UNDP undertook to advise IBRD Resident Mission, Lagos of the scope and purpose of the FAO cooperative assistance programs. FGN's overall strategy for agricultural credit for rural development appears to be under review and has yet to announce the role of NAB.

### 4. Additional Technical Assistance

UNDP indicated that they would consider financing additional technical assistance if requested by FGN. Formalities would take approximately three months to final approval.



The additional technical assistance proposed would consist of:

- a) 1 agricultural credit development specialist
- b) 2 loan (credit) officers
- c) 1 system and training specialist

FGN had indicated that parts (a) and (b) should be filled by experienced staff seconded from a similar institution in a developing country. IBRD has submitted the CV's of possible candidates from India and Pakistan to FGN for their reactions, which are awaited. Until FGN defines NAB's role in the development of rural credit, the need for the 2 loan (credit) officers was questioned if it is the intention that their activities would be concentrated in the rural credit sector.

It was agreed that the recruitment of the system and training specialist was timely now that BB are to relinquish their executive role and NAB is to expand its staff to cope with the planned expansion of business. The BB proposal for the provision of the specialist was supported in principle. It is also understood that FGN supported the idea but formal approval from NAB is still awaited.

#### 5. Interest Rates for Lending

FGN present stated interest policy for NAB is a flat rate of 5 percent on all agricultural loans irrespective of size, period, terms or risks. IBRD position which seems to be gaining acceptance in some parts of Government, is that interest rates should be flexible and should be adapted to the overall debt service capacity of the venture concerned. In order to meet the operational costs and risks it is suggested the interest rates should be varied within the 5 - 12 percent range.

#### 6. Staff and Nigerianisation

UNDP met with the professional staff and formed the impression that they were keen and worked in harmony with the BB team.

BB's had proposed to the Board the appointment of Nigerian departmental heads by July 1, 1974 with full executive responsibility to be handed over by January 1, 1975, whereupon BB would adopt an advisory role. Candidates for the positions were proposed from within the existing professional staff. The Board decided however the positions should be advertised to ensure the Bank attracted the best talent available. Closing date for applications is October 15, and it is unlikely that a short-list will be available in time for submission to the next Board meeting scheduled for October 29. The delay in appointing local heads of departments will delay the start of BB's advisory role. No action has yet been taken on the appointment of a Nigerian general manager. The meeting felt early appointment of all Nigerian counterpart staff including the general manager is essential to remove the uncertainties facing the professional staff and to enable BB to hand over executive authority and still leave sufficient time for their



training and advisory role before the expiration of their contract at end 1975.

#### 7. Interim Report

The Interim Report will be prepared in the form proposed in R. E. Rowe's letter of April 16, 1974. The list of topics for inclusion in the unconstrained section as suggested by IBRD was agreed. It was emphasised that BB were at liberty to include other items as the list was not exhaustive. No preliminary work had yet started other than a broad outline. BB undertook to forward two copies of their first draft to IBRD Washington by the end of November for comment. The final version is due in Washington by January 1, 1975.

#### 8. Conclusions and Recommendations

i) An early meeting should be arranged with FGN to inform them of the content of tripartite meeting, to draw their attention to the following points, and to seek their views and action:

- a) the need for FGN's definition of the role of NAB in stimulating agricultural development and in particular their function in providing small farmer credit for rural development in the light of the development cooperative movement and the formation of State Cooperative banks;
- b) the flat interest rate of 5 percent will not be adequate if NAB is to cover its operating costs, credit risks and 2 percent cost of borrowings. There is need for a flexible approach within a suggested spread of 5 to 12 percent;
- c) the borrowing conditions for Government funds, both for interest rates and repayment terms needs clarification;
- d) liaison between the NAB and the FAO Cooperative Program would be advantageous to prevent overlap of their operations and objectives;
- e) early appointment of counterpart staff, including the general manager, would permit the expansion of NAB's operations and would allow BB to concentrate on their advisory and training role for the remainder of their contract period which finishes end 1975; and
- f) to permit a firm proposal to be submitted to UNDP for additional technical assistance, the role of NAB should be defined to ensure the additional experts are recruited to cover specific needs. The systems and training specialists would best be engaged through BB to ensure consolidation of BB's initial efforts.

ii) The planning and preparation for the Interim Report is in progress. Timetable for submission has been agreed with the final version due in Washington January 1, 1975.



INCOMING CABLE

ANNEX 2

Page 1

ST 20 1974

Oct 20 1974

Distribution:

Mr. Rowe  
Mr. Fovey

ZCZC ALA775 VIA ITT FMJRS37 CTC638 CMM5782 LWB413 TRA2751  
SECTION

UIAR DL NGLS 180

LACOS 180 18 1726

Oct. 18, 1974

LT

INTAFRAD

WASHINGTON

296 FOR ROWE RE NAB ASSUME COURBOIS BRIEFED YOU ON TRIPARTITE  
MEETINGS HELD IN KADUNA WITHOUT ANY REPRESENTATIVE OF GOVERNMENT  
STOP AFTER DEPARTURE OF ARSEN AND COURBOIS WOLTE FROM UNDP AND  
GROSJEAN MET WITH BUKAR SHAIB TO CONVEY OUTCOME TRIPARTITE MEETING  
STOP LATER CLEARLY STATED THAT FMANR

POLICY FOR NAB'S MANAGEMENT IS PRIMO TO APPOINT NIGERIAN STAFF  
ASAP TO REPLACE ALL BD STAFF SECUNDO WITHDRAW IMMEDIATELY BE STAFF  
WITHOUT ANY FURTHER PERIOD AS ADVISERS TERTIO APPOINT THREE  
ADVISERS FROM INDIA OR PAKISTAN OR ANY OTHER  
SUITABLE COUNTRY TO ASSIST THE NEWLY APPOINTED NIGERIAN STAFF STOP  
ALTHOUGH NO

~~GOAL POLICY FOR NAB'S MANAGEMENT IS PRIMO TO APPOINT NIG~~

~~LVA2731/1/1 INTDAFRAB PAGE 3/30~~

SPECIFIC DATE WAS MENTIONED BUKAR SHAIB  
INDICATED THE WHOLE PROCESS SHOULD BE OVER WELL BEFORE END 1975  
STOP HE ADDED WORLD BANK SHOULD PRESS ON WITH THE SELECTION AND  
RECRUITMENT OF ADVISERS CONTACTING FMANR FOR FINAL APPROVAL  
OF CANDIDATES RECOMMENDED BY WORLD BANK ONLY AND NOT FOR EACH  
LIST OF

POSSIBLE CANDIDATES STOP BUKAR SHAIB WAS PARTICULARLY FIRM ON  
EARLY WITHDRAWAL OF 22 STAFF INCLUDING GENERAL MANAGER AND REFUSED  
TO DISCUSS ANY OF THE OTHER POINTS RAISED DURING TRIPARTITE  
MEETING STOP GROSJEAN'S MEMO ON MEETING FOLLOWS RECORDS  
PEARCE

~~GOAL POSSIBLE CANDIDATES STOP BUKAR SHAIB WAS PEARCE~~



## OFFICE MEMORANDUM

File

TO: Mr. C. R. Poncia, Legal

FROM: Ralph Wadsworth, Division Chief, WAPA1

SUBJECT: NIGERIA - Nigerian Agricultural Bank (UNDP-assisted Project)

DATE: November 5, 1974

Possible termination of contract between IBRD (executing agents) and its Consultants, Berenschot Bosboom N.V. at FGN request

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IBRD are executing agents for NAB, a UNDP-financed project. IBRD appointed Berenschot Bosboom N.V. as its contract consultants with responsibility for the implementation and management of the project. The consultants have been in post for approx. two years for a 3-year contract.

The possibility may arise that FGN will request the early termination of BB's contract and their removal. A report dated November 5, 1974 on the current situation is attached to give an appreciation of the background. A copy of both the Project Document dated November 15, 1972 and the contract for consultants' services between IBRD and BB dated November 17, 1972 are enclosed.

I would be grateful if you would let us have a brief summary of the implications and of the procedures to be followed should FGN request the removal of BB from NAB. This will assist our contingency planning.

## Attachments

cc: Mr. Rowe  
Mr. Povey  
Mr. Pearce  
Mr. Bouchard ✓

AWarben:yu

Mr. R. Wadsworth, Division Chief, WAPA1

October 24, 1974

Alan W. Arben, WAPA1

NIGERIA - Nigerian Agricultural Bank  
Additional Technical Assistance

Mr. M. A. Chidambaram, Managing Director of Agricultural Refinance Corporation, India, who is on a visit to IBRD called on me for a brief discussion on possible secondment of three staff members of his bank to NAB.

I explained the basic setup of NAB, its objectives and the wish to obtain additional technical assistance to stimulate NAB's involvement in the mass credit for the smaller farmers.

Mr. Chidambaram asked if an appraisal report on the formation of NAB was available. I explained that no report had been prepared prior to the incorporation of the Bank, but that an interim report was in preparation which would detail the Bank's current operations, policies and achievements and provide guidelines for future development and expansion.

Mr. Chidambaram confirmed that the Government of India had sanctioned the possible secondment of staff. He agreed that such secondment could be to the mutual advantage of both NAB and his own bank. The three-man team he suggested includes one man from Reserve Bank of India who specializes in short-term credit (seasonal loans). The senior of the three would act as team-leader. He did not foresee any major difficulties of his team working with BB as they (BB) would be leaving before his team completed their secondment. The proposed team members have no overseas experience.

I told Mr. Chidambaram that we were still awaiting FGN reaction to our submission of names.

Mr. Chidambaram leaves the Bank tomorrow to return to India. He will however return to Washington early December for loan negotiations.

Our contact in IBRD is: Mr. Grant Slade (Ext. 4119, Room C 514),  
Country Programs, South-East Asia.

cc: Mr. Bouchard, Int. Relations ✓  
Mr. H. J. K. Keltoft/Miss Anonas, Personnel  
Mr. Grant Slade, CP - SE Asia  
Mr. Mirza  
Mr. Povey  
Mr. Rowe



File

October 3, 1974

Mr. M. A. Chidambaram  
Managing Director  
Agricultural Refinance Corporation  
Post Office Box 6552  
Worli, Bombay 400 018  
India

Dear Mr. Chidambaram:

Nigerian Agricultural Bank  
Technical Assistance

Thank you for your letter dated September 23 addressed to Mr. Roger E. Rowe who is presently on a mission to West Africa, confirming that the Government of India has cleared the three names you suggested earlier.

We have submitted the names to Federal Government of Nigeria along with some others. We expect to receive their initial reactions by the end of October. As soon as we have definite news, we shall write to you.

In the meantime, we appreciate very much your interest and cooperation.

Yours sincerely,

Ralph Wadsworth  
Chief  
Agriculture Projects Division I  
Western Africa Regional Office

cc: Personnel (Mr. H.J.Kaltoft/Miss Anonas)  
Mr. Bouchard  
Mr. Rowe, Mr. Mirza, Mr. Povey

AWArben:yu



*Mh Bouchard*  
*File*  
*Nig + GH*

## OFFICE MEMORANDUM

TO: Mr. A. W. Arben (WAPA1) and  
Mr. Pierre Courbois (CPS)  
FROM: Ralph Wadsworth, Division Chief, WAPA1  
SUBJECT: NIGERIA - Nigerian Agricultural Bank (UNDP-financed) Project  
Tripartite Meeting, Kaduna, October 10 and 11, 1974  
GHANA - Sugar Rehabilitation Project (Credit 354-GH)

DATE: October 2, 1974

### Terms of Reference

#### Nigerian Agricultural Bank (NAB)

1. Messrs. A. W. Arben and P. Courbois will arrive in Lagos on or about October 8, 1974 to attend the tripartite meeting called by UNDP Lagos to review the progress of NAB (a UNDP technically assisted project with the Bank as executing agents). Participants at the meeting will be FGN, UNDP, and IBRD supported by its management consultants, Berenschot Bosboom, N.V.
2. Whilst in Lagos, Messrs. Arben and Courbois should hold preliminary discussions with Resident Mission, Lagos who liaised with UNDP Lagos on the drafting of the agenda. A member of the Resident Mission will accompany Messrs. Arben and Courbois to the tripartite meeting to be held in Kaduna on October 10 and 11.
3. Mr. Arben should, whilst in Lagos, explore with Resident Mission FGN's reaction to names and nationalities of candidates, submitted, through Resident Mission, for additional UNDP-financed technical assistance to NAB.
4. Mr. Courbois should visit Kaduna prior to the tripartite meeting to bring himself up-to-date with current status of NAB and to review future plans.
5. Mr. Arben will leave Lagos on or about October 12 for Ghana. Mr. Courbois will return to Washington on or about October 16.
6. As a member of the Resident Mission and FGN will be present at the tripartite meeting, a debriefing session with the Resident Mission in Lagos will not be necessary prior to the departure of Messrs. Arben and Courbois.
7. On his return to Washington Mr. P. Courbois will write a brief report on the current status of NAB. Mr. Arben will prepare a brief resume of the tripartite meeting on his return to Washington on or about October 23.



October 2, 1974

GHANA - Sugar Rehabilitation Project

8. Mr. Arben will arrive in Accra on or about October 12, 1974 to review with the management of Ghasel (HVA International), the financial projections for 1974/75 which were not available at the time of the last supervision mission June/July 1974. Prior to undertaking the review, visits should be paid to both Asutsuare and Komenda to familiarise yourself with progress of the rehabilitation of the estates and factories.

9. Particular attention should be paid to a) the progress of the overall rehabilitation program with emphasis on the financial implications, b) the cane price to farmers and collection costs, c) the selling prices of sugar, molasses and alcohol, and d) the cash flow.

10. Although it is understood that the five-year plan 1974 through 1978 is not completed, you should (subject to time availability) review the progress of the five-year plan to ensure that it is properly conceived and will be in a form acceptable to the Bank when completed.

11. Mr. Arben will leave Accra on or about October 19 for Washington and will visit Amsterdam en route for approx. one/two days for discussions with HVA Amsterdam on the funds required for the remainder of the factory rehabilitation program. On your return you should prepare a brief report on the 1974/75 financial projections and related matters.

Cleared with and cc: Messrs. Povey and Nissenbaum

cc: Messrs. Wright, Thalwitz, Rowe, Pouliquen, King,  
Venkatraman, Dutt, Reitter, Mirza, Wyss,  
van der Tak, Yudelman, Bowron, Bouchard (Int. Relations),  
Rychener (Controller's), Awanyo (Legal), Mayer (Controller's)  
Poncia (Legal), Burer

West Africa Files

Ad.  
AWArben:yu



Hand-carried by Mr. van der Lugt

September 19, 1974

Letter No. 260

Mr. H. Mirza  
Chief  
World Bank Resident  
Mission in Nigeria  
P. O. Box 127  
Lagos, Nigeria

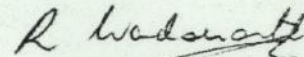
Dear Humayun,

NAB  
Additional Technical Assistance

Further to my letter dated 18th September, No. 259, I am enclosing three further C.V.'s which we have received in response to approach to the Agricultural Refinance Corporation of India.

Their letter has been cleared with the Executive Director for India and he is agreeable to their names being submitted to FGN as second string candidates in your submission to FGN for consideration in principle.

Yours sincerely,



Ralph Wadsworth  
Chief  
Agricultural Projects Division I  
Western Africa Regional Office

Enc.: C.V.'s for  
Mr. K. Krishnan  
Mr. S. P. Kotaiah  
Mr. S. Acharya

cc: Miss Anonas, Messrs. Bouchard and Povey

AArben:yu



Hand-carried by Mr. van der Lugt

September 18, 1974

Letter No. 259

Mr. H. Mirza  
Chief  
World Bank Resident  
Mission in Nigeria  
P. O. Box 127  
Lagos, Nigeria

Dear Humayun,

NAB - UN Development Program

Additional Technical Assistance

Further to our letter dated 8th August 1974, No. 203, I am enclosing C.V.'s of three Indian nationals who are on file in Washington, and who may be suitable for one or more of the three credit specialist positions to be established in NAB with UNDP technical assistance.

Would you please explore with Government their willingness to consider any of the three suggested names. Should Government express an interest, then all subsequent arrangements should be channelled through Personnel department (our contact is Mr. Hans J. Kaltoft). FGN should not make direct contact with the individuals.

The three suggested candidates are Government of India sponsored and their names have been submitted by the executive director for India. You will note that all three have been engaged in agricultural credit in various roles.

Yours sincerely,

*Ralph Wadsworth*

Ralph Wadsworth  
Chief  
Agricultural Projects Division I  
Western Africa Regional Office

Enc.: C.V.'s for  
Mr. R. Gajanan Deshpande  
Mr. B. Venkata Rao  
Mr. V.P. Malhotra

Cleared with and cc: Miss Anonas, Personnel  
cc: Messrs. E. Bouchard, International Relations;  
F. Povey, WAP1

AArben:yu



VPR  
~~EWB~~ JR

September 5, 1974

Mr. Robin Miller  
Resident Representative  
of the United Nations  
Development Program  
P. O. Box 2075  
Lagos, Nigeria

Dear Mr. Miller,

UNDP Project - Nigeria Agricultural Bank  
Tripartite Meeting - October 1974  
Topics for Inclusion in the Interim Report (unconstrained Section)

As promised by Mr. R. Rowe in his letter to you dated August 23, 1974, I am now sending to you a list of topics which it is suggested Berenschot Bosboom NV (the consultants) cover in the "unconstrained" section of their Interim Report.

If the list of topics is not received too late, you may wish to discuss it with our Lagos office representative at the working party meeting proposed in Mr. Mirza's letter dated August 20, 1974.

The outline for the list of topics was discussed with Mr. C. E. Metcalfe, director of B.B. Tilburg during his recent visit to Washington. Mr. Metcalfe is in basic agreement with the list.

I would be grateful if you would confirm that the tripartite meeting will be held in Kaduna on October 10th and 11th so that the necessary travel arrangements can be made for Mr. A. Arben.

Yours sincerely,

cc: Mr. C. E. Metcalfe, BB (Tilburg)

Ralph Wadsworth  
Chief  
Agriculture Projects Division I  
Western Africa Regional Office

Enclosure

cc: Messrs. E. W. Bouchard, International Relations ✓  
H. Mirza, Chief of Mission, Lagos  
F. Povey

AArben:yu



INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

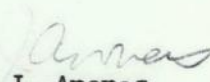
Sept. 19, 1974

Mr. Bouchard - International Relations Dept.

Attached are copies of Mr. R. Rowe's letters to India and Pakistan re Nigeria Agri. Bank. No reply has apparently been received from Pakistan.

In addition to the three names from Agri. Refinance Corporation, the Indian Executive Director's Office suggested three others (R. Despande, V. Malhotra and V. Rao) who are to be considered priority candidates.

Our involvement in this resulted from an inquiry received from the Indian E. D.'s Office. For our guidance, would it be possible to have copies of pertinent correspondence?

  
J. Anonas  
Recruitment Division  
E-1036 - 6326

By Air Mail

AGRICULTURAL REFINANCE CORPORATION

Telephone : 370163 Four Lines  
Telegrams : AGREFINANS

GARMENT HOUSE  
DE ANNIE BESANT ROAD  
POST BOX No. 6552  
WORLI, BOMBAY 18 WB

*File*  
*Nigeria - NAAB*

D.O.No.ADM.5222 /34A/74-5

31 August 1974

Dear Mr Rowe

Nigerian Agricultural Bank  
Technical Assistance

*Mr Meimar*  
*Mr Arben*  
*(Alar, u)*  
*3 West Africa*

This is with reference to your letter dated 16 August 1974 enquiring whether the Corporation will be in a position to second <sup>do</sup> persons experienced in the development of "mass involvement" agricultural programmes. As you are aware, the Corporation has been doing fairly successfully the programme of lending in this country and based on the experience we have gained I have selected three officers who would justify on their own merits the recommendations that I am passing on to you. I am enclosing brief bio-data of the following three officers:

1. Shri K.S. Krishnan
2. Shri P. Kotaiah
3. Shri S. Acharya

Of these three officers, Shri Krishnan would be suitable for the senior position and the remaining two may be considered as loan officers. In view of the tentative nature of your proposal, I have not consulted them officially since the terms and conditions on which they will be placed on deputation are not yet known. I shall be glad to hear about these in due course.

I presume that the Nigerian Agricultural Bank will be equally concerned with long-term financing as well as short-term or production loans required by their borrowers. In order to provide a complete package of technical assistance to the bank one of the officers selected has considerable experience in production loan financing which is a speciality of the Agricultural Credit Department of the Reserve Bank of India though I would add that he has also experience of long-term financing.

Meanwhile, in accordance with the usual procedure I am referring the matter to the Government of India for obtaining the usual clearance and we shall confirm their concurrence in due course.

With regards

Yours sincerely

*M.A. Chidambaram*

M.A. Chidambaram

Mr Roger E. Rowe  
Assistant Director  
Western Africa Regional Office  
International Bank for Reconstruction and Development  
1818 H Street, N.W. Washington D.C. 20433



August 16, 1974

Mr. M. A. Chidambaram  
Managing Director  
Agricultural Refinance Corporation  
Shrinekatan  
Doctor Besant Road  
Post Box No. 6522  
WORLI, Bombay 400018  
India

Dear Sir,

Re: Nigerian Agricultural Bank  
Technical Assistance

The World Bank is executing agent for a United Nations Development Program (UNDP) project for the establishment and management for a period of three years of a Nigerian Agricultural Bank (NAB).

A firm of European consultants has been retained to set up the Bank, establish its operating procedures, to train Nigerian personnel and to initiate the Bank's lending operations. Up to now, however, the latter have been largely loans to Government agencies or member States of the Nigerian Federation. The number of loans to individual farmers has been relatively small and so far NAB has not participated in any mass credit programs for small farmers. At this stage, we believe that NAB would benefit through having on its staff for a temporary period loan officers who have had practical experience in the employment of agricultural credit banks and agencies in countries with agricultural development problems with similarities to those that obtain in Nigeria. We believe, through our association with the Refinance Corporation that your organization would fall into this category.

The purpose of this letter is to inquire whether your Bank would be in a position to second for a period, yet to be determined, qualified and experienced personnel to NAB. Currently NAB is seeking, first a person who is experienced in the development of "mass involvement" agricultural programs and who can design the small farmer credit delivery systems needed for, and evaluate the impact of, such programs; and second, two loan officers experienced in direct lending to larger individual farmers.

We should be grateful if you would treat this approach, which we are making on behalf of Federal Government of Nigeria, as exploratory and



August 16, 1974

confidential at this time. Should you feel that your organization could make available on a seconded basis suitably experienced staff to fill any of the positions suggested above, then we would wish to explore with you the various possibilities before submitting tentative proposals to the Federal Government of Nigeria, which itself, of course, would initiate any formal approach for technical assistance.

Our provisional suggestions concerning such seconded staff are that:

- (a) in addition to them being suitably qualified they should also be reasonably mobile in terms of family commitments; and
- (b) the secondment should be for approximately two years.

It is felt that staff seconded to NAB would benefit substantially in experience and stature from such an assignment, and that NAB itself would benefit from their practical experience and thus become an effective agent in agricultural development that much faster.

I look forward to receiving your views and comments.

Yours sincerely,

Roger E. Rowe  
Assistant Director  
Western Africa Regional Office

RERowe:db

cc: Messrs. Stoneham, South Asia  
Arben, WAPAL



*Mr. Arken*  
*File NAB*

August 16, 1974

Mr. M. S. Qadri  
Managing Director  
Agricultural Development Bank of  
Pakistan  
3-C Civic Centre  
Ramna - 7  
Islamabad, Pakistan

Dear Sir,

Re: Nigerian Agricultural Bank  
Technical Assistance

The World Bank is executing agent for a United Nations Development Program (UNDP) project for the establishment and management for a period of three years of a Nigerian Agricultural Bank (NAB).

A firm of European consultants has been retained to set up the Bank, establish its operating procedures, to train Nigerian personnel and to initiate the Bank's lending operations. Up to now, however, the latter have been largely loans to Government agencies or member States of the Nigerian Federation. The number of loans to individual farmers has been relatively small and so far NAB has not participated in any mass credit programs for small farmers. At this stage, we believe that NAB would benefit through having on its staff for a temporary period loan officers who have had practical experience in the employment of agricultural credit banks and agencies in countries with agricultural development problems with similarities to those that obtain in Nigeria. We believe, through our association with the ADB that your organization would fall into this category.

The purpose of this letter is to inquire whether your Bank would be in a position to second for a period, yet to be determined, qualified and experienced personnel to NAB. Currently NAB is seeking, first a person who is experienced in the development of "mass involvement" agricultural programs and who can design the small farmer credit delivery systems needed for, and evaluate the impact of, such programs; and second, two loan officers experienced in direct lending to larger individual farmers.



August 16, 1974

We should be grateful if you would treat this approach, which we are making on behalf of Federal Government of Nigeria, as exploratory and confidential at this time. Should you feel that your organization could make available on a seconded basis suitably experienced staff to fill any of the positions suggested above, then we would wish to explore with you the various possibilities before submitting tentative proposals to the Federal Government of Nigeria, which itself, of course, would initiate any formal approach for technical assistance.

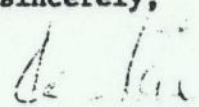
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- (b) the secondment should be for approximately two years.

It is felt that staff seconded to NAB would benefit substantially in experience and stature from such an assignment, and that NAB itself would benefit from their practical experience and thus become an effective agent in agricultural development that much faster.

I look forward to receiving your views and comments.

Yours sincerely,

  
Roger E. Rowe  
Assistant Director  
Western Africa Regional Office

RERowe:db

cc: Messrs. Stoneham, South Asia  
Arben, WAPAL



UNITED NATIONS  
DEVELOPMENT PROGRAMME



OFFICE OF THE RESIDENT ~~NT~~/ao  
REPRESENTATIVE IN NIGERIA

TELEPHONES

26110  
26116  
26118  
26119

P. O. BOX 2075  
LAGOS

TELEX NO. 21372  
CABLES: UNDEVPRO-LAGOS  
STREET ADDRESS:  
11, QUEEN'S DRIVE-IKOYI

REFERENCE:

**NIR/71/016**

**30 August 1974**

**Attention: Mr. D. O. Kanu**

Dear Sir,

**Nigerian Agricultural Bank Limited  
Project Progress Report  
January - June 1974**

....

For your information we herewith forward one copy of the  
subject project Progress Report.

Yours sincerely

*[Signature]*  
Robin T. Miller  
Resident Representative

Permanent Secretary,  
Federal Ministry of Economic Development &  
Reconstruction,  
Development Aid Division,  
Lagos.

cc: Mr. F. Crowe (Proj., W. Africa) - w/original  
Progress Report

cc: The Director, ✓  
International Bank for Reconstruction and Development retained  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

RECEIVED  
OCT 3 1974



*Mr. Deuchard*  
*File Nig - NAB*

August 23, 1974

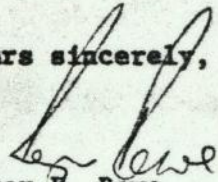
Letter No. 226

Mr. Humayun Mirza  
Chief, World Bank Resident Mission  
P. O. Box 127  
Lagos, Nigeria

Dear Humayun,

I attach a self-explanatory letter concerning NAB for onward transmission to the UNDP Resident Representative.

Yours sincerely,

  
Roger E. Rowe  
Assistant Director  
Western Africa Regional Office

Attachment



August 23, 1974

Mr. Robin Miller  
Resident Representative  
of the United Nations  
Development Program  
P. O. Box 2075  
Lagos, Nigeria

Dear Mr. Miller,

In a recent visit to Nigeria Mr. Arben of this Department had the opportunity to discuss the Nigeria Agricultural Bank Project with you and your colleagues, especially Mr. Lock and Mr. Quennel.

I thought that it might be useful to let you know some of our thinking concerning the project before the tripartite meeting which, I understand, is now to be held October 7-10. Mr. Arben, and Mr. Grosjean from our Lagos Office, will attend the meeting and represent the Bank.

Before dealing with detail I must say that with the benefit of hindsight we would have designed the NAB operation in a different way. I attach a letter sent to Dr. Bukar Shaib in April that dwells on the latter matter and which in a way constitutes the minutes of the meetings held between the Federal Government, NAB, and the Bank earlier this year. In short I think we asked the Consultants to do almost the impossible by requiring them to set up, operate, and plan the policies of the Bank all at the same time. Also until recently the last eighteen months or so have been quite a difficult period in Nigeria - Bank relations, and this has been something of a constraint to our leverage over NAB developments. Fortunately this period has passed and although one cannot minimize the problems we feel probably that we are now more able to influence changes than has been possible for some time. In view of this the tripartite meeting you have proposed will be of particular value.

Generally speaking we think that the Consultants have done quite well in getting the Bank established in the physical sense and in beginning to train staff. We believe that Mr. McKay has done a good job in establishing the management procedures of NAB and in setting and maintaining very satisfactory standards of performance and behavior among the staff. One cannot underestimate the importance of these achievements.



Less satisfactory and in our view inadequate is performance concerning first the development of NAB lending policy, and second the nature of NAB's current lending operations. Much of the problem here, we believe, stems from Mr. McKay's conservative commercial bank type approach.

As far as the first is concerned we believe it most important that the Consultants should give priority to developing lending policies for NAB that take cognizance of the needs of the situation. In our opinion the most important of these is to develop systems of credit delivery that can serve Nigeria's several millions of farm families. We do not underestimate this task, and believe it highly unlikely that the Consultants will be able to produce a final solution during their period of tenure, however, we would like to see NAB firmly committed to this task and actively involved in such operations before the Consultants leave. We had hoped that projects proposed and appraised by the Bank - rural development in the north, rice in the east, and oil palms - would have been a means for NAB to begin to participate in the field of small-farmer lending. The projects were designed to accommodate this but unfortunately Mr. McKay has shown very little interest personally and has been either unprepared or unable to enthuse the NAB Board of Directors in this connection. As a consequence, in negotiating loans for the rural development and rice projects in Washington recently the Nigerian delegation expressly required the exclusion of NAB from these projects on the grounds that "NAB would hold up matters."

As far as NAB's current lending operations are concerned these seem to be overly concentrated in operations such as lending to the NE State cooperatives for cash crop marketing that could have been conducted, as in the past, by commercial banks, and lending to State-owned companies, for example the Mid-West State Oil Palm Company, which again could have been handled by a commercial bank or directly by the State or Federal Ministries of Finance. These are good operations in a financial sense, particularly as the loans are guaranteed by the State Governments. However, NAB was not conceived primarily to provide this type of service, although there would be room for such operations were they compensated by an appropriate concentration of effort on the small farmer front. The amount of direct lending to individual, and relatively large farmers is quite small. This part of NAB's business needs expansion, but to us the scope for expansion is limited by the experience of NAB loan appraisal staff.

The need to get to grips with developing a strategy for lending to small farmers (the so-called mass involvement of NAB), and to expanding direct operations with the larger "commercial" farmers has caused us to propose that NAB obtain additional expatriate staff. This is dealt with in the April letter to Dr. Shaib, and was the basis of our inquiries



August 23, 1974

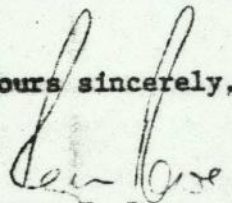
made of you as to whether UNDP could finance such additional staff. In the course of a visit here last month Dr. Shaib agreed the need for these additional staff and gave us clearance to start looking for suitable people. A qualification was that his Ministry would prefer, if possible, that these staff be recruited from somewhere like Pakistan. We think that if UNDP can provide the funds it will make the employment of additional experienced expatriates by NAB a relatively easy exercise. If it is to be financed by Government we would anticipate substantial delays. As we lend to many agricultural credit agencies we foresee no serious problems in obtaining suitable people. In the interest not least of economy we recommend that these people be recruited directly through secondment from their respective agencies and not through the Consultants. We have already initiated inquiries and by the time of the tripartite meeting would hope to be able to make specific proposals. We are aware that the Consultants consider a Training Specialist is also required. We support the Berenschott and Bosboom position in this case and believe the Training Specialist would be complementary to the inputs made by the credit specialists discussed above. Unlike these, however, it would appear that the Training Specialist would have to be provided by the Consultants.

In the same vein as measures to strengthen NAB we believe that there would be merit in attempting to induce the Government to extend the period of the Consultants' tenure. We think that should, as we hope, the interim report come out with well-defined policies and a specific program for NAB in line with the real needs of the situation there could be benefits in retaining current management for say until the end of 1976 to implement the proposals that they make. I am aware that this is a sensitive matter, but it seems to us that it is one to which appropriate consideration should be given.

Clearly much will depend on the quality of the content of the Consultants' Interim Report and in particular the "unconstrained" section. We have been giving some thought to this and are developing a list of topics that we think should be dealt with. We still have to do some more work but expect to be able to provide you with this in order that it may be considered at the tripartite meeting.

I apologize for the length of this letter but I felt it might be useful to confirm the principal areas with which we find difficulty in executing the NAB project.

Yours sincerely,

  
Roger E. Rowe  
Assistant Director  
Western Africa Regional Office

RERowe:db  
Attachment

Cleared with and cc: Mr. Povey  
cc: Mr. Bouchard

## WORLD BANK GROUP

ROUTING SLIP		DATE 21 August	
NAME		ROOM NO.	
John Bouchard		E-806	
✓			
IN file already?			
APPROPRIATE DISPOSITION		NOTE AND RETURN	
APPROVAL		NOTE AND SEND ON	
COMMENT		PER OUR CONVERSATION	
FOR ACTION		PER YOUR REQUEST	
INFORMATION		PREPARE REPLY	
INITIAL		RECOMMENDATION	
NOTE AND FILE		SIGNATURE	
REMARKS			
FROM Resident Mission, Nigeria			
ROOM NO.		EXTENSION	



28/30 Macarthy Street, Lagos  
XXXXXXXXXXXXXXXXXXXX

August 20, 1974

Mr. R. T. Miller  
Resident Representative  
United Nations Development Program  
P.O. Box 2075  
Lagos

Dear Mr. Miller:

Nigerian Agricultural Bank (NAB)  
Additional Technical Assistance Staff

As you know, Mr. A. Arben visited Lagos and Kaduna in early July in connection with NAB. I would like to review with you some of the issues Mr. Arben raises in his report, which were also discussed in Washington with Dr. Bukar Shaib, the Permanent Secretary, FMANR, when he visited the World Bank in late July.

The first and most important point is the selection and recruitment of additional expatriate staff. Since last February, the Bank has been recommending that NAB recruits three additional credit specialists; one agricultural development specialist who would assist in the formulation, appraisal and supervision of projects involving large number of small farmers (mass credit specialists); and another two loan officers experienced in lending to medium and large scale farmers or farm corporations. In addition, Berenschot-Bosboom (BB), the Dutch firm now providing the expatriate management, recommends that a System and Training Specialist be added to assist in the organization of NAB's expansion.

The System and Training Specialist would be directly provided by BB under an expansion of their present management contract. For the other three experts, it has been agreed with Dr. Bukar Shaib that the World Bank itself would select them from existing agricultural credit institutions in Pakistan, or possibly other Asian countries, and arrange for their secondment to NAB either by direct contract with NAB or through a contract with the World Bank.

I am not yet aware of all the details (terms, length of the contracts, etc.) which would allow precise cost estimates of this additional technical assistance but the proposal is for the Federal Government to approach UNDP for the funds required. Your views on the possibility of UNDP financing for this technical assistance would be appreciated.

There are some other points raised in Mr. Arben's report which should be discussed at the tripartite meeting. The main ones would be the involvement of NAB in credit to small farmers; interest rates to be charged by NAB; the content and format of BB interim report due in January 1975; and the possible need to expand the BB contract beyond March 1976.

COMMUNICATIONS  
SECTION

1974 AUG 28 PM 12:54

RECEIVED



August 20, 1974

I would suggest that a working party be set in early September between your office and mine to review these different issues and prepare a tentative agenda for the tripartite meeting. I am pleased to add that the dates of 10 and 11 October which you proposed for the tripartite meeting are suitable to us and to our Washington headquarters.

I look forward to receiving your views on the above proposals at your convenience.

Sincerely yours,

Humayun Mirza  
Chief of Mission

cc: Messrs. R. E. Rowe, Projects, W. Africa  
R. Wadsworth, Projects, W. Africa  
A. W. Arben, Projects, W. Africa  
✓ E. W. Bouchard, International Relations

UNITED NATIONS  
DEVELOPMENT PROGRAMME



OFFICE OF THE RESIDENT  
REPRESENTATIVE IN NIGERIA

TELEPHONES

26110  
26116  
26118  
26119

P.O. BOX 2075  
LAGOS

CABLES: UNDEVPRO-LAGOS  
STREET ADDRESS:  
11, QUEEN'S DRIVE-IKOYI

Ref: NIR/71/016

Date 13 June 1974

Dear Mr. Bouchard,

Nigerian Agricultural Bank  
NIR/71/016

Thank you for your letter NIR/71/016 of 31 May 1974 concerning the reporting, review and monitoring of the above-mentioned project being executed through a subcontractor by the IBRD.

We understand that the progress report (using the new UNDP format) for the project is being prepared by the project manager during July 1974, following the visit to the project of Mr. A. Arben of your organization at the beginning of the same month. We are consequently planning to hold a Tripartite Review of the project sometime in September 1974, when all parties will have had the opportunity of studying the progress report. The date, time and place of the meeting will be communicated to you as soon as it has been agreed.

Please let us know if you find this schedule inconvenient.

*Best wishes*

Yours sincerely,

*Robin T. Miller*

Robin T. Miller  
Resident Representative

Mr. Edward W. Bouchard  
Chief  
International Relations Department  
IBRD  
U.S.A.

cc: Mr. H. Mirza, IBRD, Lagos  
" Mr. Mackay, N.A.B. Kaduna  
" Mr. Peter Quennell, UNDP, Kaduna.

cc: Messrs. F. Povey (C.P.I., W. Africa)  
F. Crowe (Proj., W. Africa)  
IRD

JUN 24 1974



Alan Arben, Esq.  
Hotel Cape Sierra  
FREETOWN  
Sierra Leone

June 3, 1974

Dear Alan,

Roger Rowe spoke to Edward Bouchard a few days ago about the possibility of obtaining additional UNDP funds for recruiting additional competent expatriates for NAB. As you are probably aware UNDP is currently engaged in a search for new projects to speed up the delivery rate of their program.

When you visit Nigeria in July would you please explore with the UNDP Resident Representative and with NAB staff the additional professional assistants required for (say) the next three to five years. You are aware that an approach has already been made to a major credit institution in Mexico for the secondment of staff and it may well be that UNDP funds could be used for this purpose. If the outcome of your talks is favourable we can take the matter up with Mr. Bouchard on your return.

My best wishes to Dick Grimshaw and other members of the appraisal team. I hope that you are enjoying your first exposure to Sierra Leone - at least the beaches are good!

Yours sincerely,



Ralph Wadsworth  
Chief  
Agriculture Division I  
Western Africa Regional Office

RWadsworth:fh  
cc.: Messrs. Bouchard, Povey





INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Cable Address - INTBAFRAD

INTERNATIONAL DEVELOPMENT ASSOCIATION

Cable Address - INDEVAS

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

Area Code 202 • Telephone - EXecutive 3-6360



NIR/71/016

May 31, 1974

Mr. Sachchinanda Kar  
Resident Representative  
United Nations Development Programme  
P.O. Box 2075  
Lagos, Nigeria

Dear Mr. Kar:

Reporting Procedures for UNDP-Financed/Bank-Executed Projects  
UNDP/OFM - Chapter VI

NIGERIA: Nigerian Agricultural Bank Ltd.

In his memorandum, UNDP/OFM/6, September 17, 1973 to Participating and Executing Agencies of UNDP, Field Offices of UNDP, and UNDP Headquarters staff, Mr. Patel, Deputy Administrator, advised that the new Project Progress Report Forms would be sent to Resident Representatives for distribution "to heads of those projects subject to progress reporting".

As you know, the Bank implements many of its UNDP-financed projects with consultants (subcontractors). Contracts are agreed to between the Bank and the consultant and the Bank's reporting requirements are outlined. Where Progress Reports are required by the Bank (in many cases bi-monthly Progress Reports), we feel it would be appropriate to submit these together with the UNDP Progress Report Forms in lieu of completion of Form B - General Account. Where relevant, information held here in Washington relating to Fellowships - Form F and Equipment - Form G, expenses will be sent to the consultant to assist him in completing the Progress Report Forms.

...../2.



Mr. Sachchinanda Kar

- 2 -

May 31, 1974

We would appreciate your early advice with regard to the reporting schedule which you will establish for Bank-executed projects.

Sincerely yours,

Edward W. Bouchard  
International Relations Department

cc: Mr. Crowe (Projects, W. Africa)

EWBouchard/eb



## OFFICE MEMORANDUM

File

TO: Mr. A. Crowe (Projects, West Africa)

DATE: May 31- 1974

FROM: Edward W. Bouchard (International Relations Department)

SUBJECT: New Reporting Procedures for UNDP-Financed/Bank-Executed ProjectsNIGERIA: Nigerian Agricultural Bank Ltd. (NAB/71/016)

As a replacement of its previous reporting requirements, particularly on progress reports and semi-annual statistical supplements, UNDP has developed new reporting procedures. These became effective January 1, 1974, and apply to all UNDP projects both ongoing and newly approved.

The section of UNDP's Operational and Financial Manual dealing with Project Monitoring and Reporting (Chapter VI) has been circulated previously to concerned staff. The instructions below apply and interpret the UNDP procedures for application within the Bank.

This procedure has been reviewed by the Office of the Vice President, Projects Staff, by project staff concerned with transportation projects, and by staff from the International Relations Department.

UNDP's basic requirement is that these Project Progress Reports be prepared semi-annually. Additional information on timing and special arrangements for projects of less than twelve months duration or for projects involving a UNDP contribution of less than \$100,000 are set out in the excerpt from UNDP's manual (see attachment).

The Project Progress Report has several parts, with a form for each. A complete set of forms is attached. You will see that it consists of the following:

A	--	Summary
B	--	General Account
*C	--	Project Activities
D	--	Project Inputs
E-1	--	Agency Personnel
E-2	--	Government Personnel
F	--	Fellowships
G	--	Equipment
H	--	Reports
I-1	--	Long-Term Training Courses
I-2	--	Short-Term Training Courses

\*If the information given in Forms A and B adheres to the Work Plan, completion of Form C may be regarded as optional.

General instructions for completing the forms is given on the back of each. Since all projects do not include every input element, forms relating to elements not included in a particular project can be omitted in completing the report on such projects.



The Bank implements many of its UNDP-financed projects with consultants (subcontractors). In these cases the following additional guidelines will apply:

(i) Form E (Equipment) will be completed by the project's officer in cases where the equipment was purchased by the Bank. Form E will be completed by the consultant where the equipment has been purchased by the consultant under his contract.

(ii) Form F (Fellowships) will be completed in the Bank by the Training Advisory Division of the Education Projects Department.

(iii) Forms completed in the Bank will be sent to the consultant by the Projects office. The consultant will receive all the other required forms from the UNDP Resident Representative. The consultant will pass Form D, second part (Government Inputs), and Form E-2 (Government Personnel) to the government counterpart officer for completion and return to the consultant.

(iv) The consultant will complete all required forms (other than those prepared by the Bank or the Government). In instances where the subcontractor submits bi-monthly progress reports, these can be attached to Form B of the report in lieu of completing Form B in the prescribed manner. After all forms are completed, the full set (Forms A through I-2 but excluding those not required for any particular project), will be assembled by the Consultant and submitted to the Resident Representative, the Government and the Bank.

Projects staff should inform consultants of ongoing, UNDP-financed, Bank-executed projects of these reporting procedures, and appropriate provision should be made for these reports in all new Project Documents (and revisions of existing Project Documents) and in contracts with consultants. The previous requirement for a Semi-Annual Statistical Supplement should be deleted.

## ATTACHMENT

### Modified Excerpts from UNDP's Operational and Financial Manual - Chapter VI Regarding Timing of Project Progress Reports

---

The frequency requirements for preparation of Project Progress Reports is fixed according to the different circumstances outlined below:

- If the duration of the project is twelve months or more, a progress report is prepared every six months;
- If the duration of the project is less than twelve months and the UNDP contribution to the project is \$100,000 or more, a progress report is prepared at mid-point;
- If the duration of the project is less than twelve months and the UNDP contribution to the project is less than \$100,000, the need for progress reporting is determined by the Resident Representative in consultation with the Government and the Executing Agency, taking into account the nature and duration of the particular project.

The formal reporting period normally starts from the date of commencement of field work. The Resident Representative establishes the schedule for the progress report in consultation with the Government and the Agency, and informs UNDP Headquarters accordingly. Where a project is carried out exclusively under subcontract, the progress reporting schedule is established in the executing agency's contract with the consulting firm or organization.



May 23, 1974

Mr. E. C. Metcalfe,  
Director,  
Berenschot Bosboom,  
PO Box 1,  
Tilburg,  
The Netherlands.

Dear Ted:

NAB - UNDP Reporting Requirements

Further to my letter of May 16 I am afraid that the saga surrounding UNDP reporting requirements is not yet over. I am informed by our International Relations Department that the first Interim Report to UNDP, prepared by us, should not be sent direct to the UNDP Resident Representative in Lagos but via the consultants. To avoid confusing Baron Mackay I felt it advisable to send it to you.

The IBRD Progress Report is attached. If you are in agreement would you please send it to the UNDP Resident Representative in Lagos. Copies of the Inception Report and Progress Reports issued to date are being sent direct to the UNDP Resident Representative by our International Relations Department. *HEADQUARTERS*

I would appreciate receiving a copy of your covering letter to the UNDP Resident Representative in Lagos.


Yours sincerely

R. Wadsworth  
Division Chief  
Agriculture Projects 1  
Western Africa Region

cc: Mr. Bouchard ✓

RWadsworth:ch



	UNITED NATIONS DEVELOPMENT PROGRAMME				FORM A SUMMARY
	PROJECT PROGRESS REPORT	PROJECT NUMBER NIR/71/016	AGENCY IBRD	REPORTING PERIOD NOVEMBER 1972 THRU JANUARY 1974	

COUNTRY AND PROJECT TITLE: NIGERIA NIGERIAN AGRICULTURAL BANK LTD.			DURATION 3 YEARS	UNDP BUDGET (\$US) 765,000	
DATE PROJECT APPROVED NOV. 15, 1972	START OF FIELD WORK		COMPLETION OF FIELD WORK		TRIPARTITE REVIEW? YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
	SCHEDULED	ACTUAL MARCH 15, 1973	ORIGINAL EST.	CURRENT EST. MARCH 14, 1976	DATE: FEB. 21, 1974

### Summary of Project Implementation

See attached IBRD progress report dated May 8, 1974.

NAME OF PROJECT MANAGER/EXPERT AND DATE BERENSCHOT BOSBOOM N.V.	FORMS SUBMITTED (CHECK) <table border="0"> <tr> <td>A</td><td>B</td><td>C</td><td>D</td><td>E-1</td><td>E-2</td><td>F</td><td>G</td><td>H</td><td>I-1</td><td>I-2</td> </tr> <tr> <td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td> </tr> </table>	A	B	C	D	E-1	E-2	F	G	H	I-1	I-2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A	B	C	D	E-1	E-2	F	G	H	I-1	I-2													
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IBRD PROGRESS REPORT TO UNDP ON ESTABLISHMENT OF  
NIGERIAN AGRICULTURAL BANK LTD. UNDER EXECUTING  
AGENCY CONTRACT DATED NOVEMBER 15, 1972 BETWEEN  
UNDP/FMG/AND IBRD

1. This report covers the period November 15, 1972 to January 15, 1974.
2. The executing agency contract was signed by all parties on November 15, 1972.
3. The contract covers the establishment of the Nigerian Agricultural Bank Ltd. (NAB) to provide agricultural credit at federal level and to provide assistance in the development of credit policies projects and institutions. IBRD as executing agency was charged with the recruitment and supervision of a team of experts who would organize and manage NAB to achieve its objectives. Article II Section 2.01 (i) (a) through (m) sets out in detail the duties and responsibilities of the experts.
4. IBRD entered in a contract for consultants services with Berenschot Bosboom NV on November 17, 1972. Due to delay on part of FMG, letters of appointment to the individuals were not finalized until late February 1973. As the letters of appointment were a condition of effectiveness (Section 8.01) of the UNDP contract, the starting date of contract was delayed until March 15, 1973. Most of the experts were on station before the starting date.
5. NAB was incorporated as a legal limited liability company November 1972 but not formally inaugurated until March 6, 1973.
6. The experts are required to prepare and submit various reports to a timetable which is laid down in Section 2.01 (iv) (a) through (e). For details see Appendix A attached.
7. Up to January 15, 1974 the experts have submitted a draft inception report and two quarterly progress reports.
8. The draft inception report (IR) dated July 1973 was submitted by the experts to the Board of NAB and FMG with copies to IBRD for review. IBRD had some misgivings on the adequacy of the draft report in the areas of conceptual approach and overall policy guidance and advice. These misgivings were communicated to the experts through correspondence and a mission visit August/September 1973. The Board of NAB decided to withhold their comments until they had an opportunity to consider IBRD's views. No comments had been received from FMG. It was then felt that the review and amendments of the draft report would be best accomplished by a tripartite meeting in Nigeria consisting of representatives of the Board of NAB supported by the experts, FMG and IBRD. A meeting was proposed for December 1973 but delayed until February 1974. At this meeting, it was agreed that in view of the time delay and the complexities involved the draft IR would be accepted as having met the obligations of the



experts. The outstanding conceptual and policy decisions would be resolved over the coming months and would be incorporated in the interim report (INTR) which is due eighteen months after commencement of the project namely September 15, 1974. It has been agreed with the experts that to allow sufficient time and further practical experience, the report availability date would be deferred until January 1, 1975. A copy of the experts' draft inception report with appendices dated July 1973 and IBRD's comments is attached.

9. The experts have also submitted two quarterly reports in accordance with their obligations covering the periods:

July 15 through October 15, 1973

October 16, 1973 through January 15, 1974

Agriculture Projects Division  
Western Africa Regional Office

May 8, 1974



Reporting Requirements laid down in Article II Section 2.01 (iv) (a) thru (e)

Executing agency contract dated November 15, 1972.

1. Inception report (IR) 3 months after commencement of project summarizing findings and recommendations of the experts and outlining any proposals for revision in the work program if such revisions are required by conditions found by the experts in Nigeria.

2. Progress reports - 3 monthly interval (1st due 3 months after submission of IR). Summarizing all work performed in last quarter and outline of next 2 quarters.

3. Interim report - 18 months after commencement. Summarizing work of experts, progress of NAB and recommendations for remainder of contract.

4. A Report - 33 months after commencement with experts' recommendations for work after contract termination.

5. Final Report - 40 months after commencement - outline of work performed by experts and results obtained.

Art. 5.02 put onus on IBRD to ensure availability of reports above and circulation to UNDP and FMG. IBRD/BB contract spells out above reports in App. A Part II D (a) through (e)

AArben:mg  
May 10, 1974

NIGERIAN AGRICULTURAL BANK (NAB)

BACKGROUND NOTES

1. NAB incorporated November 1972.
2. NAB formally inaugurated March 6, 1973.
3. IBRD appointed executing agency of UNDP financed project:  

Project No. NIR/71/016 November 15, 1972 for 3 years between UNDP/FMG and IBRD as executing agency. Project became effective 15 March 1973.
4. IBRD signed contract for consultants services with Berenschot Bosboom NV (BB) November 17, 1972.
5. Inception report due date - July 14, 1973 (date confirmed by F. Crowe's letter dated April 12, 1973).  

F. Crowe indicated report should cover all matters referred to under the heading 'Operations and Responsibilities of Consultants' in Appendix A.
6. FMG promised N 12 m finance first year with an initial payment of N 1 m.
7. Draft inception report sent by BB on July 13, 1973 to IBRD for review.
8. Shaib (Permanent Secretary FMANR) insisted NAB review it first.
9. Originally report was 'light' on small farmer involvement.
10. Receipt of draft inception report acknowledged July 27, 1973 by RW and arranged visit of Pierre Courbois two weeks beginning August 27 to review report.
11. Courbois "Back-to-office" report dated October 2, 1973 (a) felt inception report 'confusing generally, reflects hasty drafting and lacks positive future policy recommendations' - a main problem was small farmers mass lending program'.  

(b) At this stage FMG had only contributed N 1 million, NAB had made no loans to date - had problem deciding lending interest rate levels. Mentions doubts as to ability of consultant team. NAB Board had not formally commented on the IR neither had FMG.
12. IBRD detailed comments on IR, dated November 9, 1973 included:
  - consultants considered IR as a 'base management document'.  
IBRD report considers that such a document cannot be produced before mid-1974 at the earliest - after more experience and study.
  - responsibility of NAB board and management not adequately defined.



-problems of recruiting skilled Nigerian staff (N).

13. RE Rowe forwarded IBRD comments to Mackay (November 9). Main criticism - 'IR attempted to cover rather too much ground and to arrive at rather too precise forecasts of the development of NAB in the future'.

RE Rowe asked for early meeting with FMG so the final draft IR could reflect the conclusions of the proposed tripartite meeting between IBRD, FMG, NAB.

14. Courbois submitted a full report on NAB November 12, 1973.

15. RE Rowe reviewed draft IR in Nigeria February 21-23 with NAB Board and FMG.

16. RE Rowe letter to Shaib dated April 16, 1974 mentions:

- 'draft IR' would be accepted as meeting consultants' report obligations.
- interim report would be prepared no later January 1, 1975 to include (a) account of NAB operation and achievements to end of 1974.
- (b) a description of the policies of the Bank and its plans and projections (physical and fiscal) for the future.
- (c) unconstrained recommendations of Berenschot Bosboom concerning NAB operations and policies both current and planned (not to subject to NAB board approval before submission to IBRD and FMG).

Letter also mentions (i) the need to strengthen the management team by outside experts but at FMG's expense; (ii) interest rates - Gall (BB)/Grosjean (IBRD) to submit paper (still outstanding).

AArben:mg  
May 10, 1974

FORM NO. 75  
(2-60)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

ROUTING SLIP

Date

5/22/74

NAME

ROOM NO.

Mr. Bouchard

E 806

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

FIRST & SECOND  
QUARTERLY REPORTS

From

R. Wadsworth



UNITED NATIONS DEVELOPMENT PROGRAMME (SPECIAL FUND) PROJECTS  
REPORTS FACT SHEET

Agency: International Bank for Reconstruction and Development (IBRD)

Country: NIGERIA UNDP Project Symbol: NIR/71/016

Project Title: NIGERIAN AGRICULTURAL BANK LTD.

Report Title & Vols: FIRST QUARTERLY PROGRESS REPORT

Author: BERENSCHOT BOSBOOM N.V.

Date, Place Published: NOVEMBER 1973 - TILBURG, NETHERLANDS

Language(s): ENGLISH

Total Print Run: 50

No. of copies (sets)  
attached 4

Type of Report: Technical: \_\_\_\_\_  
(check one) Inception: \_\_\_\_\_  
Progress: X \_\_\_\_\_  
Mid-term: \_\_\_\_\_  
Final: \_\_\_\_\_

Transmittal of Report to Government

Sent by: BERENSCHOT BOSBOOM N.V.  
(IBRD, Subcontractor, other)

Date sent: July 22, 1973

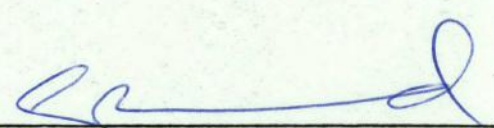
No. of copies sent: 25

Date copy sent to Resident Representative: As above

Should UNDP seek derestriction of report? No  
(usually only for Final Reports)

Confidential evaluation Attached N/A  
(Final Reports only) To Follow \_\_\_\_\_

REMARKS:

Date sent to UNDP by agency:  May 23, 1974  
(International Relations Department) Edward W. Bouchard

Please complete this form for each report submitted and send two copies with the reports to the Technical Assistance Division, International Relations Department.



UNITED NATIONS DEVELOPMENT PROGRAMME (SPECIAL FUND) PROJECTS  
REPORTS FACT SHEET

Agency: International Bank for Reconstruction and Development (IBRD)

Country: NIGERIA UNDP Project Symbol: NIR/71/016

Project Title: NIGERIAN AGRICULTURAL BANK LTD.

Report Title & Vols: SECOND QUARTERLY PROGRESS REPORT

Author: BERENSCHOT BOSBOOM N.V.

Date, Place Published: JANUARY 1974 - TILBURG, NETHERLANDS

Language(s): ENGLISH

Total Print Run: 50

No. of copies (sets)  
attached 4

Type of Report: Technical: \_\_\_\_\_  
(check one) Inception: \_\_\_\_\_  
Progress: X \_\_\_\_\_  
Mid-term: \_\_\_\_\_  
Final: \_\_\_\_\_

Transmittal of Report to Government

Sent by: BERENSCHOT BOSBOOM

(IBRD, Subcontractor, other)

Date sent: July 22, 1973

No. of copies sent: 25

Date copy sent to Resident Representative: As above

Should UNDP seek derestriction of report? No  
(usually only for Final Reports)

Confidential evaluation  
(Final Reports only)

Attached N/A  
To Follow \_\_\_\_\_

REMARKS:

Date sent to UNDP by agency: Edward W. Bouchard May 23, 1974  
(International Relations Department)

Please complete this form for each report submitted and send two copies with the reports to the Technical Assistance Division, International Relations Department.



FORM No. 75  
(2-60)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

**ROUTING SLIP**

**Date**

5/22/74

**NAME**

**ROOM NO.**

Mr. Bouchard

E 806

**To Handle**

**Note and File**

**Appropriate Disposition**

**Note and Return**

**Approval**

**Prepare Reply**

**Comment**

**Per Our Conversation**

**Full Report**

**Recommendation**

**Information**

**Signature**

**Initial**

**Send On**

**REMARKS**

From

R. Wadsworth

UNITED NATIONS DEVELOPMENT PROGRAMME (SPECIAL FUND) PROJECTS  
REPORTS FACT SHEET

Agency: International Bank for Reconstruction and Development (IBRD)

Country: NIGERIA UNDP Project Symbol: NIR/71/016

Project Title: NIGERIAN AGRICULTURAL BANK LTD.

Report Title & Vols: DRAFT INCEPTION REPORT WITH APPENDICES (2 VOLS.)

Author: BERENSCHOT BOSBOOM N.V.

Date, Place Published: JULY 1973 - TILBURG, NETHERLANDS

Language(s): ENGLISH

Total Print Run: 50

No. of copies (sets)  
attached 4

Type of Report: Technical: \_\_\_\_\_  
(check one) Inception: X  
Progress: \_\_\_\_\_  
Mid-term: \_\_\_\_\_  
Final: \_\_\_\_\_

Transmittal of Report to Government

Sent by: BERENSCHOT BOSBOOM  
(IBRD, Subcontractor, other)


Date sent: July 22, 1973

No. of copies sent: 25

Date copy sent to Resident Representative: As above  
Should UNDP seek derestriction of report? No  
(usually only for Final Reports)

Confidential evaluation Attached N/A  
(Final Reports only) To Follow \_\_\_\_\_


REMARKS:

Date sent to UNDP by agency:  May 23, 1974  
(International Relations Department) Edward W. Bouchard

Please complete this form for each report submitted and send two copies with the reports to the Technical Assistance Division, International Relations Department.



REQUEST FOR SHIPMENT AND MAILING OF PACKAGES

Department <b>International Relations</b>		Division <b>Technical Assistance</b>		Date <b>May 23, 1974</b>
<b>MATERIAL TO BE DISPATCHED</b>				
Quantity	Description			
8 documents	<b>NIGERIA: Nigerian Agricultural Bank Ltd.</b> <b>Draft Inception Report with Appendices</b> <b>(Ref: 639/149 - July 1973)</b>			
Send To			Special Instructions	
<b>Mr. Michel Doo Kingue</b> <b>Assistant Administrator &amp; Director</b> <b>Regional Bureau for Africa</b> <b>United Nations Development Programme</b> <b>866 United Nations Plaza</b> <b>New York, N.Y. 10017</b>				
Date Wanted at Destination	Valuation of Contents	Authorized Signature		
<b>RECORD OF DISPATCH</b>				
No. of Packages	Weights	Measurements	Insurance No.	Cost
Method of Dispatch		Shipment Via		
Date of Dispatch		Signature of Dispatcher		

File  
Nig.  
Agric Bank

May 16, 1974

Baron E. R. A. Mackay,  
General Manager,  
Nigerian Agricultural Bank Limited,  
P. M. B. 2155,  
18/19 Ahmadu Bello Way,  
Kaduna,  
Nigeria.

Dear Baron Mackay:

NAB - UNDP Reporting Requirements

With effect from January 1, 1974 UNDP introduced revised reporting procedures for all existing and proposed projects. These new procedures modify the reporting requirements contained in Appendix A, Section II B (a) through (e) of the contract of consultant services between Berenschot Bosboom N. V. and IBRD (as executing agents) for the establishment of NAB. The basic difference appears to be the need to report semi-annually on forms which UNDP have devised for this purpose. The forms are to be completed by the consultants.

It is suggested that the first report to be submitted by you on the new format should cover the half year to 15th March, 1974. We propose to satisfy in part IBRD's reporting obligations to UNDP as executing agent for the period through mid-January 1974 by submitting copies of the draft inception report together with IBRD's comments, the first and second quarterly progress reports prepared by the consultants and a brief history of the project to date.

By copy of this letter we are requesting (a) the resident UNDP representative in Nigeria to provide you with an adequate supply of the new reporting forms together with the detailed written instructions for their completion and distribution; and (b) the Resident Bank Mission in Lagos to liaise with you to ensure that the forms and instructions have been received.



May 16, 1974

We propose that Mr. Alan Arben, a financial analyst, should visit NAB in Kaduna from 1st to 4th July, 1974 to assist with the preparation of the first report, provided that the IBRD Resident Mission in Nigeria confirms that the proposed dates are acceptable. During his visit Mr. Arben will also acquaint himself with the general progress of NAB and its proposed future programs. It would be helpful if a representative of the UNDP mission could be present in Kaduna for one day during Arben's visit to review the completed UNDP forms and to resolve any outstanding queries.

We wish to continue to receive the quarterly progress report which we find most useful. However the work schedule for the forthcoming three month period should be expanded to cover a six month period and it would also be helpful if a brief note of program achievements, compared to previously advised work program, reasons for non-achievements and future action proposed could be included.

Yours sincerely

R. Wadsworth  
Division Chief  
Agriculture Projects 1  
Western Africa Region

Cleared and cc: F. Povey

cc: IBRD Resident Mission, Lagos  
C. E. Metcalfe, Bureau Chief Ecosoc H.V.  
UNDP Representative in Nigeria

E. W. Bouchard - International Relations Dept.

AArben:ch

# OFFICE MEMORANDUM

TO: Mr. Edward W. Bouchard (International Relations  
Dept.)

DATE: December 27, 1973

FROM: Mr. Frank M. Crowe, WAPAG *Frank M. Crowe*

SUBJECT: UNDP Administrator's Annual Report to the Governing  
Council on Activities in 1973

In response to your memorandum of November 7, please find the completed forms for SEN/72/013 - Livestock Feasibility Study and NIR/71/016 - Agricultural Development Bank.

FMCrowe/det

Enclosures



Table 1: NUMBER OF EXPERTS SERVING IN THE FIELD DURING 1973, BY NATIONALITY

Agency: \_\_\_\_\_

	Number of Experts							
	UNDP				Regular Programme <sup>a/</sup>		Other Programmes <sup>b/</sup>	
	Total	Of which:			Total	Of which:		Total
		Subcon-tractor personnel	OPAS	Associate experts		OPAS	Associate experts	Of which associate experts
<u>Nigerian Agricultural Bank</u>								
Berenschot-Bosboom B.V. (Dutch)								
are providing:								
Dutch experts	3	3						
German experts	1	1						
<u>Senegal Livestock Feasibility Study</u>								
SATEC (French) are providing:								
French experts	8	8						
Total	12	12						

Note: This table should show the number of individual experts who served in the field at any time during 1973. (Do not count renewals of contracts or assignments to more than one country as additional experts.)

a/ Refers to technical assistance activities, other than those carried out under the UNDP, which were financed from the regular budgetary resources of the Agency.

b/ Refers to technical assistance activities carried out by the Agency which were financed from funds outside of its regular budget. These activities include, inter alia: Associate Experts; Funds-in-Trust; voluntary contributions (e.g. the Freedom from Hunger Campaign of FAO, the Voluntary Fund for Health Promotion of WHO, etc.).



Table 2: NUMBER OF EXPERTS SERVING IN THE FIELD DURING 1973, BY COUNTRY OR REGION OF ASSIGNMENT

Agency: \_\_\_\_\_

Country or Region of Assignment (list alphabetically)	Number of Experts							
	UNDP				Regular Programme <sup>a/</sup>		Other Programmes <sup>b/</sup>	
	Total	Of which:			Total	Of which:		Total
		Subcon-tractor personnel	OPAS	Associate experts		OPAS	Associate experts	Of which associate experts
<u>Nigeria</u>								
Agricultural Bank Management team	4	4						
<u>Senegal</u>								
Livestock Feasibility Study	8	8						
Total	12	12						

Note: Where an expert served in more than one country, each country of assignment should be listed separately. Thus, the total for this table will not necessarily correspond to that in Table 1. Experts serving under regional projects should be listed only under their specific region regardless of their actual duty stations.

<sup>a/</sup> Refers to technical assistance activities, other than those carried out under the UNDP, which were financed from the regular budgetary resources of other organizations of the Agency.

<sup>b/</sup> Refers to technical assistance activities carried out by the Agency which were financed from funds outside of its regular budget. These activities include, inter alia: Associate Experts; Funds-in-Trust; voluntary contributions (e.g. the Freedom from Hunger campaign of FAO, the Voluntary Fund for Health Promotion of WHO, etc.).



Mr. Frank M. Crowe (Projects, W. Africa)

November 7, 1973

Edward W. Bouchard (International Relations Dept.)

UNDP Administrator's Annual Report to the Governing Council  
on Activities in 1973

We would appreciate your completing the attached Tables 1 and 2, providing information on the number of experts serving in the field in 1973, by nationality and by country of assignment, in respect to the following Bank executed projects:

SEN/72/013 - Livestock Feasibility Study

NIR/71/016 - Agricultural Development Bank

I would be grateful if this information could reach me by December 31, 1973.

Attachments  
Tables 1 and 2

EWBouchard/eps



## OFFICE MEMORANDUM

Mr. Bouchard

File

TO: Mr. Roger E. Rowe

DATE: October 2, 1973

FROM: P. A. Courbois and T. M. Kulatilaka

SUBJECT: NIGERIA: Review of Nigerian Agricultural Bank Project (UNDP)  
Back-to-Office Report

1. In accordance with Terms of Reference dated August 6, 1973, the mission visited Nigeria from August 28 to September 12 to review the Nigerian Agricultural Bank Project (NAB) financed by UNDP, and to discuss with the Government and the management team of experts of Berenschot-Bosboom the consultants' draft inception report (IR) on NAB. The mission worked in close contact with the Bank's Resident Mission in Lagos and Paul Grosjean, Agricultural Economist, who attended most of the discussions in Kaduna and Lagos. A list of the persons with whom the mission held discussions is in Annex I.

2. The mission had extensive discussions mostly with the NAB management team of experts, the UNDP representatives, and a UNDP team of project evaluators; but, regretfully, had not the opportunity to meet many board members and Government officials, more especially of the Federal and State Ministries of Agriculture and Natural Resources, either because of their absence or difficulty of communications.

3. The mission feels that the IR, presented as a draft, has many weaknesses, is confusing, generally reflects hasty drafting, and lacks positive future policy recommendations. The main points of contention between the mission and the consultants team relate to the IR proposals for:

- (a) Mass lending to small farmers (some 70 percent of the population) and timing of these operations;
- (b) NAB's structure and future role. These problems are closely related. The management team suggests starting operations with direct lending to large-scale agricultural entrepreneurs who are reportedly eager to secure medium- and long-term credit (to date, 76 applications for about N 15 million have been received) followed by large-scale lending to small farmers independently from existing state institutions after the NAB structure and staffing has been consolidated. The mission does not agree that priority should be given to individual lending, and recommends immediate NAB involvement in small farmer credit programs through existing state agencies. Close association with state government services in devising and implementing credit programs is considered essential, despite their weaknesses, and wherever possible NAB should participate in the development of state credit systems; and



- (c) The management team considers that the NAB memorandum and articles of association do not give NAB adequate latitude to operate. In the mission's opinion this is not the case and the memorandum and articles of association enable NAB to operate in a broad field on commercial lines with minimal intervention.

4. The NAB is also confronted with problems of resources and profitability.

- (a) The Federal Military Government (FMG) has paid up the capital of N 1 million which is now being used for meeting NAB's initial expenses, but has failed to release a sum of N 11 million allocated to NAB in the current Five-Year Plan. (N 4 million has been provided in the 1973-74 budget.) NAB's management intends to invest most of the paid-up and allocated funds in Government bonds to generate income to cover operating costs during the early years. The position of the Ministry of Finance is that funds should be disbursed on the basis of an approved lending program. This is sensible, but will not enable NAB to earn any income for a long time. Meanwhile, NAB will incur heavy losses and face liquidity problems. The matter is under discussion between NAB and Government.
- (b) NAB's profitability may be doubtful because of heavy initial expenses, low lending rates imposed by the Government (6 to 7 percent p.a., likely to be lowered against a current inflation rate of about 3 to 4 percent), and its consultancy guiding and training roles which cannot be self-supporting. Although it would benefit from Government interest-free loans, the suggested lending rates are too low for NAB to break even at present.

5. There are doubts that the management team supplied by the consultants is fully qualified to follow their terms of reference particularly for the preparation of agricultural credit programs. Contrary to the contract between Bank and consultants the team does not include an agricultural credit specialist. In addition, the general manager, although an experienced banker, is strictly commercially oriented and apparently not development conscious. The agricultural economist, although not without weaknesses, has a strong personality and overshadows the rest of the team. Both the general manager and the agricultural economist appear reluctant to work closely with Government services which they feel are disorganized and incompetent. This does not augur well for future Government/NAB relationships.

October 2, 1973

6. Neither the NAB Board of Directors nor the Government has formally commented on the IR. The mission recommends that the views of the Government and the NAB Board on the IR should be sought immediately. Pending receipt of their views, the mission is writing a full report containing detailed recommendations for discussion and agreement within the Bank.

PACourbois/TMKulatilaka:yu

cc: Messrs. Thalwitz (3)

Wright

Povey

Mirza

van der Tak (3)

Yudelman (2)

Bowron

Gillette

Krishna (Legal)

Jones (Controllers)

Bouchard

Western Africa Files



LIST OF PERSONS WITH WHOM DISCUSSIONS WERE HELD

1. IBRD - Resident Mission
  - (a) Paul Grosjean
  - (b) David Pearce
2. UNDP
  - (a) Mr. S. Kar - Acting Resident Representative
  - (b) Mr. Victor Rose - FAO Representative in Lagos
  - (c) Mr. Raman - Leader UNDP - Country Program Evaluation Team
  - (d) Mr. Bryan M. C. Locke - Assistant Resident Representative
  - (e) Mr. Peter Quennell - UNDP Office - Kaduna
  - (f) Mr. Davis - FAO - Dairying and Milk Processing Specialist - Kaduna
3. Federal Ministry of Agriculture - Natural Resources - Lagos
  - (a) Mr. Popo - Deputy Permanent Secretary
4. Federal Ministry of Finance
  - (a) Mr. Abubaker Alhaji - Deputy Permanent Secretary
5. NAB Management Team of Berenschot - Bosboom B.V.
  - (a) Mr. E.R.A. Mackay
  - (b) Mr. Fritz Eybergen
  - (c) Mr. H. Unk
  - (d) Dr. K.W. Gall
6. Members of NAB Board
  - (a) Mr. Mallam W. Samaila - N.N.D.C. - Kaduna
  - (b) Mr. F.A. Ijewere - Central Bank - Lagos
  - (c) Mr. C.E. Enuenwogu - Central Bank - Lagos
7. State Governments Agencies - Western State
  - (a) Mr. M.S. Adigun - Permanent Secretary - MANR
  - (b) Mr. M.A. Akintomede (former Permanent Secretary) - MANR
  - (c) Mr. Adipoju A. Ladimeji - Chairman - Agricultural and Industrial Investment Corporation
  - (d) Mr. E.O. Otitoju - General Manager - Agricultural and Industrial Investment Corporation
  - (e) Mr. G.O. Osoba - Deputy General Manager - Cooperative Bank

June 15, 1973

Mr. Michel Doe Kingue  
Assistant Administrator and Director  
Regional Bureau for Africa  
United Nations Development Programme  
866 United Nations Plaza  
New York, N.Y. 10017

Dear Mr. Doe Kingue:

Revision of Project Budgets

Please find attached rephased budgets for the following projects:

ETH/71/006 - ETHIOPIA:	Assistance to The Agricultural and Industrial Development Bank
ETH/70/531/A/01/L2 - ETHIOPIA:	Development Planning Assistance Project
IVC/70/517/B/01/L2 - IVORY COAST:	Transportation Survey-Phase II
✓ NIR/71/016/A/01/L2 - NIGERIA:	Agricultural Development Bank
NIR/66/523/A/01/L2 - NIGERIA:	Road Development Survey in Northern Nigeria
MLW/71/517/A/01/L2 - MALAWI:	Feasibility Studies of Two Main Roads
MLW/72/009/A/01/L2 - MALAWI:	Vipya Pulp and Paper Pre-Investment Survey - Phase II



Mr. Michel Doo Kingue

- 2 -

June 15, 1973

SIL/71/513/B/01/42 - SIERRA LEONE: Highway Feasibility  
Studies

ZAI/72/001/A/01/42 - ZAIRE: Assistance to the  
Bureau of Roads

ZAI/70/002 - ZAIRE: Technical Assistance  
to SOFIDE

The rephased budget for the Somalia Highway Development Program  
(SOM/65/508/B/01/42) project is in the process of being completed.  
We will send it to you when finalized.

Yours sincerely,

Edward W. Bouchard  
International Relations Department

cc: Mr. H. L. Maggs,  
Deputy Director  
Division of Finance  
Bureau of Administration and Finance  
United Nations Development Programme  
866 United Nations Plaza  
New York, N.Y. 10017

Attachments

cc: Messrs. H.E. Tolley (Chief Div.1B, C.P.I, E.Africa)  
Jean-David Roulet (Chief Div.2B, C.P.II, E.Africa)  
T.H. Halbe (Chief Div.2A, C.P.II, E.Africa)  
A.Gue (Chief Div.2A, C.P.II, W.Africa)  
H. Mirza (Chief Div.1A, C.P.I, W.Africa)  
L.E. Christoffersen (Chief Div.1B, C.P.I, W.Africa)

EWBouchard/eps

Project Budget Covering UNDP Contribution  
(in U.S. Dollars)

Country : NIGERIA

Project No. : NIR/71/016/A/01/42

Title : Agricultural Development Bank

COMPONENT	Totals	1971	1972	1973	1974	1975
	m/m \$	m/m \$	m/m \$	m/m \$	m/m \$	m/m \$
20 SUB-CONTRACT COMPONENT						
21 Sub-Contracts:	765,000	-	-	266,000	238,000	261,000
29 Component Total:	765,000	-	-	266,000	238,000	261,000
99 PROJECT TOTAL:	765,000	-	-	266,000	238,000	261,000



## OFFICE MEMORANDUM

TO: Mr. E.W. Bouchard, IRD

DATE: April 12, 1973

FROM: F.M. Crowe, WAPAG *FM*SUBJECT: NIGERIA - Nigerian Agricultural Bank Ltd.  
Impact of Devaluation on Project Costs

1. Section 3.01 of the Contract for Consultants' Services says, "The Bank shall pay consultants .....in Guilders or in such other freely convertible currency or currencies as the Bank shall elect from time to time, an amount not to exceed the equivalent of US\$ 695,000...." Section 3.03 (covering local currency payments) also says that the Bank shall pay an amount "not exceeding, however, the sum of US\$ 70,000 equivalent."

2. The contract does not, therefore, seem to require an automatic increase in the dollar amount in the project budget, although the 5% cost overrun is presumably allowable anyway. This 5% would, in fact, cover the increase in the dollar equivalent of the foreign exchange costs at the present rate of exchange of the Dutch guilder.

Budgeted amount in Guilders	2,118,200
\$1 = F12.95	US\$ <u>718,034</u>
Budget	US\$ 695,000
5%	US\$ <u>34,750</u>
Total	<u>729,750</u>

With regard to local costs, the Naira has so far moved with dollar and no adjustment is needed.

Cleared with and cc: Mr. Rowe  
Mr. Povey (Programs I)  
Mr. Krishna (Legal)  
Mr. Jones (Controller's)

FMCrowe:co



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

## INTERNATIONAL DEVELOPMENT ASSOCIATION

## OFFICE MEMORANDUM

TO: Mr. R. E. Rowe, Division Chief, WAPAG      DATE: April 10, 1973

FROM: F. M. Crowe, WAPAG

SUBJECT: Supervision Report - NIGERIA - UNDP Project  
Nigerian Agricultural Bank

1. In accordance with terms of reference dated February 2, 1973, I visited Nigeria and Holland between March 18 and 23 to supervise the UNDP Project for the establishment of the Nigerian Agricultural Bank (NAB). I held discussions with the General Manager and his senior staff at the NAB's head office in Kaduna and spoke briefly in Lagos with Dr. Bukar Shaib, the Permanent Secretary of the Federal Ministry of Agriculture and Natural Resources. I also visited the UNDP office in Kaduna. Subsequently, I passed through Amsterdam for discussions with Berenschot-Bosboom N.V., the consultants providing the senior management of NAB; these discussions were principally with Mr. C.E. Metcalfe, the director responsible.

## Background

2. Since as early as 1963, IBRD has been interested in the creation of a national agricultural credit institution in Nigeria and, by 1966, had carried out a feasibility study in conjunction with USAID. After an interruption caused by the civil war, a mission consisting of Mr. A.H. Stoneham visited Nigeria in June 1969 and, in a report dated September 18 of that year, recommended the establishment of a federal agricultural bank.

3. The Federal Government accepted this recommendation and requested the UNDP to assist in financing a project to organize and manage the NAB during its first three years. IBRD is the executing agency for this project. The NAB was incorporated in November last year and shortly afterwards IBRD and Berenschot Bosboom N.V., Tilburg, The Netherlands, signed a Contract for Consultants' Services. The consultants' management team of four men arrived in Nigeria in the early part of this year. NAB was formally inaugurated on March 6, 1973 and the project came into force on March 15. Its success in the future is important to IBRD's agricultural lending program in Nigeria.

## Summary and Conclusions

4. The Board of Directors has held its first meeting and issued letters of appointment to the management team. The general manager is beginning the recruitment of senior Nigerian staff and touring the country to obtain information about the needs, resources and institutions of the different states. NAB is receiving full Government cooperation.



5. The general manager raised two questions concerning: (a) the payment of the consulting firm's bills; and (b) the due date of the inception report. The first point has been cleared and the date of the inception report confirmed as July 14, 1973.

6. It will be a difficult task to establish, in three years, a sound organization capable of having an impact on agriculture throughout the country. Key problems are likely to be: recruitment of Nigerian staff of the highest quality; achieving the right mix of lending; reaching small farmers; finding suitable intermediate lenders; achieving the scale of operations likely to be required.

7. The management team is of reasonable quality, but will be stretched to carry out its terms of reference. Its inception report will be important and there should be a further supervision visit when it is being drafted and again after it has been submitted and reviewed.

#### Activities of the NAB to Date

8. The general manager reported that NAB had:

- a) following its inauguration by the Head of State, held its first board meeting on March 6, 1973. A copy of the draft minutes is on file;
- b) prepared a statement of policy; a copy is on file;
- c) issued formal letters of appointment to the members of the management team supplied by the consultants, as follows:

Baron E.R.A. Mackay	: General Manager
Mr. H. Unk	: Chief Accountant
Dr. K.W. Gall	: Chief Agricultural Economist
Mr. F.A. van Baardewijk	: Chief Credit Specialist

- d) engaged some clerical and junior staff;
- e) advertised vacancies (a copy of the draft advertisement is on file) for the following positions:
  - (i) Projects offices
    - crops
    - livestock
    - irrigation
  - (ii) Operations offices
    - financial
    - co-operative
    - technical
- f) prepared draft organization charts copies of which are on file;
- g) rented office accommodation (which would eventually be replaced when its own office buildings are constructed) and arranged housing for its senior management.



9. The general manager said that their main concern at present in addition to the recruitment of senior staff, was to inform themselves of the needs and resources of the different states and of the state institutions with which they would be working. He said that NAB was getting full co-operation from the Federal and State Governments.

#### Payment of the Consulting Firm's Bills

10. The General Manager asked whether bills submitted to IBRD by Berenschot-Bosboom N.V. in accordance with Section 3.02 of the Contract for Consultants' Services could properly include fees and expenses incurred on the project before the starting of effective dates defined by the contract. I said that the Section appeared to allow this. I have since confirmed with Mr. Krishna (Legal Department) that such costs are chargeable and have also cleared the point with the Controller's Program Departments. We have cabled the consultants accordingly.

#### Inception Report

11. Mr. Wright's cable dated March 15, 1973 informs the parties to the Project Document and Contract for Consultants' Services that "the project enters into force" on that day. In accordance with the terms of the Contract, the starting date would thus be April 14 unless otherwise agreed between IBRD and the consultants, and the inception report would be due on July 14, 1973. I agreed with the General Manager - and subsequently with Mr. van Gigh and Mr. Povey - that this timetable was realistic in view of the work involved. We have cabled the consultants confirming that July 14, 1973 is the due date for the submission of their inception report.

12. I said that, whilst the inception report was not required to be in any particular form, it should cover all the matters referred to under the heading Operations and Responsibilities of the Consultants' Team in Appendix A to the Contract. The report should also contain financial and staffing projections 3-5 years ahead with, where appropriate, alternative projection for different main assumptions.

#### The Task Facing the Consultants

13. Throughout the discussions in Kaduna and Amsterdam, I emphasized the size of the task of establishing in three years a bank capable of making a real impact on agriculture throughout Nigeria. The probable scale of NAB's future operations may be gauged by comparison with the Bank Rakjat Indonesia (Indonesia has roughly double the population of Nigeria). At the end of 1970 BRI had: about 300 regional branch and sub-branch offices, over 500 village units (which increased to over 1,000 in 1971) and 500 mobile units; its staff numbered 10,000; it disbursed some US\$ 200 million in 1969 and nearly US\$ 300 million in 1970 and at the latter year end had loans of over US\$ 120 million outstanding.

14. The Federal Government is making available N 12 million for the NAB's first year of operations and will almost certainly make available similar, or larger amounts in subsequent years. Comparable amounts of IBRD loans are likely to be channelled through NAB.



April 10, 1973

15. In establishing NAB on the scale and to the standard required, the critical problems are likely to be:

- a) recruiting highly qualified and able Nigerian staff. The NAB's policy, which it should make widely known particularly in the universities, should be to provide some of the most attractive employment and career prospects in the country;
- b) achieving the right balance of lending between:
  - (i) the different states
  - (ii) the different subsectors
  - (iii) lending through other institutions and lending direct to ultimate borrowers;
  - (iv) large, medium and small borrowers;
- c) finding sound institutions through which to lend;
- d) devising effective means of reaching large numbers of small farmers;
- e) serving as a channel for IBRD loans and developing its own lending.

#### The Management Team

16. The management team appears to be of reasonable quality, but will be fully stretched to carry out the ambitious terms of reference set out in the Contract for Consultants' Services. The inception report will provide the first test of the team's ability to formulate policies and the plans for achieving them.

#### Future Supervision Visits

17. The next supervision visit should be in May/June, when the main outline of the inception report will have been drafted. The following visit should be in August/September after consideration of the report received in July.

FMCrowe:co  
IBRD

cc: Messrs. van der Tak, Yudelman, Bowron, Krishna (Legal), Jones (Controller's)  
Elliott, Wright, Mirza, Thalwitz, Pouliquen, Davis, Povey, Bouchard,  
Wadsworth, van Gigh  
Western Africa Files



# Record Removal Notice



<b>File Title</b> Nigeria - Agricultural Development Bank - set		<b>Barcode No.</b>  1051334		
<b>Document Date</b> 27 February, 1973	<b>Document Type</b> Letter			
<b>Correspondents / Participants</b> To : Dr. F. A. Van Baardewijk, Chief Credit Specialist From : Dr. Bukar Shaib, Permanent Secretary				
<b>Subject / Title</b> Nigerian Agricultural Bank				
<b>Exception(s)</b> Information Provided by Member Countries or Third Parties in Confidence				
<b>Additional Comments</b>		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td><b>Withdrawn by</b> Chandra Kumar</td><td><b>Date</b> 28-Jan-15</td></tr></table>	<b>Withdrawn by</b> Chandra Kumar	<b>Date</b> 28-Jan-15
<b>Withdrawn by</b> Chandra Kumar	<b>Date</b> 28-Jan-15			



File

Book of 4 cables  
(See below)

MARCH 15, 1973

LT

DOCUMENTS SPECIFIED SECTION 8.01 OF PROJECT DOCUMENT DATED NOVEMBER  
FIFTEEN 1972 NIGERIA AGRICULTURAL BANK LIMITED PAREN PROJECT NUMBER  
NIR/71/016 PAREN HAVING BEEN RECEIVED THE PROJECT ENTERS INTO FORCE  
MARCH FIFTEEN 1973

WRIGHT  
PROGRAM DIRECTOR  
WESTERN AFRICA  
INTBAFRAD

1	2	3	4
DOO KINQUE UNDEVPRO NEW YORK	SECON LAGOS NIGERIA	PERMSEARCH LAGOS NIGERIA	BERBO TILBURG NETHERLANDS

E. Peter Wright  
Western Africa

Cleared with & cc: Mr. Koronnay (Legal)  
Mr. Wadsworth (MAPAG)  
Mr. Mills (Controllers)  
Mr. Bouchard (Dev.  
Services)

February 20, 1973

Dr. Bukar Shaib  
Permanent Secretary  
Federal Ministry of Agriculture  
and Natural Resources  
Lagos  
Nigeria

Dear Dr. Shaib:

Thank you very much for your letter dated February 7 enclosing the letters of appointment of Messrs. Mackay, Unk, and Gall.

We also note that you have made the initial working capital available to the Nigerian Agricultural Bank and that accommodation has been made available.

Your cooperation in this matter is very much appreciated.

Yours sincerely,

R. E. Rowe  
Chief  
Agriculture Projects Division  
Western Africa Regional Office

RWadsworth/LW

cc: Mr. Povey

cc: Mr Krishna

Mr Bouchard ✓





# Record Removal Notice



<b>File Title</b> Nigeria - Agricultural Development Bank - set		<b>Barcode No.</b>  1051334
<b>Document Date</b> 07 February, 1973	<b>Document Type</b> Letter	
<b>Correspondents / Participants</b> To : Mr. R. Rowe, International Bank for Reconstruction and Development From : Dr. Bukar Shaib, Permanent Secretary		
<b>Subject / Title</b> About appointment terms		
<b>Exception(s)</b> Information Provided by Member Countries or Third Parties in Confidence		
<b>Additional Comments</b>		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.
		<table border="1"><tr><td><b>Withdrawn by</b> Chandra Kumar</td><td><b>Date</b> 28-Jan-15</td></tr></table>
<b>Withdrawn by</b> Chandra Kumar	<b>Date</b> 28-Jan-15	



# Record Removal Notice



<b>File Title</b> Nigeria - Agricultural Development Bank - set		<b>Barcode No.</b>  1051334
<b>Document Date</b> 06 February, 1973	<b>Document Type</b> Letter	
<b>Correspondents / Participants</b> To : Mr. K. W. Gall, Chief Agricultural Economist From : Dr. Bukar Shaib, Permanent Secretary		
<b>Subject / Title</b> Appointment letter		
<b>Exception(s)</b> Information Provided by Member Countries or Third Parties in Confidence		
<b>Additional Comments</b>		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.
		<table border="1"><tr><td><b>Withdrawn by</b> Chandra Kumar</td><td><b>Date</b> 28-Jan-15</td></tr></table>
<b>Withdrawn by</b> Chandra Kumar	<b>Date</b> 28-Jan-15	



File

UNDEVPRO

FEBRUARY 16, 1973

LACOS

LT

NIGERIA

PERMSARCH CONFIRMS VAN BAARDENIJK ACCEPTABLE AS CREDIT SPECIALIST  
NAB STOP GRATEFUL YOU CABLE WHEN LETTER APPOINTMENT ISSUED AND FORWARD  
COPY EARLIEST REGARDS

MIRZA

INTRAPRAD

Humayun Mirza  
Western Africa

cc and cleared: Mr. Bouchard } with copy  
cc: Mr. Rowe } of incoming  
Mr. Jones }  
Mr. Krishna }

TFovey/dh

INCOMING CABLE

Log. 255

RECEIVED

GGGG

WUI NYK⊕(

FEB 16 3 37 PM 1973

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COMMUNICATIONS  
SECTION

Distribution

WUI30 LAGOS 15/13 16 1523

ETAT MIRZA INTBAFRAD WASHINGTONDC

Mr. Mirza Mr. Wright  
Mr. Thalwitz

E1287/IX X VAN BAARDEWIJK ACCEPTABLE AS CREDIT SPECIALIST NAB

PERMSEARCH

WUI NYK⊕(

INTFRAD64145



File

## OFFICE MEMORANDUM

TO: Mr. Edward W. Bouchard

DATE: February 12, 1973

FROM: Humayun Mirza *HM*SUBJECT: Nigerian Agricultural Bank

1. I am somewhat disturbed about the manner in which UNDP, Lagos, is handling the above project. I was particularly concerned about their cable of January 24 to you and asked Mr. Povey to give me a note on the problem.

2. Attached herewith is Mr. Povey's note from which you will observe that, while B & B have not handled the assignment of personnel for this Bank as well as they could have, UNDP, Lagos, has just made matters worse. I thought that you would be interested in the background to this problem and would inform UNDP, New York, at a proper time of the difficulties caused by UNDP, Lagos. I understand that three of the four letters of appointment have been issued and we are working on the fourth.

3. I would appreciate any comments you may have on this matter.

Attachment

cc: Mr. Povey

HMirza:cn

*Comments made to F. Povey <sup>ORALLY</sup> in detail after  
discussion with V. Riley  
Recommended that Bank  
and UNDP discuss  
This loan is Lagos.*

*End 2/15/73*



## OFFICE MEMORANDUM

TO: Mr. Humayun Mirza

DATE: February 8, 1973

FROM: Frank Povey *FP*SUBJECT: Nigerian Agricultural Bank

1. Reference UNDEVPRO, Lagos cable of January 24, there are two problems involved, (1) the substitution of van Baardewyk for Scheppers as Credit Specialist and (2) the payment by the Bank to the consultants in Nigeria of local currency costs in accordance with the contract.
2. Problem No. 1: We were notified by cable from B&B on December 29, 1972 that Scheppers was no longer available (no reason given) and that van B was being offered as replacement. We were also informed that van B's CV was being mailed and that Mr. Poyck (Managing Director, B&B) would be visiting Washington on January 14, 1973. In meetings with Mr. Poyck on January 16 and 17 he told us that Scheppers had resigned from B&B and that was the only reason for the proposed substitution.
3. Under the contract between B&B and the Bank, substitution of personnel is subject to prior approval of the Bank - and only the Bank.
4. After the talks with Mr. Poyck we cabled FEDMINAG notifying them of the proposed substitution and telling them that van B was acceptable to the Bank, subject to their confirmation. At the same time we notified B&B of our action and told them, on the basis of our talk with Mr. Poyck that we assumed that Mr. MacKay (GM, NAB) had discussed the matter with and provided a copy of van B's CV to FEDMINAG.
5. Apparently our cable to FEDMINAG was not delivered because 5 days later we received a cable from Miss Carson which stated that FEDMINAG had no knowledge of van B or the proposed substitution. Miss Carson's cable to us arose out of the cable she received from B&B notifying that van B would be arriving in Kaduna on January 28, just 4 days later. Miss Carson also spoke to UNDP, Lagos to see if they had made arrangements for van B's arrival but they were not aware of it. This apparently led them to cable us that same day insisting that candidates be submitted to Government through them and voicing misgivings about the way the project was being run. This, of course, is incorrect. The Bank is UNDP's executing agency for the project and the contract, which was approved by UNDP, is between the Bank and B&B and does not provide for approval by UNDP of staff substitutions.
6. We immediately cabled FEDMINAG with a synopsis of van B's CV, told them that we had requested MacKay to provide full details and confirmed that van B was acceptable to the Bank subject to Government confirmation.

*WAS contract  
Approved by  
UNDP*



February 8, 1973

7. We also cabled B&B, told them of our cable to FEDMINAG and once again asked them to have MacKay provide full CV and discuss matter with Bukar Shaib. Meanwhile, van B was enroute and could not be stopped.
8. On January 26 we cabled UNDP, Lagos summarizing all the actions we had taken and asking them to set up a meeting in their office with MacKay and/or Unk (Financial Specialist) present February 1 when Grimshaw would arrive to discuss all the problems.
9. Problem No. 2: Insofar as the disbursement of funds is concerned we are not empowered to disburse until the project document becomes effective. There are two conditions of effectiveness: (1) evidence that Government has deposited £N7,000 with standard Bank in Kaduna for initial working capital and (2) letters of appointment have been issued by Government to each of the four consultants.
10. UNDP, Lagos informed us by cable dated December 28, 1972 that Government had paid working capital of £N10,000 "just before Christmas" but had decided not to issue letters of appointment before the formal inauguration of NAB "in early February". They also said that the experts were in need of local currency and suggested that we arrange to make payments of local currency under the contract to Barclays Bank for the attention of the GM, NAB.
11. Any such disbursement of UNDP funds outside the terms of the contract could not be made without explicit approval of UNDP, New York. We informed UNDP, New York by phone that we would be prepared to act if they would so authorize. They appeared most reluctant but promised to look into it. They have still not authorized us to pay.
12. In any event, payment to Barclays, Kaduna for the GM, NAB would have been useless since NAB has no GM until such time as the Government issues its letter of appointment to MacKay.
13. In the meantime, Mr. Poyck told us that he was not overly concerned about the financial side, this was a normal problem with most projects, and his people in Kaduna could draw on the funds provided by Government for working capital.
14. After his meeting with UNDP and Unk in Lagos on February 1 during which he discussed both problems, Grimshaw cabled Roger Rowe that "there are no problems except for petty housekeeping which Unk can resolve" (copy attached). Grimshaw also gave Bukar Shaib a copy of van B's CV and Bukar Shaib has promised to notify the Bank of his acceptability by about February 8 (today).
15. This is clearly a bad case of over reaction on the part of UNDP, Lagos, a continuation of the attitude adopted during my visit in November/December last. I propose that if we do not hear from Government by Monday, February 12 regarding the acceptability of van B, we should cable Bukar Shaib and also enquire as to the date of the proposed inauguration since this is delaying both the payments to consultants and the implementation

Mr. Humayun Mirza

- 3 -

February 8, 1973

of the project. Controller's will be able to transfer funds within about 48 hours of our receiving notification of the issuance of the letters of appointment.

Attachment

FPovey/dh



File

UNDEVPRO

FEBRUARY 12, 1973

IACOS

LT

NIGERIA

THANKS YURTELEX FEBRUARY EIGHT RE NAB STOP GRATEFUL YOU AIRMAIL COPIES  
LETTERS OF APPOINTMENT AND CONFIRMATION DATE GOVERNMENT MADE INITIAL  
WORKING CAPITAL DEPOSIT STOP WE HAVE AGAIN CABLED PERMSEARCH RE  
APPOINTMENT VAN BAARDEWIJK STOP REGARDS

MIRZA

INTBAPRAD

Humayun Mirza

Western Africa

FPovey/dh

cc and cleared in substance:

Messrs Wadsworth, Projects, W.Africa

Krishna, Legal

✓ Bouchard, Dev. Services

cc: Mr. Jones, Controller's

PERMSEARCH

File  
FEBRUARY 12, 1973

LAGOS

LT

NIGERIA

FURTHER OURCAB JANUARY TWENTYFIVE RE APPOINTMENT VAN BAARDENIJK AS CREDIT  
SPECIALIST NAB STOP GRATEFUL RECEIVE NOTIFICATION VAN BAARDENIJK ACCEPTABLE  
TO GOVERNMENT SINCE THIS DELAYING DECLARATION OF EFFECTIVENESS AND  
IMPLEMENTATION OF PROJECT REMAINS

MIRZA

INTBAFRAD

Humayun Mirza

Western Africa

cc: Messrs Wadsworth, Projects W. Africa  
Erishma, Legal  
✓ Bouchard, Development Services  
Jones, Controller's

FPevey/dh



PERMSEARCH

FEBRUARY 12, 1973

LAGOS

LT

NIGERIA

FURTHER OURCAB JANUARY TWENTYFIVE RE APPOINTMENT VAN BAARDENWIJK AS CREDIT  
SPECIALIST NAB STOP GRATEFUL RECEIVE NOTIFICATION VAN BAARDENWIJK ACCEPTABLE  
TO GOVERNMENT SINCE THIS DELAYING DECLARATION OF EFFECTIVENESS AND  
IMPLEMENTATION OF PROJECT REGARDS

MIRZA

INTSAFRAD

Hamayun Mirza

Western Africa

cc: Messrs Wadsworth, Projects W. Africa  
Krishna, Legal  
Bouchard, Development Service  
Jones, Controller's

UNDEVPRO

FEBRUARY 12, 1973

LACOS

LT

NIGERIA

THANKS YURTELEX FEBRUARY EIGHT RE NAB STOP GRATEFUL YOU AIRMAIL COPIES  
LETTERS OF APPOINTMENT AND CONFIRMATION DATE GOVERNMENT MADE INITIAL  
WORKING CAPITAL DEPOSIT STOP WE HAVE AGAIN CABLED PERMSEARCH RE  
APPOINTMENT VAN BAARDEWIJK STOP REGARDS

MIRZA

INTBAFRAD

Humayun Mirza  
Western Africa

cc and cleared in substance:  
Messrs Wadsworth, Projects, W.Africa  
Krishna, Legal  
Bouchard, Dev. Services  
cc: Mr. Jones, Controller's



INCOMING TELETYPE FROM LAGOS VIA UN NEW YORK

LOG 256

RECEIVED

-IB22 LAGOS 26 8 13.00

FEBRUARY 8, 1973

FEB 9 5 12 PM 1973

COMMUNICATIONS  
SECTION

LT

INTBAFRAD

WASHINGTON

Distribution: Mr. Bouchard

MISC187 BOURCHARD NIR/71/016 LETTERS OF APPOINTMENT ISSUED TO  
MACKAY UNK AND GALL ON 7 FEBRUARY VAN BAARDEWIJK NOT YET CLEARED  
BY GOVERNMENT

KAR UNDEVPRO

COL 187 NIR/71/016 7"

cc: Messrs. Povey  
C. Rowe  
Krishna  
R. Jones  
DSD ✓

FEB 12 1973

INTBAFRAD WSH

UNATIONS NYK

INCOMING CABLE

File

Nig. Agric Bank

LOG NO. 197

INTBAFRAD WSH

Via UN New York

18009 ZN 158 IBRD/UNDP LAGOS 91 24 13.00

FEB 6 5 12 PM 1973

COMMUNICATIONS  
SECTION

UNTEEEE

INTBAFRAD

WASHINGTON

Distribution

Mr. Bouchard ✓

Mr. Wright

Mr. Mirza

DP29 DOOKINGUE MISC101 INFOR BOUCHARD SERIOUS PROBLEM ARISING  
PROJECT NO. NIR/71/016 DUE NON AVAILABILITY OF FUNDS TO PROJECT  
PERSONNEL AS PER TERMS SUB-CONTRACT BETWEEN CONSULTANT AND IBRD OF  
WHICH WE HAVE NO COPY STOP ALSO UNDERSTAND FROM UNK ACCOUNTANT  
EXPERT THAT ~~OFF~~ ~~GREENE~~ CREDIT SPECIALIST SCHEPERS IS UNAVAILABLE  
AND TO BE REPLACED. WE HAVE NO INFORMATION BUT WOULD INSIST THAT  
SUBMISSION OF CANDIDATES TO GOVERNMENT BE DONE THROUGH THIS OFFICE.  
WE HAVE SERIOUS MISGIVINGS ABOUT WAY PROJECT BEING RUN

KAR UNDEVPR RO

COL 29 101 NIR/71/016 "

\_\_\_\_\_  
Dateline as received. Presumably January 24.

FEB 7 1973



UNDEVPRO  
LAGOS

JANUARY 26, 1973

IT

NIGERIA

REURCAR PRIMO CONTRACT BETWEEN IBRD AND CONSULTANTS DOES NOT BECOME EFFECTIVE  
UNTIL LETTERS OF APPOINTMENT ISSUED TO MANAGEMENT TEAM THEREFORE DIFFICULT TO  
RELEASE FUNDS STOP WE ARE HOWEVER CONSULTING WITH UNDP NEMZOK RE POSSIBLE  
WAIVER OF CONDITION STOP WE DO NOT UNDERSTAND WHY GOVERNMENT FUNDS CANNOT BE  
MADE AVAILABLE MEANWHILE STOP SECUNDO WE ARE AWARE PROPOSED SUBSTITUTION OF  
BARNEWICK FOR SCHEPERS AND ON JANUARY 18 CABLED PERRESEARCH AND HERBO STATING  
OUR ACCEPTANCE BARNEWICK COMMA REQUESTING GOVERNMENT AGREEMENT AND SUGGESTING  
MACKAY INFORM PERRESEARCH OF BARNEWICK CV STOP TO EXPEDITE WE ALSO CABLED  
SUBSTANTY OF BARNEWICK CV TO PERRESEARCH JANUARY 25 STOP GRINSHAW ARRIVING LAGOS  
JANUARY THIRTYFIRST TO DISCUSS POSITION WITH YOU AND GOVERNMENT STOP REQUEST  
YOU ARRANGE MEETING YOUR OFFICE FOR MORNING FEBRUARY FIRST AND ARRANGE FOR  
MACKAY OR UNK TO ATTEND

REGARDS

ROWE

R. E. Rowe  
Western Africa  
Nigeria - Agric. Dev. Bank

cc: Mr. Povey  
Mr. Bouchard ✓

RRRowe:co

IB-38

INCOMING TELEX FROM LAGOS VIA UNNEWYORK

log 244

ZN158 UNDP/IBRD LAGOS 91 24 13.00

JANUARY 24, 1973

INTBAFRAD

WASHINGTON

Distributions Mr. Bouchard

RECEIVED

JAN 25 4 14 PM 1973  
COMMUNICATIONS SECTION

DP29 DOOKINGUE MISC101 BOUCHARD SERIOUS PROBLEM ARISING PROJECT NO. NIR/71/016 DUE NON AVAILABILITY OF FUNDS TO PROJECT PERSONNEL AS PER TERMS SUB-CONTRACT BETWEEN CONSULTANT AND IBRD OF WHICH WE HAVE NO COPY. ALSO UNDERSTAND FROM UNK ACCOUNTANT EXPERT THAT CREDIT SPECIALIST SCHEPERS IS UNAVAILABLE AND TO BE REPLACED. WE HAVE NO INFORMATION BUT WOULD INSIST THAT SUBMISSION OF CANDIDATES TO GOVERNMENT BE DONE THROUGH THIS OFFICE. WE HAVE SERIOUS MISGIVINGS ABOUT WAY PROJECT BEING RUN

KAR UNDEVPRO "

COL 29 101 NIR/71/016 "

cc: Messrs. Wright  
Mirza  
Povey  
Crowe  
DSD

JAN 26 1973



PERMSEARCH

January 25, 1973

LAGOS

LT

NIGERIA

FURTHER OURCAR JANUARY NINETEEN RE CREDIT SPECIALIST NAB STOP VAN BAARDSEWIJK  
PROPOSED BY BANK VICE SCHREPIERS IS DUTCH CITIZEN THIRTYTHREE YEARS OLD  
DOCTOR ECONOMICS WITH EXPERIENCE HOLLAND AUSTRIA DENMARK AND UK IN ACCOUNTANCY  
COMMA FINANCIAL BUDGET AND MANAGEMENT CONTROL AND PLANNING AND PARTICIPATED  
PREPARATION DEVELOPMENT PLAN FOR DEPRESSED AGRICULTURAL AREA STOP SINCE  
1967 IN TANZANIA FIRST AS MEMBER UNDP TEAM FOR RURAL REGIONAL PLANNING  
AND MORE RECENTLY AS CONSULTANT MANAGER CREDIT AND INVESTMENT DIVISION  
TANZANIA DEVELOPMENT CORPORATION STOP BAARDSEWIJK ACCEPTABLE TO BANK AND  
WE HAVE REQUESTED MACLAY PROVIDE YOU FULL DETAILS STOP GRATEFUL  
YOUR EARLY CONFIRMATION BAARDSEWIJK ACCEPTABLE TO GOVERNMENT TO PERMIT  
DEPARTURE FOR LAGOS

REMARKS

HOWE

INTRAFRAD

R. E. Rowe  
Western Africa

cc: Messrs. Povey  
Crows  
Bouchard ✓  
Nigeria Office

RR:lowe/ajt  
IRSD

NIGERIA - Agricultural Bank

NETCALF

JANUARY 25, 1973

BRIBO

LT

TIDBURG

NETHERLANDS

RECOMMEND THAT DEPARTURE BRANDEMIJK SHOULD AWAIT GOVERNMENT APPROVAL STOP  
SUGGEST HAGLEY DISCUSS MATTER AND PROVIDE CV TO NUKAR SHAIS PER OURCAN  
JANUARY NINETEEN STOP IN MEANTIME TO EXPEDITE WE HAVE CABLED COMMERCE  
CV TO PERMSEARCH

REMARKS

ROWS

INTERFIRM

R. E. Rowe

Western Africa

cc: Messrs. Povey

Crowe

Bouchard

Nigeria Office

RRRowe/ajt NIGERIA - Agricultural Bank



INCOMING CABLE

Log 188

1B39 ZN 150 UNDP LAGOS 46 23 13.00

RECEIVED

WU FROM LAGOS JANUARY 23, 1973

Distribution

PRIORITY

JAN 24 2 02 PM 1973

Mr. Bouchard

~~INTREEEEE~~

COMMUNICATIONS  
SECTION

Mr. Wright

INTBAFRAD

Mr. Mirza

WASHINGTON

MISC98 BOU C ~~EEE~~ BOUCHARD FROM UNK GRATEFUL REACTION RESREP  
~~CSEEE~~ CABLE 2337 OF 28 DECEMBER. WOULD APPRECIATE IF PAYMENTS  
COULD BE MADE AS OF 1 DECEMBER. MONEY VERY BADLY NEEDED. THIS  
ASPER CONTRACT BETWEEN CONSULTANTS AND IBRD SECTION 3.04 APPENDIX D-2  
STOP

KAR UNDEVPRO

COL 98 2337 28 1 3.04 D-2"

JAN 24 1973

INCOMING CABLE

DATE AND TIME  
OF CABLE:

DECEMBER 28, 1972

1300

LOG NO.:

103/TELEX/30

TO:

INTBAFRAD

FROM:

LAGOS VIA UN NEW YORK

ROUTING

ACTION COPY: MR. BOUGHARD  
MR. WRIGHT  
INFORMATION MR. MIRZA  
COPY: MR. THALWITZ  
DECODED BY:

TEXT:

2337 BOUCHARD

NIGERIAN AGRICULTURAL CREDIT BANK UNR INFORMS INITIAL WORKING CAPITAL 10.000  
PAID JUST BEFORE CHRISTMAS REPEAT CHRISTMAS. LETTERS OF APPOINTMENT WILL  
ONLY BE ISSUED AFTER INAUGURATION OF BANK WHICH EXPECTED FEBRUARY. SINCE  
EXPERTS IN NEED OF LOCAL CURRENCY REPEAT CURRENCY GRATEFUL YOU PAY  
BARCLAYS BANK ATTENTION GENERAL MANAGER NACB AS PER CONTRACT AND INFORM US

FRYER

BF

cc: Messrs. Mirza/Povey  
Krishna  
Crowe  
Robert Jones  
DSD

JAN 1 1973

FOR INFORMATION REGARDING INCOMING CABLES, PLEASE CALL THE COMMUNICATIONS SECTION, EXT. 2021

ORIGINAL



NIR/71/016

December 27, 1972

Mr. Michel Doo Kingue  
Assistant Administrator and Director  
Regional Bureau for Africa  
United Nations Development Programme  
866 United Nations Plaza  
New York, New York 10017

Dear Mr. Doo Kingue:

NIGERIA: Agricultural Bank

Please find attached UNDP's official signature copy of the Project Document for the above project, and a copy of a cable sent to the Resident Representative pertaining to what remains to be done before the project can become effective.

Conformed copies of the Project Document will be sent to you in due course.

Sincerely yours,

Edward W. Bouchard  
Development Services Department

Attachments

cc: Messrs. Mirza  
Roger Rowe

EWBouchard/eb

## OFFICE MEMORANDUM

TO: Mr. H.B. Hilken  
FROM: R. Parrilli <sup>RP</sup> - D.S.D.  
SUBJECT: Executive Director's Report

DATE: December 22, 1972

Nigeria

The Project Document, under which the UNDP will provide technical assistance (in the amount of \$765,000) to the Nigerian Agricultural Development Bank, was signed on November 15, 1972 by the Government, the UNDP and the Bank. The Bank is Executing Agency for this UNDP project. The NAB is in the process of being established. The UNDP is to provide specialist expertise to the NAB to assist in its organization, management and training local personnel in development of banking techniques. The Bank is considering a livestock loan to Nigeria which would be channeled through this institution.

Cleared with Mr. F. Crowe - Projects, West Africa



NIGERIAN AGRICULTURAL DEVELOPMENT BANK

Estimated Overrun

1. Foreign Currency Expenditures (Dutch Builders)

A. <u>Services</u>	-----1975-----				1976	Total	Remarks
	Sept.	Oct.	Nov.	Dec.	Jan.		
General Manager	16,000	16,000	16,000	16,000	16,000	80,000	Termination Date 1-31-76
Project Specialist	11,700	11,700	11,700	11,700	5,850	52,650	Termination Date 1-15-76
Administrative Specialist	14,400	14,400	-	-	-	28,800	Termination Date 10-30-75
Agricultural Economist	14,000	14,000	7,000	-	-	35,000	Termination Date 11-15-75
	<u>56,100</u>	<u>56,100</u>	<u>34,700</u>	<u>27,700</u>	<u>21,850</u>	<u>196,450</u>	

B. International Travel

	No.	Rate	
First Class	1	4,500	4,500
Second Class	3	3,500	<u>10,500</u>
			<u>15,000</u>

C. Other Reimbursible Costs

Transfer of Personal Effects	3,000
Reporting	15,000
Transport, Reports, Documents	<u>2,000</u>
	<u>20,000</u>

Summary

A. Services	Fl. 196,450
B. International Travel	15,000
C. Others	<u>20,000</u>
	Fl. <u>231,450</u>
	US\$ <u>86,685</u>

2. Local Currency Expenditures (Naira)

	No. Days	Rate	Amount
General Manager	151	10	1,510
Project Specialist	135	10	1,350
Administrative Specialist	61	10	610
Agricultural Economist	76	10	<u>760</u>
			N <u>4,230</u>
			US\$ <u>7,050</u>

Dollar Equivalent

Foreign Currency	\$ 86,685
Local Currency	<u>7,050</u>
Total estimated amount required up to original termination date	\$ 93,735
Less Balance UNDP Funds	\$ <u>22,802.45</u>
Estimated Overrun	\$ <u>70,932.55</u>

UNDEVPRO  
LAGOS

DECEMBER 22, 1972

LT

NIGERIA

FOR FRYER

RE ENTRY INTO FORCE NIGERIAN AGRICULTURAL BANK PROJECT PLEASE INFORM  
SOONEST DATE GOVERNMENT HAS MADE INITIAL WORKING CAPITAL DEPOSIT IN  
STANDARD BANK AND SEND COPIES LETTERS OF APPOINTMENT CONSULTANT  
PERSONNEL AS STATED ARTICLE <sup>VII</sup> III SECTION 8.01 PROJECT DOCUMENT

BOUCHARD  
INTBAFRAD

Edward W. Bouchard  
Development Services

cc: Messrs. Mirza  
Roger Rowe


EBouchard/eb



## OFFICE MEMORANDUM

TO: Messrs. Bouchard and Krishna

DATE: December 20, 1972

FROM: Humayun Mirza SUBJECT: NIGERIA: Nigerian Agricultural Bank

1. Attached please find signed copy of Project Document in respect of this project.
2. This document was signed in Lagos by Mr. Stanley Fryer, Resident Representative, on behalf of UNDP, and by Mr. Martins of the Federal Ministry of Economic Development and Reconstruction, on behalf of the Federal Government.
3. Mr. Fryer confirmed that Mr. Martins was the authorized representative of the Government for purposes of UNDP projects.

EPovey:os

cc: Mr. Roger Rowe

Form No. 75  
(2-60)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

ROUTING SLIP

Date

11/28/72

NAME

ROOM NO.

Messrs. Mirza/Povey

Krishna

Crowe

Robert Jones

To Handle

Appropriate Disposition

Approval

Comment

Full Report

Information

Initial

Note and File

Note and Return

Prepare Reply

Per Our Conversation

Recommendation

Signature

Send On

REMARKS

Please ignore the last sentence. I have explained to New York that the signature copies of the Project Document were taken to Lagos by Frank Povey.

From

E. Powell

D-1138



UNITED NATIONS  
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES  
POUR LE DEVELOPPEMENT

UNITED NATIONS  
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/NIR/71/016

14 November 1972

Dear Mr. Demuth,

Subject: Assistance for the Agricultural Development  
Bank, Nigeria

I am pleased to inform you that the Administrator has approved the request of the Government of Nigeria for the establishment of the Agricultural Development Bank, Nigeria. The UNDP contribution will be \$765,000.

We have today cabled the Resident Representative informing him of the approval and at the same time requesting him to cable both you and ourselves the decision of the Government of Nigeria about designating the Government co-operating agency. We assume that you would, upon receipt of the Resident Representative's cable, take steps to prepare a final signature copy which we would sign here in New York.

Yours sincerely,

*J. M. Saunders*

John M. Saunders  
Officer-in-Charge  
Regional Bureau for Africa

Mr. Richard Demuth, Director  
Development Services Department  
International Bank for Reconstruction  
and Development  
1818 H Street, N. W.  
Washington, D. C. 20433

cc: Messrs. Mirza/Povey  
Krishna  
Crowe  
Robert Jones  
DSD

NOV 22 1972

*Nigeria Agr. Bank*

Messrs. Povey/Krishna

November 6, 1972

Eileen Powell

NIGERIA: Agricultural Development Bank

Attached is a cable from UNDP Lagos giving their clearance to the draft Project Document dated October 5. I have spoken to UNDP New York and they have agreed that the quickest way to get the document signed would be to send it to Lagos and have it signed there on behalf of the Government and the UNDP. The Resident Representative would sign on behalf of the UNDP.

If you agree, I suggest the document first be signed on behalf of the Bank by the Vice President, West Africa Region, and then be carried to Lagos by Mr. Povey when he leaves this Thursday, November 9. Would Mr. Krishna please advise what evidence we need of the authority of the person who is designated to sign for the Government.

Attachment

cc: Messrs. R. Jones  
Crowe

EPowell/sz



*N45*

*Nigeria Ag Bank*

RECEIVED

IB3

ZN 31 IBRD LAGOS 22 3 1300G

FROM LAGOS NIGERIA

LT

To INTBERAD  
WASHINGTON DC

Nov 4 11 56 AM 1972

COMMUNICATIONS  
SECTION

Distribution

Miss Powell

1943 POWELL YOUR TELEX 30 OCTOBER VIEW EXPLANATIONS CLEARANCE  
GIVEN COMMA THANKS EXPEDITING IMPLEMENTATION THIS PROJECT

FRYER UNDE VPRO

COL 1943 30 "

cc: Messrs. Povey  
R. Krishna  
R. Jones  
Crowe

Nigeria Ag. Bank  
(4)

TELEX

52177 BERBO NL

NOVEMBER 1, 1972

FOR MR. POYCK REYUR TELEX NAB PROJECT GOVERNMENT HAS APPROVED DOCUMENTS  
COMMA BANK AND GOVERNMENT BOTH IN TOUCH WITH UNDP AND HOPEFUL OF COMPLETION  
BY NOVEMBER FIFTEEN REGARDS

POVEY

INTRAFRAD

Frank Povey

Western Africa Region

FPovey/dh

cc and cleared: Miss Powell ✓  
Mr. Crowe



Nigeria Ag. Lab  
(4)

PAYNE

OCTOBER 31, 1972

INTBAFRAD

LT

LAGOS

NIGERIA

250

RE UNDPLET OCTOBER TWENTY TO MARTINS ECONDEV RE AGRIBANK STOP REPLY  
BEING CABLED DIRECTLY TO UNDEVPRO LAGOS STOP NO FURTHER ACTION REQUIRED  
YOUR PART DUE DIFFICULTY PUTTING YOU FULLY IN PICTURE STOP POVEY WILL  
EXPLAIN ON ARRIVAL REGARDS

MIRZA

Humayun Mirza  
Chief, Country Programs Division  
Western Africa

cc: Miss Powell ✓

FPovey/dh

Nigeria  
Bank

DOO KINGUM  
UNDEVPRO

OCTOBER 30,  
1972

LT

NEW YORK

FOLLOWING CABLE SENT UNDEVPRO LAGOS TODAY QUOTE WE REFER TO POINTS LISTED IN YOUR LETTER OCTOBER 20 TO PERMSEC MINISTRY ECONOMIC DEVELOPMENT RE NIGERIAN AGRICULTURAL BANK STOP NUMBER TWO OUR LETTER OCTOBER 6 FORWARDING DRAFT PROJECT DOCUMENT DELIVERED TO YOU BY IBRD OFFICE IN LAGOS EXPLAINS WHY GOVERNMENT'S CONTRIBUTION CANNOT BE COMPLETED BEFORE SUBMISSION OF INCEPTION REPORT 3 MONTHS AFTER COMMENCEMENT OF PROJECT STOP INCEPTION REPORT WILL ADVISE ON STAFFING COMMA ACCOMMODATION AND EQUIPMENT OF NAB STOP COST ESTIMATES AT THIS STAGE WOULD BE NO MORE THAN GUESSWORK AND COULD BE MISLEADING STOP NUMBER THREE FOR SAME REASON NAMES AND FUNCTIONS OF COUNTERPART STAFF CANNOT BE PROVIDED UNTIL AFTER GOVERNMENT ACCEPTS RECOMMENDATIONS OF INCEPTION REPORT AND STAFF ARE SUBSEQUENTLY HIRED STOP NUMBER FOUR DECISION ON ACCOMMODATION FOR NAB MUST ALSO AWAIT INCEPTION REPORT STOP ACCOMMODATION WILL BE RENTED FOR INITIAL PERIOD FOLLOWING ACCEPTANCE BY BOARD OF NAB OF RECOMMENDATIONS OF REPORT STOP NUMBER FIVE UNDP NEW YORK AGREED LAST MARCH TO ACCEPT FORMAT USED IN OCTOBER 5 DRAFT STOP CONSEQUENTLY THERE WILL BE NO SECTION III WORK PLAN AND ANNEX STOP

CONTD.

Bileen Powell

cc: Messrs. Povey and Crowe

Development Services Department

EPowell/sz



DOO KINGUE  
UNDEVPRO

OCTOBER 30, 1972

LT

NEW YORK

PAGE TWO OF TWO PAGES

WE DISCUSSED THIS WITH WAHLBERG DURING IHRD MISSION LAST AUGUST AND  
PROVIDED HIM ALL RELEVANT INFORMATION STOP GRATEFUL RECEIVE YOUR  
CLEARANCE OF PROJECT DOCUMENT SOON AS POSSIBLE AS THIS IS THE ONLY  
REQUIREMENT NOW HOLDING UP IMPLEMENTATION OF THIS IMPORTANT PROJECT  
STOP THIS CABLE BEING COPIED TO UNDP NEW YORK UNQUOTE WOULD APPRECIATE  
ANY ASSISTANCE YOU CAN PROVIDE

POWELL  
INTBAFRAD

Eileen Powell

Development Services Department

Nigeria  
Ag. Bank.

FRYER

OCTOBER 30, 1972

UNDEVPRO

LT

LAGOS  
NIGERIA

WE REFER TO POINTS LISTED IN YOUR LETTER OCTOBER 20 TO PERMSEC MINISTRY ECONOMIC DEVELOPMENT RE NIGERIAN AGRICULTURAL BANK STOP NUMBER TWO OUR LETTER OCTOBER 6 FORWARDING DRAFT PROJECT DOCUMENT DELIVERED TO YOU BY IBRD OFFICE IN LAGOS EXPLAINS WHY GOVERNMENT'S CONTRIBUTION CANNOT BE COMPLETED BEFORE SUBMISSION OF INCEPTION REPORT 3 MONTHS AFTER COMMENCEMENT OF PROJECT STOP INCEPTION REPORT WILL ADVISE ON STAFFING COMMA ACCOMMODATION AND EQUIPMENT OF NAB STOP COST ESTIMATES AT THIS STAGE WOULD BE NO MORE THAN GUESSWORK AND COULD BE MISLEADING STOP NUMBER THREE FOR SAME REASON NAMES AND FUNCTIONS OF COUNTERPART STAFF CANNOT BE PROVIDED UNTIL AFTER GOVERNMENT ACCEPTS RECOMMENDATIONS OF INCEPTION REPORT AND STAFF ARE SUBSEQUENTLY HIRED STOP NUMBER FOUR DECISION ON ACCOMMODATION FOR NAB MUST ALSO AWAIT INCEPTION REPORT STOP ACCOMMODATION WILL BE RENTED FOR INITIAL PERIOD FOLLOWING ACCEPTANCE BY BOARD OF NAB OF RECOMMENDATIONS OF REPORT STOP NUMBER FIVE UNDP NEW YORK AGREED LAST MARCH TO ACCEPT FORMAT USED IN OCTOBER 5 DRAFT STOP CONSEQUENTLY THERE WILL BE

CONTD.

Eileen Powell

Development Services Department

cleared and cc: Mr. Povey

cc: Messrs. R. Krishna  
R. Jones  
Crowe

EPowell/sz



FRYER  
UNDEVPRO

OCTOBER 30, 1972

LT

LAGOS  
NIGERIA

-2-

PAGE TWO OF TWO PAGES

NO SECTION III WORK PLAN AND ANNEX STOP WE DISCUSSED THIS WITH WAHLBERG  
DURING IERD MISSION LAST AUGUST AND PROVIDED HIM ALL RELEVANT INFORMATION  
STOP GRATEFUL RECEIVE YOUR CLEARANCE OF PROJECT DOCUMENT SOON AS POSSIBLE  
AS THIS IS THE ONLY REQUIREMENT NOW HOLDING UP IMPLEMENTATION OF THIS  
IMPORTANT PROJECT STOP THIS CABLE BEING COPIED TO UNDP NEW YORK REGARDS

POWELL  
INTBAFRAD

Eileen Powell

Development Services Department

UNITED NATIONS  
DEVELOPMENT PROGRAMME



OFFICE OF THE RESIDENT  
REPRESENTATIVE IN NIGERIA

DSD File  
NAB

TELEPHONES

26110  
26116  
26118  
26119

P. O. BOX 2075  
LAGOS

TELEX NO. 21372  
CABLES: UNDEVPRO-LAGOS  
STREET ADDRESS:  
11, QUEEN'S DRIVE-IKOYI

5.11.6.1

20 October 1972

REFERENCE:

Attention: Mr. E. O. Martins

Dear Sir,

Nigerian Agricultural Bank  
NAB/71/016

We refer to the copy of the telegramme 416 of Mid-October 1972 (copy attached for easy reference) sent to Mr. Mirza of IBRD Headquarters, Washington indicating that the Government had no further comments on the Draft Project Document of 5 October submitted to you by IBRD officials.

Before the UNDP Resident Representative's office in Nigeria could recommend the present Draft Project Document to its Headquarters for the Administrator's approval, it would appreciate the Government's attention to the following points:

1. We understand that the N.A.B.'s Memorandum and Articles of Association were approved by the Federal Executive Council 26 July 1972, and therefore we would appreciate receiving a copy.
2. The draft Project Document as of 5 October does not contain the project Budget covering the Government's contribution in kind. As it has been learned that some of Directors Designate to the Board have already been nominated, it should be possible to have idea of the staffing requirements and the total budget on a yearly basis for running the Bank.
3. We would include the names and functions of the designated staff, as soon as they are known, into the draft Project Document.
4. During a recent visit to Kaduna, a short attempt was made to locate the site of the N.A.B. Unfortunately this proved without success, however as information was received that a new building is being constructed, we would appreciate receiving confirmation of this and the figure of construction costs to be included under non-expendable equipment of the Government's Project Budget.

The Permanent Secretary  
Federal Ministry of Economic Development and Reconstruction  
Lagos.

cc: Messrs. Povey  
Crowe  
R. Krishna  
R. Jones

.../2

OCT 26 1972

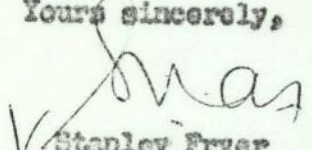




5. In connection with the above points we understand that IBRD have commenced negotiations with the proposed sub-contractors Derenschot - Bosboom N.V. and that implementation is imminent. Thus we would appreciate information on where the specialists will be working. This could be included in the stipulated Section III "Work Plan" and the annex I Work Plan - Bar Chart
6. We are given to understand that Messrs B. E. Mackay, H. Unk, E. Schepers and K. W. Gall have been accepted to fill the posts of General Manager, Accountant, Credit Specialist and Agricultural Economist respectively. These specialists are being recruited through the sub-contractor Derenschot - Bosboom N.V. As your Ministry has not intimated any change in the process of submission and approval of candidates and/or subcontractors for implementation of technical assistance through the UN system, although in the interests of swifter implementation and communication of decisions such modifications may be considered necessary (if you so wish we could offer some suggestions - we would appreciate receiving in course your ~~official~~ confirmation of the acceptance of the firm Derenschot - Bosboom N.V. and the candidates to fill the posts in question.

We are pleased that the proposed Executing Agency is arranging for implementation of the project to commence in the near future. On the specialists' arrival we are ready to service their substantive and administrative needs where appropriate. However for the sake of the Government's project as a whole and for its future operation, we are sure that you are also concerned about the optimum completion of the project Document at this stage in order to minimize the risk of non-success of both the Government's and UN system's involvement.

Yours sincerely,

  
Stanley Fryer  
Resident Representative

cc: The Permanent Secretary  
Federal Ministry of Finance, Lagos.

" The Permanent Secretary  
Federal Ministry of Agriculture and Natural Resources, Lagos.

b.c Mr. Payne, IBRD, Lagos  
Mr. Ellen Powell, IBRD, Washington ✓  
Mr. J. Saunders, UNDP, New York  
Mr. R. Blainey, UNDP, Kaduna.

UCT 26 1972

INCOMING CABLE

DATE AND TIME  
OF CABLE: OCTOBER 13, 1972

LOG NO.: 76 / 13

TO: MIRZA INTBAFRAD

FROM: LAGOS

TEXT:

E.1570/11/416

REFERENCE YOUR LETTER OF OCTOBER 6TH

WE HAVE NO FURTHER COMMENTS ON THE PROJECT DOCUMENT  
OF THE NIGERIAN AGRICULTURAL BANK

SECON

cc Mr Krishna  
Mrs Powell ✓

REORGANIZATION ROUTING

ACTION COPY:

MIRZA

Mr. Povey

INFORMATION  
COPY:

MR. WRIGHT

MR. ROWE

DECODED BY:

MR. THALWITZ

Info. Kabbala  
UNDP Oct. 18 am.  
He will cable  
Dryer - Lagos,  
+ urge comments/  
clearance on P. Doc.

P.



*Nig Ag Bank*  
*(4)*

October 6, 1972

Mr. Stanley Fryer  
Resident Representative of the  
United Nations Development Programme  
in Nigeria  
P. O. Box 2075  
Lagos, Nigeria

*Hand Carried to*  
*Nigeria by David Pearce*

Dear Mr. Fryer:

NIGERIA: UNDP/IBRD PROJECTS

Nigerian Agricultural Bank (NAB)

The Government has now agreed to the following team of experts: General Manager, B. E. Mackay; Accountant, H. Unk; Credit Specialist, E. Schepers; Agricultural Economist, K. W. Gall. We have also concluded negotiations with Berenschot-Bosboom, but the contract will not become effective until after the Project Document is agreed and signed. A new draft of the Project Document is enclosed and we hope this will be acceptable to UNDP and the Government. It is based on the format which was agreed by UNDP headquarters on March 16 last, but we have re-written Article II, the project description, on the lines of the terms of reference in the consultants' contract. We believe this will bring the document closer to UNDP's new requirements. We have also added two conditions of effectiveness in Article VIII.

We have completed the project budget for the UNDP's contribution. As arranged with Mr. Wahlberg, during my visit to Lagos in August, I have checked with UNDP headquarters on the amount of detail which must be included in this budget. They have confirmed that (1) all services to be provided within the terms of the consultants' contract should be included within the amount shown for sub-contracts, and (2) numbers of man-months are not required for sub-contracts. This means that items of equipment or training which might be provided by the consultants are to be included as part of the cost of the consultants' contract and are not to be shown separately under the equipment and training components. As it happens, the costs included in the present contract relate only to personnel. All equipment, including vehicles, is to be provided by the NAB and thus will be included in the Government's contribution.



October 6, 1972

One of the initial duties of the four experts is to advise the Board of NAB on the requirements for staffing, accommodation and equipment, and their recommendations will be given in the inception report which is due three months after the commencement of the project. Until that time, it will not be possible to define the Government's contribution in kind. This creates a difficulty in completing the budget for the Government's contribution. I have discussed this matter with the Administrative and Finance Division at UNDP headquarters and have agreed with them that the budget should be left blank at present and completion postponed until after the consultants' recommendations have been accepted by the Government.

We are sending copies of the draft Project Document to the Permanent Secretaries at the Ministries of Finance, Economic Development, and Agriculture, and we have asked that they provide their comments to you and to us.

#### Transport Survey of Mid-Western Nigeria

Michael Payne has informed us that the Federal and State Governments have now agreed the proposed terms of reference for this survey. We are also very pleased to hear that he and Mr. Wahlberg have had a good meeting with various officials in the State Government at Benin. Following these developments, we are now proceeding with the preparation of a list of consulting firms which we think would be suitable to carry out the survey. A list of these firms will shortly be sent to the Government for clearance.

I am enclosing a copy of the draft Project Document which I discussed with Mr. Wahlberg in August and which now includes the changes I agreed with him then. Annex I is not at present attached. I believe I did explain to Mr. Wahlberg that the Bank's Articles of Agreement do not lend themselves to some of the provisions in the standard text of Annex I. We are now negotiating with UNDP headquarters an alternative version which can henceforth be used for all Bank-executed projects. A meeting is to be held with UNDP headquarters later this month to reach final agreement on that version. We shall then send you a copy.

#### Other Matters

I am enclosing a copy of the report which I prepared when I returned from Lagos, for your information. Besides giving details of my discussions on the above mentioned two projects, you will also find notes on the long-term study of Lagos Port and the seed multiplication project. We are still awaiting news from New York of the consultant mission for the last mentioned project.



Mr. Stanley Fryer

-3-

October 6, 1972

I should like to take this opportunity to thank you, Mr. Kar, Mr. Wahlberg and Mr. Rose for your assistance during my stay in Lagos. I felt that our meetings were very useful and I am most appreciative of the help Mr. Wahlberg gave me in reviewing the draft Project Document for the Transport Survey. I do hope you had a successful home leave to England.

With kind regards,

Yours sincerely,

Eileen Powell  
Development Services Department

Enclosures

cc: Mr. Doo Kingue, UNDP New York  
Mr. Michael Payne, IBRD Lagos

cc: Messrs. Mirza/Povey, Robert Jones, Raj Krishna, Crowe, Soges,  
Donald Johnson, and Clare

EP:fh  
IBRD

October 6, 1972

Mr. E.J. Ebong  
Federal Ministry of Economic Development  
and Reconstruction  
Lagos, Nigeria

Dear Mr. Ebong:

Nigerian Agricultural Bank

Enclosed please find a draft project document for this project which was discussed with you in Lagos and subsequently in Washington during the Annual Meeting.

I shall be grateful if you will review this document at your earliest convenience and send your comments to us and to the UNDP representative in Lagos.

I am sending a copy of this letter and project document to Mr. Ayida and to Dr. Bukar Shaib.

Sincerely,

Humayun Mirza  
Western Africa Region

Attachment

Copy      Mr. A.A. Ayida  
            Permanent Secretary  
            Federal Ministry of Finance  
            Lagos, Nigeria  
  
            Mr. Bukar Shaib  
            Permanent Secretary  
            Federal Ministry of Agriculture  
                    and Natural Resources  
            Lagos, Nigeria

cc:      Miss Powell ✓  
            Messrs Crowe  
                    Krishna  
                    R. Jones

FPovey/dh



Nigeria Ag. Bank.

Form No. 27  
(3-70)

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

OUTGOING WIRE

TO: ABUBAKAR

DATE: SEPTEMBER 19, 1972

PERMFIN

CLASS OF  
SERVICE: LT

LAGOS

COUNTRY: NIGERIA

TEXT:  
Cable No.:

AGRICREDIT BANK CONSULTANTS HAVE CABLED THAT THEY HAVE RECEIVED CABLE FROM  
PERMSEARCH CONFIRMING ACCEPTABILITY MACKAY AS GENMANAGER AND PROPOSING  
ARRIVE WASHINGTON SEPTEMBER TWENTY TO BEGIN NEGOTIATION OF CONTRACT STOP  
SUBJECT TO YOUR CONFIRMATION ACCEPTABILITY MACKAY WE PROPOSE COMMENCE  
CONTRACT NEGOTIATIONS BUT WILL DELAY COMPLETION PENDING AGREEMENT OF  
GOVERNMENT CONTRIBUTION WITH YOUR DELEGATION TO ANNUAL MEETING  
REGARDS

MIRZA

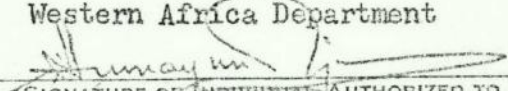
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Humayun Mirza

DEPT. Western Africa Department

SIGNATURE   
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EPovey/dh

CLEARANCES AND COPY DISTRIBUTION:

cc and cleared in substance: Mr. Bazo  
Miss Powell ✓  
Mr. Krishna w/  
copy of incoming

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: \_\_\_\_\_

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

*Nigeria Ag. Bank  
In. Nigeria (y)*

INCOMING CABLE

DATE AND TIME  
OF CABLE:

SEPTEMBER 18, 1972

LOG NO.:

263 TELEX /18

TO:

INTBAFRAD

FROM:

TILBURG

ROUTING

ACTION COPY: AGRICULTURE PROJECTS

INFORMATION  
COPY:

DECODED BY:

TEXT:

ATT. MR. GOFFIN

FOLLOWING TELEX SEPTEMBER 18 FROM PERMSEARCH LAGOS MACKAY

IS ACCEPTABLE AS GENERAL MANAGER NIGERIAN AGRICULTURAL BANK.

MESSRS METCALFE AND SLAGHUIS WILL BE IN YOUR OFFICE FOR CONTRACT

NEGOTIATIONS ON WEDNESDAY MORNING SEPTEMBER 20. I WILL JOIN YOU

WEDNESDAY AFTERNOON OR THURSDAY MORNING. REGARDS

*cc: Miss Powell*

*31132*

POYCK - BERBO - TILBURG

52177 BERBO NL

SC



## INCOMING CABLE

DATE AND TIME

OF CABLE: SEPTEMBER 9, 1972

1313

LOG NO.: 48 / 9

TO: MIRZA INTBAFRAD

FROM: LAGOS

## ROUTING

ACTION COPY: MR. MIRZA

INFORMATION COPY: MR. CHAUFOURNIER

DECODED BY:

TEXT:

F12080/11/407.

YOUR CABLE DATED SEPTEMBER 6TH RECEIVED.

MESSRS. EBONG AND SHAUAIB NOW IN LAGOS. CONSULTATION GOING ON.

EXPECT FIRM DECISION SOONEST. REGARDS.

ABUBAKAR ALHAJI

PERMF IN LAGOS

cc: Mr Bazo

Miss Powell ✓

ee

FOR INFORMATION REGARDING INCOMING CABLES, PLEASE CALL THE COMMUNICATIONS SECTION, EXT. 2021

ORIGINAL

*Nigeria  
Ag. Bank  
(9)*

ABUBAKAR

SEPTEMBER 6, 1972

PERMFIN

LT

LAGOS

NIGERIA

ON AUGUST TWENTYTHREE WE WROTE EBONG PROPOSING MR MACKAY FOR GENERAL MANAGER  
HAB ENCLOSING CURRICULUM VITAE AND SUGGESTING NEGOTIATION OF CONTRACT DURING  
WEEK SEPTEMBER EIGHTEEN STOP WE FEEL LETTER MAY HAVE ARRIVED AFTER EBONGS  
DEPARTURE THEREFORE GRATEFUL YOU INVESTIGATE MATTER AND CABLE STATUS SINCE  
CONSULTANT UNABLE RETAIN SERVICES REMAINDER OF TEAM AFTER SEPTEMBER ELEVEN  
REGARDS

MIRZA

INTRAFRAD

Husayun Mirza

cc and cleared: Mr. Baso

Western Africa Department

cc: Miss Powell ✓



Mr. Vincent J. Riley

September 1, 1972

Eileen Powell

NIGERIA: (1) Agricultural Bank  
(2) Transport Survey of Mid-western Nigeria  
(3) Long-term Study of Lagos Port  
(4) Seed Multiplication Project

---

1. In accordance with terms of reference dated July 31, I visited Lagos from August 6 to 11 and discussed the above projects with the Federal Government, the IBRD resident mission and the UNDP Resident Representative. I coordinated my work with Messrs. Mirza (Area), Stoneham and Bazo (Agriculture Projects), Howard Jones (Transportation-Ports) and Payne (the Bank's transportation specialist in Nigeria).

#### Nigerian Agricultural Bank (NAB)

##### Background

2. Prior to the mission, the main requirements before this project could be implemented were: (a) the Government's approval of NAB's memorandum and articles of association; (b) the provision of additional data and information to the UNDP Resident Representative; (c) the Government's acceptance of the four experts proposed by Berenschott-Bosboom, the selected consulting firm; and (d) negotiation of the contract with Berenschott-Bosboom.

##### Present Position

3. The Federal Executive Council approved NAB's memorandum and articles of association on July 26, 1972 and the first directors-designate to the Board have been nominated. The head office of NAB will be in Kaduna. Full details of these decisions are contained in the back-to-office report prepared by Messrs. Bazo and Stoneham on August 15, 1972.

4. The draft of the Project Document prepared in January 1972 was based on the format prevailing prior to 1972. UNDP headquarters in New York, by letter dated March 16, 1972, accepted the draft, subject to whatever comments their Resident Representative might have. The Resident Representative needed certain additional information to comply with UNDP's new regulations, and this information was provided by the mission. A fuller description of the Government's counterpart contribution will be given when negotiations with the consultants have been concluded.



5. The Government indicated its acceptance of three of the experts proposed by Berenschott-Bosboom: K. W. Gall (agricultural economist), H. Unk (accountant and financial expert), and E. Schepers (credit specialist). The candidate proposed for the position of general manager was not acceptable. (A new candidate was subsequently proposed to the Government on August 23, 1972.)

#### Further Action

6. Subject to the Government's acceptance of the candidate proposed for general manager, contract negotiations with Berenschott-Bosboom will take place the week commencing September 18. At the conclusion of negotiations, the Project Document can be completed and prepared for signature.

#### Transport Survey of Mid-western Nigeria

##### Background

7. In June 1966, the Government submitted an application to the UNDP requesting financial assistance for this survey. The project was subsequently approved by the Governing Council of UNDP in June 1967 with an earmarking of \$297,000. The civil war in Nigeria prevented the project from being undertaken. Since the end of the war, most of the expenditure in the State's transport sector has been for rehabilitation purposes. Little has been done to reactivate the project approved by UNDP. To assist in its planning for 1975 and after, the Mid-western State now requires that a transport survey be undertaken so that priorities for road and river transport might be identified and feasibility studies subsequently carried out. The original project, therefore, has to be updated and amended as appropriate to take account of changed conditions and increased costs since the original application was submitted.

8. A draft Plan of Operation was prepared in 1968 for the original project. This was never signed. By letter of July 7, 1972, UNDP requested that, for the updated project, a Project Document be prepared in line with their new format according to Chapter IV of their Operational and Financial Manual. This was duly drafted and agreed within the Bank before the mission left for Nigeria.

##### Current Position

9. The draft Project Document was discussed with the UNDP office in Lagos. Jan Wahlberg, their program officer, reviewed it in detail and suggested a number of modifications. A marked-up version of the draft incorporating these modifications is attached.



10. One of the changes agreed with UNDP Lagos was that the starting date should be 1 January 1973 instead of 1 November 1972. The latter date was considered unrealistic; the Mid-western State had not yet agreed the terms of reference and we still had to select consultants and negotiate a contract. The selection and negotiation procedures alone would take approximately three months and it would therefore be impossible to have the consultants in the field by November 1, 1972. As a consequence of the change, all dates shown in the Work Plan in Part III of the Project Document have been moved ahead by two months.

11. UNDP's new regulations require that the Government's counterpart contribution be itemized in detail. Personnel positions must be described fully, right down to drivers and traffic counters, in that part of the Project Document headed "Description of Government inputs". It was suggested by Mr. Fryer, the Resident Representative, and subsequently agreed to by the Federal Government, that this could only be done by direct discussions with the State Government in Benin. A visit could not be arranged during the short time the mission was there, but it was agreed that Mr. Payne, accompanied by Mr. Wahlberg, would visit Benin as soon as possible. Mr. Payne would inform the State Government what IERD considered the ideal counterpart staffing should be, including a full-time co-project manager. It is essential to determine what counterpart staff might be available before contract negotiations take place.

12. A visit to the State Government would also provide an opportunity to see whether they accepted the revised terms of reference sent to them on May 26 last. The Federal Government has already accepted them.

13. The draft of the Project Document included the statement "No overseas training is foreseen". The UNDP questioned this, and the matter was also raised when the mission visited the Development Aid Division of the Ministry of Economic Development. It was agreed that this should be further discussed with the State Government. Three fellowships were granted when UNDP originally approved financing for a transport survey in 1967, but it is not known whether the fellows who benefited by the training are still with the State Ministry of Works and Transport.



Further Action

14. The mission agreed with UNDP Lagos that the following procedures be followed for further clearance and signature of the Project Document:

- (1) After the proposed meeting with the State Government has taken place, Mr. Wahlberg will provide additional data for the Government's counterpart contribution, and for fellowships if applicable, and send it to IBRD;
- (2) IBRD will prepare copies of a new draft Project Document and send them to UNDP headquarters in New York and to the Federal and State Governments (through UNDP Lagos) for clearance;
- (3) At the conclusion of contract negotiations, IBRD will finalize the Project Document, (which will mainly be a question of completing the UNDP and Government inputs and the financial data), and then sign the document and send it to UNDP New York and to the State and Federal Governments, again through UNDP Lagos;
- (4) The Government and the Resident Representative, on behalf of the UNDP, will sign the document after final clearance has been received from UNDP New York;
- (5) The Resident Representative will cable IBRD as soon as he and the Government have signed the document.

Long-Term Study of Lagos Port

15. The mission discussed with the UNDP Resident Representative the possibility of UNDP financing a long-term study for the port of Lagos. It is expected that the growth in port traffic will be very rapid during the next ten years, and the study would therefore need to be started fairly soon so that construction could commence in the mid-1970s. The mission informed the Resident Representative that a very rough estimate of the cost of the study would be \$1 million. The Resident Representative said that, in principle, he would support the proposal that UNDP finance the study. As UNDP would shortly commence preparation of its country programme for Nigeria, he suggested that IBRD inform the Ministry of Transport that they should place their request to the UNDP through the Federal Ministry of Economic Development as soon as possible. The preparation of the country programme is coordinated through the latter Ministry.



September 1, 1972

Seed Multiplication Project

16. In connection with an agricultural project in its proposed lending program for Nigeria, IBRD learned from the Federal Government that a request for a seed multiplication study had been submitted to UNDP. UNDP Lagos informed the mission that the request had been received some two months earlier and had been sent to their headquarters in New York and to FAO in Rome for comments. They had since heard that the request was accepted in principle, but their headquarters had suggested a consultant mission be sent to update some of the information contained in the request. The Resident Representative and Mr. Rose, the FAO representative in Lagos, felt strongly that the consultant mission should visit IBRD in Washington before going to Lagos. Since returning to Washington, I have been in touch with UNDP headquarters and they have agreed that their mission should visit Washington. They are waiting for the Government to accept their proposal for a mission before making further plans, and will be in touch with us in due course.

## Attachment

cc: Messrs. Mirza, Stoneham, Bazo, North, Clare, Roth, Payne (Lagos),  
Howard Jones, Donald Johnson, Robert Jones, Raj Krishna.

EPowell/sz

NIGERIA

List of Persons Met

Ministry of Economic Development

Mr. I. J. Ebong

Permanent Secretary

Mr. E. O. Martins

Head of the Development Aid  
Division

United Nations Development Programme

Mr. S. Fryer

Resident Representative

Mr. S. Kar

Deputy Resident Representative

Mr. J. Wahlberg

Programme Officer

Food and Agriculture Organization

Mr. W. Rose

Representative



August 23, 1972

Mr. I.J. Ebong  
Permanent Secretary  
Federal Ministry of Economic  
Development and Reconstruction  
Lagos, Nigeria

Dear Mr. Ebong:

During my recent visit to Nigeria, I informed you that Mr. Delhove, whom you had selected for the post of General Manager of the Nigerian Agricultural Bank (NAB), was no longer available and you in turn advised us that neither of the other two proposed candidates, Messrs. Keijzer and Morgan, were acceptable to your Government.

The consultants, Berenschot Bosboom, now propose Mr. Erik R.A. Mackay (curriculum vitae attached) for this position. Mr. Mackay would be acceptable to the Bank and, we trust, to your Government. We would be grateful if you would review Mr. Mackay's curriculum vitae and cable your decision.

We fully share your desire to establish NAB as an operating entity as early as possible and, assuming Mr. Mackay is acceptable to the Government, we would hope to be able to schedule negotiation of the contract with the consultants for the week commencing September 18. We will be writing to you in the course of the next few days regarding procedures for negotiations and signing of the Project Document.

We would be grateful if you would give this matter your urgent attention.

With best personal regards.

Yours sincerely,

Humayun Mirza  
Western Africa Department

Attachment

cc: Mr. Bazo

Miss Powell ✓

FPovey/JBazo/dh



# Record Removal Notice



<b>File Title</b> Nigeria - Agricultural Development Bank - set		<b>Barcode No.</b>  1051334		
<b>Document Date</b> 23 August, 1972	<b>Document Type</b> CV / Resumé			
<b>Correspondents / Participants</b>				
<b>Subject / Title</b> Curriculum Vitae - Berenschot - Bosboom N. V.				
<b>Exception(s)</b> Personal Information				
<b>Additional Comments</b>		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td><b>Withdrawn by</b> Chandra Kumar</td><td><b>Date</b> 28-Jan-15</td></tr></table>	<b>Withdrawn by</b> Chandra Kumar	<b>Date</b> 28-Jan-15
<b>Withdrawn by</b> Chandra Kumar	<b>Date</b> 28-Jan-15			



Nigeria - NAB  
(4)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

TO : Mr. W. H. Spall

DATE: August 15, 1972

FROM : J. Bazo and A. Stoneham

SUBJECT: NIGERIA -- IBRD/UNDP/SF Project for the Establishment  
of the Nigerian Agricultural Bank  
Back-to-Office and Full Report

---

1. In accordance with Terms of Reference dated July 26, 1972, we visited Lagos from August 6 to 12, 1972, to discuss with the Federal Government, IBRD Resident Mission, and the UNDP Resident Representative the progress in establishing the Nigerian Agricultural Bank (NAB). We were assisted by Mr. H. Mirza (Area) and Miss Eileen Powell (Development Services). A list of places visited and persons met is at Annex 1.

Background

2. After Mr. Bazo's visit to Lagos in February, 1972, the main steps still outstanding over the formation of NAB were: (a) Government approval of NAB's Memorandum and Articles of Association; (b) Government approval of the documents under which UNDP/SF would finance a team of four experts from Messrs. Ferenschot and Boshoom (Netherlands) (BBN) to organize and manage NAB during its first three years of operation; (c) Government clearance of the four experts comprising the BBN team; and (d) negotiation by IBRD of the consultants' contract with BBN, after Government clearance.

Present Position

3. Formation of NAB: The Federal Executive Council approved NAB's Memorandum and Articles of Association on July 26, 1972. The mission was advised that the only change in the draft as previously received by IBRD is in the capital structure. Instead of an equity capital of NL. 4.0 million, as earlier proposed, NL. 0.5 million will now be in equity shares, all held by the Federal Government, while the balance of NL. 3.5 million will be in long-term loan, either interest free, or at a very low interest rate. The precise rate is still under discussion within the Government, but Mr. Alhaji Abubakar of the Ministry of Finance stated he expected the loan would be interest-free. The

MISS E. POWELL  
D1138

change has been made because of the high stamp duty on an equity of NL. 4.0 million. The mission was assured by senior officials of the three Ministries concerned with NAB's formation, that the Government contribution to its share capital and for the long-term loan was available as soon as required.

4. The first Directors-designate to NAB's Board have been nominated. They are:

Dr. S. Bukar Shaib,	Permanent Secretary, Ministry of Agriculture,
Mr. Ayida,	Permanent Secretary, Ministry of Finance,
Mr. I. Ebong,	Permanent Secretary, Ministry of Economic Development and Reconstruction,
Mr. Cloruntoba,	Director, Federal Department of Agriculture,
Mr. Ajueyitchia,	Chairman, Nigeria Produce Marketing Board,
Mr. Ijewera,	Deputy Director, Central Bank of Nigeria,
Mr. Adekunle,	Deputy Director, Central Bank of Nigeria.

5. Government officials considered that NAB would be registered under the Companies Act, and thus become a corporate body, before September 30, 1972. A copy of the registered Memorandum and Articles of Association will be forwarded to IBRD as soon as registration has been completed.

6. Government has decided the Head Office of NAB will be in Kaduna. This is acceptable to all parties, as Kaduna is a convenient center for agricultural activities, with good access by air and road and good telephone linkage to most agricultural centers.

7. The mission agreed that the question of office space, furniture and office equipment, selection of initial staff, and similar problems were the responsibility of NAB's Board and Management, and should be dealt with as soon as NAB's management team was in the field.

8. Approval of UNDP/SF Project Documents: Government approved these documents in April, 1972. Since then a new format for them has been introduced. The mission supplied additional data and information to the UNDP Resident Representative to enable him to prepare documents under the new format for transmission to New York for consideration by UNDP.



August 15, 1972

9. Clearance of NAB Management Team: Government has cleared nominees for three of the four posts. They are: Messrs. H. Unk (Accountant and Financial Expert), E. Schepers (Credit Specialist), and K. W. Gall (Agricultural Economist). It has however procrastinated over clearing the nominee for the post of General Manager. In April 1972 the candidate (Mr. Scott) proposed by BBN and found acceptable to IBRD was rejected. A further candidate (Mr. Abassi), well known to and nominated by IBRD, was rejected in May. In the meantime the Government, in informal discussion with BBN, obtained the name of yet another candidate (Mr. Delhove) who proved unacceptable to IBRD and is, in any event, no longer available. We informed Government of Mr. Delhove's unavailability. Two alternative candidates acceptable to IBRD were put forward (Messrs. Keijzer and Morgan). Just before we left Lagos we were informed that the Government was not prepared to clear either of these two alternatives. On our return to Washington, BBN were informed, and they are now trying to find other candidates. Negotiation and signing of the UNDP Project Document and the Consultant's Contract are thus held up until IBRD and the Government are able to clear a new candidate.

IBRD Livestock Project Appraisal Mission

10. Our mission discussed in the field with the appraisal mission the possible role of NAB in the proposed Livestock Project, from which it seems likely that NAB can play a useful part. Further details will be given in the appraisal mission's Back-to-Office Report.

Further Action

11. No immediate action is required pending BBN submission of new candidates for the post of General Manager of NAB, after which IBRD will send the curriculum vitae of approved candidates for Government selection. After Government clearance, negotiations can proceed on the UNDP/SF Project Document and Consultants' Contract.

JBazo:ac  
IBRD

cc: Messrs. Chadenet/Baum/Ripman/King/Rovani/Lee/Engelmann  
Lithgow/van der Tak/Lind/Elliott/Mirza/Evans/Wapenhans  
McIvor/Adler/Yudelman/Darnell/Courbois/K. Jones  
Forcum/E. Powell/Hendry/Stoops/Worker/Furumura

Central Files

NIGERIA

IBRD/UNDP/SF PROJECT FOR THE ESTABLISHMENT  
OF NIGERIAN AGRICULTURAL BANK

List of Places Visited and Persons Met by the Mission

1. Places Visited

Lagos, Nigeria

2. Persons with Whom the Mission Discussed the Project

Mr. Ima Ebong	Permanent Secretary, Ministry of Economic Development,
Mr. A. Popo	Deputy Permanent Secretary, Ministry of Agriculture,
Mr. B.S. Oloruntoba	Director, Federal Department of Agriculture,
Mr. Alhaji Abubakar	Deputy Permanent Secretary, Ministry of Finance,
Mr. S. Fryer	UNDP's Resident Representative,
Mr. E. Wahlberg	UNDP's Program Officer,
Mr. M.R. Payne	IBRD's Acting Resident Representative,
Mr. C.E. Metcalfe	Director, Berenschot Posboom NV.



INTBAFRAD

AUGUST 2, 1972

LACOS

LT

NIGERIA

CHE FOR MIRZA

AGRI BANK EBONG LETTER JULY TWENTYTWO IN REPLY YOURS JULY SEVEN CONFIRMS  
ACCEPTANCE UNK COMMA SCHEPERS AND GALL AND REQUESTS BANK APPOINT DELHOVE  
AS GENERAL MANAGER STOP BAMB LETTER JULY EIGHTEEN STATES DELHOVE RE-  
ASSIGNED END JULY THEREFORE UNAVAILABLE STOP SUGGEST YOU REFRAIN FROM  
DISCUSSION NAB PENDING ARRIVAL BAZO WITH DETAILS REGARDS

POVEY

Frank Povey

Western Africa Department

FPovey/dh

cc and cleared with Mr. Bazo

cc: ☒ Miss Powell

Miss Eileen Powell

July 31, 1972

Vincent J. Riley

NIGERIA: (1) Agricultural Development Bank  
(2) Transport Survey of Mid-western Nigeria  
(3) Long-term Study of Lagos Port

On August 6 you will arrive in Lagos for approximately one week to join Mr. Humayun Mirza for the following purposes:

1. Agricultural Development Bank

You will discuss the draft Project Document with the UNDP Resident Representative and endeavor to provide him with any additional information he might need. To the extent possible, you will obtain the information required to complete the Project Budget for the Government's counterpart contribution to the project. You will coordinate your work with Messrs. Stoneham and Bazo of the Agriculture Projects Department.

2. Transport Survey of Mid-western Nigeria

You will take with you a draft of the Project Document and discuss it first with Mr. Michael Payne, the Bank's transport specialist stationed in Nigeria. You will then accompany Mr. Payne to the UNDP office in Lagos to discuss the document with the Resident Representative and to obtain his clearance to the extent possible. You will leave copies with the Resident Representative so that he may pursue clearance of the document with the appropriate offices of the Federal and State Governments.

3. Long-Term Study of Lagos Port

You will accompany Mr. Howard Jones, who will be leading the Bank's pre-appraisal mission of the second Lagos port project, to the UNDP office in Lagos to discuss with the Resident Representative the possibility of UNDP financing for this study and its inclusion in the UNDP country programme for Nigeria for the period 1972/76.



Miss Eileen Powell

-2-

July 31, 1972

4. If time permits, you will obtain information on the preparation of the UNDP country programme for Nigeria and find out whether there is the possibility that Bank assistance might be required in connection with other projects which the Government is proposing for inclusion in the programme.

5. You will return to Washington by August 14 and submit a full report.

cleared with and cc : Mr. H. Mirza

cc: Messrs. Howard Jones  
Bazo  
D. Johnson/Clare  
Robert Jones  
Raj Krishna  
Payne (Lagos)  
North/ P. Malone

EPowell/sz

(c) discuss with Government a tentative date and arrange to have a suitable Government representative available to come to Washington for negotiation and signing the UNDP Project Document.



Messrs. A. Stoneham and  
J. Bazo

- 2 -

July 26, 1972

4. Mr. Bazo should return to Washington on or about August 18, 1972, and will submit a back-to-office and full report.

JBazo:ac  
IBRD

Cleared with and cc: Mr. Mirza

cc: Chadenet/Baum/Ripman/Lee/van der Tak/Evans/Wapenhans/McIvor  
Adler/Darnell/Miss E. Powell/J. Hendry/K. Jones  
Forcum/Miss Furumura

Central Files



# Record Removal Notice



<b>File Title</b> Nigeria - Agricultural Development Bank - set		<b>Barcode No.</b>  1051334		
<b>Document Date</b> 22 July, 1972	<b>Document Type</b> Letter			
<b>Correspondents / Participants</b> To : Mr. Humayun Mirza, Western Africa Department From : I. J. Ebong, Permanent Secretary				
<b>Subject / Title</b> Correspondence on qualifications of staff				
<b>Exception(s)</b> Information Provided by Member Countries or Third Parties in Confidence				
<b>Additional Comments</b>		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td><b>Withdrawn by</b> Chandra Kumar</td><td><b>Date</b> 28-Jan-15</td></tr></table>	<b>Withdrawn by</b> Chandra Kumar	<b>Date</b> 28-Jan-15
<b>Withdrawn by</b> Chandra Kumar	<b>Date</b> 28-Jan-15			



Nigeria Ag. Bk.  
(4)

Mr. Richard H. Demuth

July 19, 1972

Vincent J. Riley

Mission to Nigeria

Mr. Humayun Mirza of the Western Africa Department has requested that Miss Powell participate in a mission to Nigeria in August to help sort out a number of problems relating to the approval of the Project Document on the UNDP financed assistance to the Agricultural Development Bank.

The UNDP Resident Representative in Nigeria is not too good, the Bank's Resident Representative is no longer there, and the other members of the Bank mission are not at all familiar with the UNDP requirements. Miss Powell could, I believe, make an important contribution. In addition, she could help resolve some of the problems that have held up another Bank-executed UNDP project, the Mid-western Nigeria Transport Survey.

Miss Powell would be needed for a week, August 7-11. The travel cost would be chargeable to UNDP (as executing agency overhead cost). I had planned to be on leave but since that week was to have been spent at home, there is no problem in modifying my plans.

I suggest that unless the problems on the Agricultural Bank Project are resolved beforehand (which is unlikely), we should agree to Miss Powell making this trip. Do you concur?

VJRiley/sz

July 7, 1972

Mr. I.J. Ebong  
Permanent Secretary  
Federal Ministry of Economic Development  
and Reconstruction  
Lagos, Nigeria

Dear Mr. Ebong:

Over the past ten months we have been discussing the various aspects of the proposed new Nigerian Agricultural Bank. The Bank has been asked to act as executing agency for a UNDP project that comprises the staffing of four key positions for the new bank. As some time has passed and a point is now being reached where final decisions have to be taken, I thought that I should write to you to ensure that there is a clear understanding on where we stand and what further steps must be taken. Basically, there are two outstanding issues on which action is needed with a certain degree of urgency and I would appreciate your advising us as to whether our understanding of the situation is correct on these issues.

The first relates to the incorporation of NAB. I understand that its Articles of Agreement and by-laws are ready to be submitted to the FBO and that legislation should be enacted shortly. I would appreciate it if you would confirm this and let me know as to what is your best estimate of when this bank will be formally established.

The second point relates to the initial filling of four key posts in the proposed new bank. The consultants who were selected by us and approved by your Government for this purpose have made proposals on which we would like to have your advice. It is our understanding that Mr. H. Unk, Mr. K. Gall and Mr. E. Schepers proposed for the positions of accountant, agricultural economist and credit specialist, respectively, have been accepted. A decision, however, is still needed for the post of general manager. The names of Mr. Keiser and Mr. Morgan have been proposed to you to fill this post. We find both these candidates acceptable and we would therefore be grateful to have your decision as to whom you find preferable so that we can proceed with the recruitment and negotiations of the contract with a view to having the consultant team in Nigeria hopefully not later than September 1972. I am sure that you will agree that after the months of negotiations with the consultants the team should be sent to Nigeria as soon as possible in order to ensure that NAB gets started as quickly as possible.

Because of the role it will play in the implementation of an important segment of our future lending program in the agriculture sector in Nigeria we are particularly interested in assisting you in any way we can to make NAB operational as soon as possible. The immediate impact of NAB would be on the



Mr. I.J. Ebong

- 2 -

July 7, 1972

proposed livestock project, for which an appraisal mission will be arriving in Nigeria on July 13 and will be looking at the prospect of using HAB as a channel for the project. In this connection, Mr. Stoneham will be talking to you when he joins the livestock appraisal mission in the first week of August. We would like to take that opportunity to also send Mr. Bazo, who is directly responsible in the Bank for the HAB project, to discuss with you the final details with the object of having the consultants in the field by next September. I also expect to be in Lagos during that time and look forward to the opportunity of discussing this and other matters of mutual interest with you. In the meantime I would be most grateful to have your views on the points raised above in preparation for the discussions early in August.

In view of their interest in this matter, I am sending copies of this letter to Mr. Ayida and Mr. Dukar Shaib.

With best personal regards,

Sincerely yours,

Hemayat Mirza  
Western Africa Department

Cleared with and cc: Messrs. Goffin/Bazo  
cc: Messrs. Worker  
Stoneham  
Povey  
Miss Powell

HMirza:cn

INCOMING CABLE

DATE AND TIME  
OF CABLE:

APRIL 17, 1972

1430

LOG NO.:

RC 25/17

TO:

MIRZA INTBAFRAD

FROM:

LAGOS

TEXT:

ROUTING

ACTION COPY: MR. MIRZA

INFORMATION COPY: MR. CHAUFOURNIER

DECODED BY:

1570/I/227

REFERENCE YOUR CABLEGRAM WE HAVE CLEARED THE PROJECT DOCUMENT OF  
AGRICULTURAL CREDIT BANK AND THE NIGERIAN GOVERNMENT RAISES NO OBJECTION  
TO IT.

SECON

EBONG

ee



yellow  
file

## OFFICE MEMORANDUM

TO: Files

DATE: April 12, 1972

FROM: J. Bazo

SUBJECT: Meeting to Discuss Implications of Mr. M. Burney's Letter  
Regarding Establishment of the Nigerian Agricultural Bank (NAB)

A brief meeting was held on Monday, April 10, 1972, with the participation of H. Mirza and F. Povey (Area), Miss E. Powell (Development Services), P. C. Goffin and J. Bazo (Projects). The purpose of the meeting was to decide on a course of action regarding the different steps to be taken for the establishment of the Nigerian Agricultural Bank (NAB), on the light of the issues raised and commented on the attached letter dated March 29, 1972 from Mr. M. A. Burney, Bank Resident Representative in Lagos, Nigeria to H. Mirza.

The main issues raised and discussed were:

1. Clearance of candidates and role of UNDP Resident Representative - In spite of the Permanent Secretary of Agriculture's (Shaib) initial acceptance (in February during Mr. Bazo's visit) of candidates selected by Bank subject to Government clearance, now the Permanent Secretary for Economic Development (Ebong), probably influenced by comments of the UNDP Resident Representative, has unofficially informed Burney that he will not accept two of the candidates, (out of 4) Mr. Scott and Mr. Pegler (the two British members of the team) and that the selected firm (Berenschot and Bosboom) would have to propose new candidates.
2. There is no assurance as to when, the Federal Executive Council will approve the legislation for the establishment of NAB.
3. Mr. Burney's comments regarding the manner in which the Bank should have proceeded for selection of consultants.

Conclusions of the meeting were:

1. Mr. Mirza would send a cable to the Permanent Secretary of Economic Development (Ebong) asking official position of Government regarding clearance for candidates proposed by Bank and project documents (cable sent on April 11, 1972).
2. Mr. Mirza would also indicate to the Government our concern for the delay in passing necessary legislation for establishment of NAB since it will affect readiness of the new institution to handle livestock and other loans (included in same cable above mentioned).

D/138

April 12, 1972

3. Miss Powell would informally discuss with the UNDP's New York office Mr. Fryer's role in the selection of firm and candidates.

} Only if my Dept.  
agreed.

4. As to Mr. Burney's suggestion that information on the candidates submitted by consultants, should have been sent to him prior of having Government reaction. It was felt that the procedure established for the selection of consultants under UNDP/IBRD projects was followed, and that the list of candidates with their CVs was sent to Mr. Burney on January 14, 1972 for its transmittal to Government, on which he had no reaction at that time.

JBazo:ac  
IBRD

Cleared with and cc: Mr. F. Povey

cc: Messrs. Chadenet  
Chaufournier  
Mirza  
Wapenhans  
Engelmann

Miss E. Powell



*yellow  
file*

Files

April 11, 1972

P. C. Goffin

NIGERIA--Establishment of the Agricultural Development Bank;  
UNDP/SF Project

This morning I received a telephone call from Mr. Poyck, General Manager of Berenschot-Bosboom in Holland, the firm selected to provide consultants to manage the above referred to project. Mr. Poyck reported that he had been unofficially informed that two out of the four men presented, Messrs. Pegler and Scott (both British), were not accepted by the Nigerians because they thought that both of those men were professionally not qualified. On his own initiative, Mr. Poyck went to Nigeria last week and was told by the Permanent Secretary of Agriculture that indeed they did not accept the two men and would like to have replacements. The Permanent Secretary of Agriculture asked him if he would look for replacements and to present these unofficially to them. Mr. Poyck added that he could provide replacements and probably a full Dutch team within a few days. I mentioned to Mr. Poyck that we were aware of this problem and that we were sending a cable to the Permanent Secretary of Economic Development in Nigeria asking him to give us the Government official view with regard to the candidates proposed in order to proceed accordingly. Also that the official channel for negotiations had to go through the executing agency which was the World Bank and that he should wait for our communication before taking any steps. He readily accepted the proposal.

PCGoffin/weby  
IBRD

cc: Messrs. Chadenet, Chaufournier, Mirza, Wapenhans, Englemann  
Miss E. Powell

Nigeria Ag. Bank  
(yellow)

IBONG

APRIL 11, 1972

SECON

LT

LAGOS

NIGERIA

IN VIEW PRIORITY GIVEN BY GOVERNMENT TO APPOINTMENT MANAGEMENT TEAM FOR  
OF BANK'S TECHNICAL DEPARTMENT  
PROPOSED AGRICULTURAL CREDIT BANK BAZO/VISITED LAGOS FEBRUARY AND  
DISCUSSED WITH BUKAE SHAIB DRAFT PROJECT DOCUMENT AND PERSONNEL PROPOSED  
BY BERESCHOT-BOSBOOM FOR UNDP PROJECT STOP APPRECIATE RECEIVING YOUR  
FINAL CONFIRMATION OR VIEWS SO WE MAY PROCEED WITH CONCLUSION CONTRACT  
STOP ALSO GRATEFUL YOUR BEST ESTIMATE OF LIKELY DATE APPROVAL OF  
LEGISLATION ESTABLISHING NAB STOP APPRECIATE CABLE REPLY SOONEST  
BEST REGARDS

MIRZA

INTBAFRAD

Humayan Mirza

Western Africa Department

YFovey/dh

cc and cleared in substance: Mr. Bazo

cc: Miss Powell



Form No. 75  
(2-63)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

ROUTING SLIP

Date

April 5, 1972

NAME

ROOM NO.

~~Miss Eileen Powell~~

D1138

file Nigeria Agric. Bank  
(yellow)

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

Please call me after you have read  
this. I would like to discuss a  
couple of points with you.

Frank concerned about Govt  
attitude on candidates.  
We will discuss next week  
at W.I. mtg. P.

From

Frank Povey

Quarters:  
Washington, D.C., U.S.A.



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
RESIDENT REPRESENTATIVE IN NIGERIA

17 Kingsway Road, Ikoyi, Lagos

Telephone 56577 - Cable Address - INTBAFRAD LAGOS - Postal Address - P.O. Box 127

March 29, 1972

Letter No. 50

Mr. Humayun Mirza  
International Bank for Reconstruction  
and Development  
1818 H Street N.W.  
Washington, D.C. 20433

Dear Humayun:

Nigerian Agricultural Bank

This is the letter promised in my cable to you of March 22, 1972, No. 84, on the above subject. I waited a few days hoping that I might have something more positive to report, but the picture is still not bright or even clear. I have talked with Bukr Shaib on more than one occasion since my return to Lagos and have seen Obi and Ebong since receiving your cable No. 68.

Legislation:

Bukr Shaib says that it was impossible for him or anyone at his level (civil service) to say when the Federal Ministry of Justice will complete the drafting of legislation and Articles of Association of the NAB, and that April 15 date was unrealistic. I explained the importance of the date or at least some qualified estimate of time, to help in planning various steps leading to the signing of contract and arrival of experts in Nigeria. When I did not get an answer I asked whether it might take as long as two to three months and his answer was not as long. From this I deduce that it may be May 15 before the pertinent documents are approved by the FEC. Neither Obi, Ayida or Ebong could improve our knowledge and they say, and rightly so, that that is Shaib's baby.

Clearance of Candidates

Here the picture is reverse. Shaib apparently had no objections to the candidates submitted but Ebong and his staff feel, partly as a result of comments of the local UNDP staff, but mainly because they feel that the entire basis of agreeing to get a consulting firm was to get top-notch persons. Ebong feels that he had to fight an uphill battle both within his Government and with UNDP to get away from obtaining people on direct-line basis. He and his staff feel that if mediocre people like Scott and Peddler are the best the consulting firm can do then the Government might have to give serious consideration to recruiting Nigerians. The fact that



Mr. Humayun Mirza

- 2 -

March 29, 1972

NAB is to be an important institution the Government had agreed to expatriate staff. He prevailed upon the Nigerian officials concerned about accepting the Bank's recommendations that the financial controller's job be filled - for three years or so - by a foreigner, although there were many qualified Nigerian accountants. Peddler who worked for an oil company left Nigeria, Ebong said, when his position was Nigerianized. We did discuss the availability of sufficient qualified Nigerians and his answer was, "if we give half the remuneration proposed for Peddler we can get several very good Nigerians to fill the post." Although no official intimation has come to this office, although promised by Ebong, I fear that Scott and Peddler are out and the firm would have to propose new names, and good ones.

Project Document

Clearance of this document will not pose problems but given the two above issues this is not a pressing problem. Ebong has promised that his staff will soon give us their views and Shaib has said that he will rely on FMED's comments on the matter.

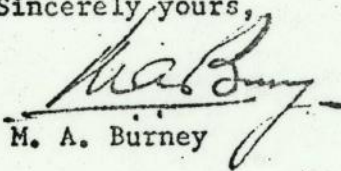
This is a rather busy time for Finance and Economic Development because of the budget.

I plan to talk to the three concerned about NAB next week.

To sum up and on hindsight one can say that perhaps the Bank should have a closer look at the candidates submitted by consultants, especially for executive positions and in the case of Nigeria, if the information on the candidates were sent to us we could have forewarned you on Nigerian reaction and thus save some time, effort and embarrassment in the process.

I am sorry not to be able to give you positive news in this letter. Will write about this by the end of next week.

Sincerely yours,

  
M. A. Burney

cc: Mr. Juan Bazo

yellow  
file

Mr. Raj Krishna

March 23, 1972

Eileen Powell

Nigerian Agricultural Bank

Attached is a copy of UNDP's letter signifying their agreement of the draft of the Project Document subject to any comments which their Resident Representative might have.

Although UNDP has not mentioned them, there are two minor matters which will need to be corrected in the final version. The first is on page 12 in Section 5.01(e) where the words "paragraph (a) of" should be deleted as there is no such sub-paragraph to Section 3.01. The second change requires to be made on page 14 in the second line of the heading where the words "Plan of Operation" should, of course, be changed to "Project Document".

Attachment

cc: Messrs: Mirza  
Bazo  
R. Jones  
Burney - IERD - Lagos

EPowell/sz



UNITED NATIONS  
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES  
POUR LE DEVELOPPEMENT

UNITED NATIONS  
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE:

DP/NIR/71/016

16 March 1972

Dear Mr. Demuth,

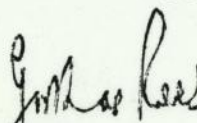
Subject: NIR/71/016 - Nigerian Agricultural Bank

Thank you for your letter dated 15 February in which you enclosed two copies of a draft of a proposed Project Document for this project.

We have carefully studied the draft Project Document and subject to what comments the Resident Representative may have to make, we have decided that in the present case we would follow the special format suggested by you. The Resident Representative has been requested to send his views to you direct.

We look forward to receiving the revised project budget at the conclusion of the contract negotiations.

Yours sincerely,

  
Michel Doe Kingue  
Assistant Administrator  
and

Director, Regional Bureau for Africa

Mr. Richard H. Demuth  
Director  
Development Services Dept.  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C. 20433

cc: Messrs: Muzza  
Bozo  
R. Jones  
R. Richman  
Burney -  
Lagos, Nigeria  
MAR 22 1972

Form No. 80  
(10-57)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
.....  
INTERNATIONAL FINANCE CORPORATION

PHONE CALLS AND VISITS

To		Date
		Hour
<input type="checkbox"/> You were called	<input type="checkbox"/> You were visited	<input type="checkbox"/> Urgent
By		
Of the		
Phone		Ext.
<input type="checkbox"/> Call Party	<input type="checkbox"/> Returned Your Call	
<input type="checkbox"/> Will Call Again	<input type="checkbox"/> Requests Appointment	
Remarks		
Received by:		



~~miss powell~~

~~D1138~~  
Nigeria Ag. Bank  
(yellow)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

TO : Mr. P. C. Goffin

DATE: March 1, 1972

FROM : Juan Bazo

SUBJECT : NIGERIA - IBRD/UNDP/SF Project for the  
Establishment of the Agricultural Bank  
Back-to-Office and Full Report

1. In accordance with the terms of reference dated February 9, 1972, the mission visited Lagos, Nigeria from February 12 to 19, to ascertain and discuss with Government authorities, the IBRD Resident Representative and the UNDP Resident Representative, the various points concerning the implementation of the IBRD/UNDP/SF Project for the establishment of the Nigerian Agricultural Bank (NAB). A list of places visited and persons met is attached as Annex 1.

Background

2. In June 1969, the Bank, at the request of the Nigerian Government, studied the possibility of establishing a Federal Agricultural Bank. As result of the study (A. H. Stoneham, Nigeria, Agricultural Credit Review - Full Report, September 18, 1969), in April 1971, the Government requested assistance from UNDP/SF to finance a team of experts to organize and manage NAB during its first three years of operation. The Government also requested that IBRD be designated the Executing Agency for the project. In July 1971 the Bank received approval from Government for terms of reference and job descriptions for a team of four consultants, and clearance to invite for this purpose five out of six consulting firms proposed by the Bank. The Bank also received and commented on the draft Memorandum and Articles of Association of NAB, which had been prepared following Mr. Stoneham's recommendations. On November 18, 1971 a Bank Selection Committee headed by Mr. Chadenet agreed to invite the firm of Berenschot and Bosboom (Netherlands) for negotiations, which would take place after settlement of financial arrangements with UNDP and clearance from the Nigerian Government. In the course of the last week of January and the first week of February 1972, our resident representative in Lagos handed the Government the curriculum vitae of the four selected experts and the Project Document (Plan of Operation) as approved by UNDP.

NO! It has yet to be approved by UNDP.



3. The steps still required for the implementation of the project are mainly; a) approval by the Supreme Military Council of the draft Memorandum and Articles of Association, and its registration under the Company Decree and the Banking Decree; b) approval and signing of the Project Document by the Nigerian Government, UNDP/SF and IBRD; c) contract negotiation with the selected firm, after clearance from the Nigerian Government; and d) financing for NAB, physical facilities, and local staff.

Establishment of NAB

4. The mission was informed by the Permanent Secretary of the Ministry of Agriculture, that the draft of the Memorandum and Articles of Association, prepared by the Ministry of Justice and revised by IBRD, the Ministries of Finance, Trade, Industry, Economic Development and the Central Bank, had been discussed by the Supreme Military Council (Federal Ministries and Heads of State Governments) and returned to the Ministry of Justice to introduce modifications and provide additional information to clarify the manner in which NAB would actually operate. Once these modifications and additions are made, the amended new draft would again have to be presented by the Ministry of Justice for the consideration of the Supreme Military Council. The secretary estimated that this action could take place during the month of April.

5. Neither the mission nor the IBRD Resident Representative in Lagos, were able to obtain precise answers in regard to the nature of the amendments suggested by the Executive Council. We were only informed that the proposed draft for the establishment of NAB was too much like the existing Nigerian Industrial Development Bank (NIDB) and that the council members wanted something more flexible that would meet the credit needs of the agricultural sector without major restrictions.

6. The Federal Government has already authorized the amount of NL 3 million (US\$9 million) in the actual fiscal budget as equity participation for NAB and has considered an additional NL 1 million (US\$3 million) for the same purpose in the new budget that becomes effective as of April 1, 1972. The first three million are available for use as soon as the bank is legally established.

7. The Government's present position in regard to physical facilities, office space, equipment, counterpart staff and other administrative matters, is that they will be taken care of by the Board of Directors and the General Manager as soon as NAB is legally created. The mission suggested the convenience of appointing immediately one full-time officer who, under the guidance of the Permanent Secretary of Agriculture, could start attending



to all these matters in order to avoid unnecessary delays after approval of NAB's establishment.

Project Document (Plan of Operation)

8. The mission, with the assistance of the IBRD Resident Representative, reviewed the draft of the Project Document with the Permanent Secretary of Ministry of Agriculture. His comment was that since it constituted a legal document it would have to be properly revised by other competent branches of the Government and their observations would be communicated through channels as soon as possible. The secretary of Agriculture objected that in Article IV, Obligations of the Government, sections 4.02, 4.04 and 4.06, the word "promptly" is used in connection with acts that the Government has to perform. He also objected to Clause 4.03 regarding obligation of the Government to enable representatives of UNDP, the Bank and the Consultants to visit any part of its territories and to examine any records and provide all information relevant to the Project. He felt that this clause presented problems of security. Our Resident Representative will be informed of their final comments.

Consultants Team

9. The Permanent Secretary of Agriculture informed the mission that he had reviewed the curriculum vitae of the experts proposed by Berenschot-Bosboom and selected by the Bank for the organization and management of NAB, and that he was satisfied that they had the necessary qualifications for their respective jobs. The Secretary added that security clearance would be necessary and that this was the task of another government agency. The Bank would be informed in the immediate future. The mission informed the Secretary that the proposed Credit Specialist Mr. Cornelis A. Kwint was no longer available and that he had been substituted by Mr. E. Schepars.

10. The mission met Mr. John Scott, head of the Berenschot and Bosboom Consultants Team, selected by the Bank to manage and organize NAB who is presently in Nigeria working as Manager of the Northern Nigerian Development Corporation. We had an extended visit during which most aspects and problems of the new NAB were discussed. The mission was favorably impressed with Mr. Scott. His experience and knowledge of the area and its people, and of the problems involved in working as general manager of a government corporation, will permit him to be very helpful in organizing and launching NAB operations. His weak point might be that he lacks aggressiveness and fighting spirit, but on the other hand, under the



circumstances this weakness might be an asset, provided he has a good chairman for the Board of Directors and an active Nigerian Counterpart. The mission informed Mr. Scott of the status of NAB's Memorandum and Articles of Association and of the fact that until the Government provided the security clearance for the members of the proposed team, the Bank could not negotiate the contract with Berenschot and Bosboom. Mr. Scott informed the mission that he had resigned from his actual job effective as of March 20, 1972, and that if by then his services were not yet required, he would take a few weeks leave in England. He would of course need to know something definite fairly soon, in order to plan accordingly.

11. The mission met with Mr. Stanley Fryer, UNDP's Resident Representative, with whom the Project Document was discussed. The mission informed him of the observations made by the Permanent Secretary of Agriculture in regard to Article IV of the Project Document, as mentioned in paragraph 7 of this report.

12. The mission made all of its contacts throughout the IBRD Resident Representative Mr. Mahmud A. Burney, who was most helpful and cooperative. Mr. Burney participated in the conversations with Mr. Bukr Shaib, Secretary of Agriculture, and also met John Scott.

13. The mission also met the members of the Bank's livestock preparation mission headed by Mr. C. Chisholm and participated in their final meeting with the Permanent Secretary of Agriculture. The project outline presented by the livestock mission to the Secretary of Agriculture contemplates a possible loan for livestock development in Nigeria, to be channeled through NAB.

#### Conclusions

14. The Government continues to be interested in establishing NAB as soon as possible. Subject to security clearance by their Defense Ministry, the Government is satisfied with the Consultants Team selected by the Bank. There seems to be no major issue in regard to the Plan of Operation.

15. The fact that the Supreme Military Council did not approve the Memorandum and Articles of Association as prepared and approved by the Federal Ministries concerned, has made the Government decide not to take any further steps until the aforementioned documents for the establishment of NAB, are approved by the Supreme Military Council.

16. There is no assurance as to when the Executive Council will approve NAB. Meanwhile, it is difficult for Berenschot and Bosboom to hold the selected team indefinitely.



Mr. P. C. Goffin

- 5 -

March 1, 1972

17. The follow up on action to be taken, and the responsibilities, are as follows:

<u>Steps</u>	<u>Date Expected</u>	<u>Action Responsibility</u>	<u>Follow Up Responsibility</u>
1. Security Clearance for Consultants	March 20, 1972	Government	*Bank Resident Representative
2. Comments, Ref. Plan of Operation	March 20, 1972	Government	*Bank Resident Representative
3. Approval of NAB's Memorandum and Articles of Association	April 15, 1972	Government	*Bank Resident Representative
4. Scheduling of Negotiations Consultants' Contract and Plan of Operation	April 18, 1972	Projects Area	Projects
5. Negotiations Consultants' Contract and Plan of Operation	April 25, 1972	Project Area	Projects
6. Signature of Documents		Projects Area	Projects

Note: Steps 1, 2 and 3 need to be completed, before steps 4, 5 and 6 can be started.

\* Discussed and agreed with Mr. Burney.

JBazo:aja

cc: Messrs. Chadenet/Baum/Ripman/King/Rovani/Lee/Engelmann/Lithgow/van der Tak  
Lind/Mirza/Burney/E.Powell/Evans/Wapenhans/McIvor/Adler/Darnell  
Courbois/Takahashi/K. Jones/Forcum

Central Files

NIGERIA

IBRD/UNDP/SF PROJECT FOR THE ESTABLISHMENT  
OF NIGERIAN AGRICULTURAL BANK

List of Places Visited and Persons Met by the Mission

1. Places Visited

Lagos, Nigeria

2. Persons with Whom the Mission Discussed the Project

Mr. Bukar Shaib	Permanent Secretary of the Ministry of Agriculture
Mr. A. K. Ova	Deputy Permanent Secretary of the Ministry of Agriculture
Mr. Mahmud A. Burney	IBRD's Resident Representative
Mr. Christophen Wilkinson	IBRD's Lagos Office
Mr. Stanley Fryer	UNDP's Resident Representative
Mr. John Scott	Proposed Candidate of Berenschot and Bosboom for General Manager of NAB
Mr. Thomas Heath	Head of the Agricultural Credit Department, Barclay's Bank, Lagos
Mr. C. Chisholm Mr. Collins Bell	IBRD's Livestock Project Preparation Mission.



INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

*File: Nigeria  
Ag. Bank*

INCOMING CABLE

DATE AND TIME  
OF CABLE:

FEBRUARY 28, 1972

1859

LOG NO.:

WU TELEX/MARCH 1

TO:

INTBAFRAD

FROM:

NEW YORK

ROUTING

*(yellow)*

ACTION COPY: MR. DEMUTH

INFORMATION  
COPY:

DECODED BY:

TEXT:

67 DEMUTH.

HAVE PLEASURE INFORMING YOU AM PREPARED RECOMMEND ADMINISTRATOR APPROVE  
FOLLOWING IBRD PROJECTS FOR SUBSEQUENT REPORTING TO GOVERNING COUNCIL IN  
JUNE 1972: NIR/71/016 AND ZAIRE OFFICE DES ROUTES. PLEASE EXPEDITE  
PREPARATION PROJECT DOCUMENTS CONCERNED. RESREPS INFORMED. DOCUMENTS  
SHOULD BE AVAILABLE TO HEADQUARTERS LATEST END OF MARCH.

DOOKINGUE

ee

*Draft Project document sent Feb. 15/72  
for UNDP appraisal. Kabbah @ UNDP  
says he has sent P.D. to Financial  
management & we should be hearing  
very shortly. No reply to this cable  
is needed P.*

*MAR 1 - 1972*





yellow

February 15, 1972

Mr. Michel Doo Kingue  
Assistant Administrator and Director  
Regional Bureau for Africa  
United Nations Development Programme  
United Nations, New York 10017

Dear Mr. Doo Kingue:

Nigerian Agricultural Bank

We enclose two copies of a draft of the proposed Project Document for this project. It is based on a format prepared by us which was discussed and agreed in principle last December with Mr. Maggs of UNDP's Financial Management Division. Mr. Maggs has agreed that, in the absence of a basic agreement between UNDP and the Bank, it is not possible at present for the Bank to adopt entirely the new Project Document as formulated by the UNDP. The enclosed draft therefore retains many of the sections used in the former Plan of Operation but contains the minimum changes necessary to adapt the document to UNDP's new accounting procedures, e.g. the project budgets.

Negotiations with the consulting firm of Berenschot-Bosboom are scheduled to take place on March 7th. We expect the Government to be represented at the negotiations and would wish to take the opportunity to discuss the Project Document. We shall therefore be grateful to have UNDP's clearance of the draft before the negotiations take place. The project budgets will be completed at the conclusion of the contract negotiations.

Mr. Juan Bazo of our Agriculture Projects Department is visiting Nigeria this week to discuss certain matters concerning the Agricultural Bank and to review the curriculum vitae of the consultants' personnel. He will also see your Resident Representative and will give to him and to the Government copies of the attached draft Project Document for their information and review. He will inform them that the document is subject to the clearance of UNDP's Headquarters.

Sincerely yours,

cc: Mr. Stanley Fryer  
Resident Representative of  
the United Nations Development Programme in Nigeria  
P. O. Box 2075  
Lagos, Nigeria

Eileen Powell  
Development Services Department

cc: Messrs: Bazo  
Mirza  
R. Jones  
Krishna  
Burney

EPowell/dit

file  
(yellow)

6th January, 1972.

Mr. Stanley Fryer,  
Resident Representative,  
United Nations Development Program,  
11, Queen's Drive,  
Ikoyi, Lagos.

Dear Stanley,

Re - Nigerian Agricultural Bank

Further to my letter of December 14, this is to confirm that Mr. Juan J. Bazo of the Agricultural Projects Department of the Bank will be visiting Nigeria for about a week, beginning February 14, to discuss with the Nigerian officials the proposals submitted by various firms for providing management staff for the above Bank, to be financed by the UNDP. Needless to say that Mr. Bazo will call on you during his stay and we will be in touch with your office later to make a firm appointment.

May I take this opportunity to inform you that two other missions from the World Bank are scheduled to visit Nigeria in the near future. Messrs. Bouhaouala, Onslow and Martinez will be arriving this week to appraise a power project. They will be in Nigeria for about four weeks. A livestock project preparation mission consisting of Messrs. Chisholm, Bell, Tiver, Robertson and Woodhead will be arriving in Nigeria on January 12 for about five weeks. In addition to these missions, Mr. Frank Povey, Loan Officer, Nigeria Division of the Western Africa Department of the Bank, will be in Nigeria from January 24 to about February 12 for general discussions on operational matters.

I am sending a copy of this letter to Mr. Victor Rose and will be in touch with him regarding the livestock mission.

Yours sincerely,

Mahmud A. Burney

c.c. Mr. Victor Rose,  
Mr. H. Mirza.



OUTGOING TELEX

Symbol	Corresponding number		Total number of words	
		Class	Date	Time (in GMT/ZULU)
		Activity to be charged		
		Office of origin		
ZN		LAGOS	49 23	14.00G

Class: **LT**

Cable address: **UNDEVPRO NEWYORK**

✓cc: Mr. Mahmud A. Burney  
Res. Rep., IERD  
17 Kingsway Road  
Ikoyi.

T E X T

DING 68 DOCKING FROM FRYER NIGERIAN AGRICULTURAL CREDIT  
BANK. GOVERNMENT HAVE APPROVED REVERED REQUEST AS PER  
OUR LETTER FOUR DECEMBER TO IBONG COPIED TO YOU.  
ASSURE YOU CAN NOW ISSUE ADVANCE ALLOCATION. GOVERNMENT  
MOST ANXIOUS PROCEED WIFTLY. RE YOUR TELEX 488 REQUEST  
TREAT AS LARGE SCALE TA PROJECT.

**UNDEVPRO**

Responsible officer ..... **Jan Wahlberg** .....  
File number ..... **5.11.6.1** .....  
Date ..... **23 December 1971** .....

Draft for Project  
Document sent to  
Messrs. Krishna Rao,  
Tiruga - Dec. 20/71.

## ARTICLE II

### THE PROJECT

file Nigeria Ag. Bank  
(yellow)

#### Section 2.01

The Nigerian Agricultural Bank <sup>(NAB) to be</sup> ~~(ADB) was~~ established ~~in~~ will be  
~~and is~~ an agricultural credit bank at federal level. It will lend to state  
governments and institutions and to farmers for agricultural credit projects  
within the states and will help <sup>to</sup> ~~it~~ develop credit policies, projects, and  
institutions. The objectives of the Project are to organize and manage the  
NAB to make it an effective lending institution in the field of agriculture.  
A team of experts will provide technical expertise for the management of the  
<sup>NAB</sup> ~~ADB~~ and for training local personnel in developing <sup>new</sup> ~~ing~~ banking techniques.

The experts will hold senior executive positions within the NAB for an  
initial period of three years, during which time they will not only be respon-  
sible for the organization of the <sup>NAB</sup> ~~ADB~~ and training of staff but also for opera-  
tions of their respective departments. Primarily the experts will:

- (a) advise and assist NAB's Board of Directors in formulating the  
policy for the organization, administration and development  
of NAB;
- (b) plan and put into operation an accounting system;
- (c) assume the management and executive responsibilities of NAB's  
operations;
- (d) train Nigerian personnel to assume the management of NAB, and  
train staff at all levels in all aspects of agricultural credit  
work;



- (e) with the approval of NAB's Board of Directors advise and assist state governments and institutions in formulating credit policies and programs, and in the organization and administration of such policies; plan and implement an effective loan appraisal and evaluation system including drafting loan application forms and instituting farm plans; plan and put into operation an effective collection system for loan repayments;
- (f) assist in the identification and preparation of agricultural credit projects appropriate for external financing in accordance with federal governmental policy;
- (g) establish working relationships with the federal and state governments, marketing boards, and all other bodies (national and international) and individuals engaged in agricultural development;
- (h) arrange for the supervision of loans, including a follow-up system to ensure that loans are properly used and to evaluate the economic results of loans;
- (i) undertake studies to determine the technical feasibility and economic return of projects submitted for consideration;
- (j) plan and put into operation a system for the collection, analysis, and publication of statistical data;
- (k) assist in the identification and preparation of investment projects ~~and~~ appropriate for international financing in accordance with federal governmental policy;
- (l) prepare such instruction manuals as are required to guide administrative and technical staff in day-to-day operations.

# FEDERAL MINISTRY OF ECONOMIC DEVELOPMENT & RECONSTRUCTION

DEVELOPMENT

DIVISION

LAGOS.

P.M.B. No. 12558

Telegrams SECON

Telephone 24021



Ref. No. E.1570/298

Date 16<sup>th</sup> December, 1971.

The Resident Representative,  
United Nations Development Programme,  
11 Queen's Drive,  
Ikoyi,  
Lagos.

Dear Sir,

## Nigerian Agricultural Credit Bank

With reference to your letter No.5.11.6.1 of 4th December, 1971, I am writing to inform you that this Ministry approves the revised request which you attached to your letter under reference. Kindly let me know when the Administrator has issued the advance allocation which will enable the IBRD to complete the award of the contract for this project.

Date: 23 DEC		File: 5.11.6.1	
Action	Initial	Information	Initial
SE	10		
TL	10		
TL	10		
Routed by: -			
COPY to:		Filed by:	
B/F to: JW		On: 31 DEC 71	
Remarks:			

Yours sincerely,

*E.O. Martins*  
E.O. Martins,  
for Permanent Secretary.



Hand-carried to New York by  
V. J. Riley on December 13.

DP/311/IBRD/NIR/71/16

December 10, 1971

Mr. Michel Deo Kingue  
Assistant Administrator and Director  
Regional Bureau for Africa  
United Nations Development Programme  
United Nations, New York 10017

Dear Mr. Deo Kingue:

NIGERIA - Assistance to the Agricultural Development  
Bank

Since we wrote to you on December 6, we have further discussed Mr. Saunders' letter of November 30 with Mr. Humayun Mirza, our Division Chief for Nigeria, who had the opportunity of discussing this project with you recently in Nigeria and who has just returned from his mission.

Mr. Mirza reports that the matter of the fourth post, that of the accountant, has been clarified with the Ministry of Economic Development and Reconstruction and that the Government has confirmed that the post is to be included in their request to the UNDP.

Mr. Mirza further reports that you would be prepared to recommend financing for "pre-project activities." We are grateful for this, and we will provide you with an estimate of the amount required as soon as we have completed negotiations of the consultants' contract. As we mentioned in our letter of December 6, it is our assumption that this might not be necessary should there be a change in the procedures for approval of projects at the January session of the Governing Council.

We had intended sending a representative of our Agriculture Projects Department to Nigeria next week to discuss arrangements for the project on negotiations of the consultants' contract. The Government has now requested that the mission be postponed until January, and this may mean that contract negotiations will have to be deferred until February. In the meantime, we are preparing a draft of the Project Document which we shall shortly submit to you for clearance.

December 10, 1971

We would like to take this opportunity to expand the information we gave you in the last paragraph of our letter of December 6. We inform FAO about our projected and ongoing projects and activities through a monthly "Progress of Operations" report which is sent at the end of every month to the FAO/IBRD Cooperative Program office in Rome. Information regarding this particular project has been provided in these reports since August 31, 1971.

Sincerely yours,

Miles Powell  
Development Services Department

cc: Messrs. H. Mirza  
Bazo  
R. Jones  
R. Krishna

MPowell:gt



Draft  
J. Bazo  
Dec. 9. 71

FEDERAL REPUBLIC OF NIGERIA  
NIGERIAN AGRICULTURAL BANK

Terms of Reference

To be used as draft  
for project description  
in Project Document.

A. Objective

1. The objectives of the Project are to organize and manage the Nigerian NAB Agricultural Bank to make it an effective lending institution in the field of agriculture. The Nigerian Agricultural Bank is an agricultural credit bank at Federal level. NAB will lend to State governments and institutions and to farmers for agricultural credit projects within the States and will help to develop credit policies, projects and institutions.

a. The team of experts will be required to provide technical expertise for the management of the Bank and for training local personnel in development banking techniques.

II. Organization of Services, Time Schedules and Reports

B. Operations and Responsibilities of Consultants' Team

2. The experts will hold senior executive positions within the Agricultural Bank for an initial period of three years, during which time they will not only be responsible for the organization of the Bank and training of staff but also for operations of their respective departments. Primarily the experts will:

- (a) advise and assist NAB's Board of Directors in formulating the policy for the organization, administration and development of NAB; plan and put into operation and accounting system;
- (b) assume the management and executive responsibilities of NAB's operations;

- (d) train Nigerian personnel to assume <sup>the</sup> management of NAB, and train staff at all levels in all aspects of agricultural credit work;
- (d) with the approval of NAB's Board <sup>of Directors,</sup> advise and assist State governments and institutions in formulating credit policies and programs, and in the organization and administration of such policies; plan and implement an effective loan appraisal and evaluation system including drafting loan application forms and instituting farm plans; plan and put into operation an effective collection system for loan repayments;
- (e) assist in the identification and preparation of agricultural credit projects appropriate for external financing in accordance with <sup>federal</sup> government policy;
- (f) establish working relationships with the Federal and State Governments, marketing boards, and all other bodies (national and international) and individuals engaged in agricultural development;
- (g) arrange for the supervision of loans, including a follow-up system, to ensure that loans are properly used and to evaluate the economic results of loans;
- (h) undertake studies to determine the technical feasibility and economic return of projects submitted for consideration;
- (i) plan and put into operation a system for the collection, analysis, and publication of statistical data;
- (j) assist in the identification and preparation of investment projects appropriate for international financing in accordance with <sup>federal</sup> Government policy;



- 2
- (k) prepare such instruction manuals as are required to guide administrative and technical staff in day-to-day operations.

If the Bank's Board approves, any of the experts may be sent on visits to other countries for any purpose related to their work in Nigeria and any Nigerian staff of the Agricultural Bank may be sent abroad for periods of academic study or practical training in agricultural credit and banking.

It is anticipated that the organization of the Agricultural Bank, the establishment of sound lending techniques and systems, and the training of staff, will be completed in about three years, when the management of the Agricultural Bank should gradually be taken over by Nigerian personnel.

C. Duties of Team Members

The main duties of the members of the Consultants' team are:

- (a) General Manager: responsible for the overall organizational and managerial policies of NAB and for advising the Board on its lending policies. His duties will be those of a general manager;
- (b) Accountant: responsible for the accounts of NAB, including the accounting system and all accounting operations, the provision of accounting and secretarial staff. He will also act as Company Secretary and Financial Advisor to the Board;
- (c) Credit Specialist: responsible for introducing and operating a suitable project appraisal and evaluation system, all credit aspects of NAB's operations, the provision of credit data to management and the training of credit staff;

- (d) Agricultural Economist: responsible for all economic aspects of NAB's operations, including the provision of economic data to management and the training of field staff. He will assist the Credit Specialist in the appraisal and inspection of projects. He will also evaluate the results of lending operations.

D. Time Schedule and Reports

The consultants' team shall assume their duties in accordance with the dates given in Appendix B.

The consultants shall prepare and submit the following reports on the indicated dates:

- (a) An Inception Report, three months after the Starting Date, summarizing the initial findings of the consultants and outlining any proposals for revisions in the work program, if such revisions are required by conditions found by the consultants in Nigeria (10 copies to the Bank and 12 copies to the Government);
- (b) Progress Reports at three-month intervals (beginning three months after submittal of the Inception Report), summarizing all work performed during the reporting period and outlining the work program for the next two reporting periods (10 copies to the Bank and 12 copies to the Government);
- (c) An Interim Report, 18 months after the Starting Date, summarizing all work of the consultants and the progress of the project and making recommendations for the remainder of the program (10 copies to the Bank and 12 copies to the Government);



- (d) A Report, 33 months after the Starting Date, containing the Consultants' suggestions and recommendations for work to be performed after the termination of the services (10 copies to the Bank and 12 copies to the Government);
- (e) A Final Report, 40 months after the Starting Date, outlining all work performed by the Consultants and the results obtained (20 copies to the Bank and 20 copies to the Government).

III. Facilities and Services to be the Responsibility of the Government

The Government is to provide the Consultants with the services, facilities, equipment and personnel required for the services as listed below:

- (a) Counterpart Staff: full-time counterparts who will work with each member of the Consultants' team for the duration of the services in Nigeria;
- (b) Office space;
- (c) Office equipment and services, including secretarial service fluent in English;
- (d) Telegraph, telephone and postal services within Nigeria and from Nigeria and to other countries;
- (e) Suitably furnished premises, equipment and supplies for the training courses to be given to the Nigerian personnel;
- (f) Interpreters with adequate knowledge of the relevant technical terminology;
- (g) Adequate transportation within Nigeria, including vehicles until such time as vehicles to be procured under the project become available;

- (h) When such vehicles are operative the Government will be responsible for the provision of drivers;
- (i) The Government is to assist the Consultants in locating appropriate hotels or other living accommodations suitable for their personnel and to assist them in finding appropriate medical and dental services.



APPENDIX B

NIGERIA

NAB ORGANIZATION AND MANAGEMENT STAFFING SCHEDULE

<u>Name</u>	<u>Position</u>	<u>Period in Nigeria</u> <u>From</u> <u>to</u>		<u>Man Months</u>
-------------	-----------------	---	--	-------------------

ESTIMATED FOREIGN CURRENCY EXPENDITURESSALARIES AND ALLOWANCES

<u>Name</u>	<u>Estimated Number of Months</u>	<u>Agreed Fixed Rate per Annum</u>	<u>Estimated Amount</u>	<u>Estimated Amount £ N</u>
<u>Salaries</u>				
<u>Social Charges</u>		a/		b/
Premiums for Old-age Insurance				
Sub-total				
<u>Premiums for Health Insurance</u>				
Sub-total				
<u>Accident Insurance</u>				
Sub-total				
<u>Education Allocance</u>				
Sub-total				
<u>Rent Allowance</u>				
Sub-total				
TOTAL				

---

a/ % of salaries payable in local currency.

b/ See Appendix D.



ESTIMATED FOREIGN CURRENCY EXPENDITURESINTERNATIONAL TRAVEL

(Expressed in )

	<u>Estimated Number</u>	<u>Estimated Cost per Unit</u>	<u>Estimated Amount</u>
1. First Class Single Trip Amsterdam/Lagos			
2. First Class Round Trip Amsterdam/Lagos			
3. Economy Class Single Trip Amsterdam/Lagos			
4. Economy Class Round Trip Amsterdam/Lagos			

TOTAL

Note: Includes cost of tickets, transport to and from airports, visas, inoculations, airport taxes, flight insurances and excess personal luggage (limited to 15 kg. per First Class and 25 Kg. per Economy Class).

Reimbursement for above items will be at actual cost.

ESTIMATED FOREIGN CURRENCY EXPENDITURESOTHER REIMBURSABLE COSTS(Expressed in £N)

	<u>Estimated Number</u>	<u>Estimated Cost per Unit</u>	<u>Estimated Amount</u>
1. Transfer of Personal Effects*			
Air Freight			
Surface Shipment			
2. Medical Examinations			
3. Consultants' Fee			
65% of experts' salaries			
840,000 (See Appendix C-1)			

TOTAL


---

\*For personnel and dependents staying in Nigeria more than nine months, reimbursement will be made for the shipment of household and personal effects by air freight (up to 50 kg. gross for each full fare member and 25 kg gross for each half fare member of the family) and, for each family, a surface shipment not to exceed 1,000 kg gross and insurance up to maximum valuation of US\$2,000.



ESTIMATED FOREIGN CURRENCY EXPENDITURE

SUMMARY

(Estimates in                      £N)

1. Salaries and Allowances
2. International Travel
3. Other Reimbursable Costs

TOTAL

SCHEDULE OF PAYMENTS IN FOREIGN CURRENCY

(Expressed and Payable in     )

<u>Month of Work</u>	<u>Salaries and Allowances</u>	<u>International Travel</u>	<u>Other Reimbursable Costs</u>	<u>Grand Total of Payments</u>
------------------------------	--	---------------------------------	-------------------------------------	------------------------------------



ESTIMATED LOCAL CURRENCY EXPENDITURES

(Expressed and Payable in        ~~IN~~)

1. Salaries (        of basic salary)
2. Rent Allowance
3. Subsistence allowance for overseas staff  
when away from assigned station for service in  
the field, at an agreed fixed rate of  
a day  
  
Internal air travel
4. Vehicle operating costs
5. Miscellaneous, including  
Communications

---

Note: Except as otherwise stated, reimbursement shall be at actual cost to the Consultants.

SCHEDULE OF PAYMENTS OF LOCAL CURRENCY EXPENDITURES

(Expressed and Payable in ₪)

Month of Work  
Covered by Contract

Total



Mr. J. Bazo

December 7, 1971

Eileen Powell

Nigeria - Assistance to the Agricultural Development Bank

Thank you for your memo of December 2, giving me your proposed project description for inclusion in the plan of operation. I believe you have modeled this on the description used for a similar project in Afghanistan. I am afraid that UNDP current requirements, however, will require something more detailed and I have therefore taken the liberty of drafting an alternative description which is based on the terms of reference supplied to the consultants. It is in draft and I would welcome any comments which you might have before you leave for Nigeria.

cc - Mr. Mirza

DRAFT  
December 7, 1971  
EP:jg

The objectives of the project are to organize and manage the new Nigerian Agricultural Development Bank (NAB) in order to make it an effective federal lending institution able to assist the state governments and institutions in extending credit for agricultural purposes. It is also planned that the NAB will help to develop projects, credit policies, and other institutions.

The project is to be carried out by a team of experts consisting of General Manager, Accountant, Credit Specialist, and ~~an~~ Agricultural Economist. They will advise and assist the Board of Directors of the NAB in formulating policies for the organization, administration and development of NAB. They will assume the responsibility for the management of NAB and will progressively train Nigerian personnel in the techniques of development banking so that Nigerians may eventually assume the organization and management of the NDB.

cc - Mr. Mirza



DP/311/IBD/MIL/71/16

December 6, 1971

Mr. Michel Doo Kingue  
Assistant Administrator and Director  
Regional Bureau for Africa  
United Nations Development Programme  
United Nations, New York 10017

Dear Mr. Doo Kingue:

NEHERIA: Assistance to the Agricultural  
Development Bank

Thank you for your letter of November 30.

On the basis of proposals received, we have selected the consulting firm of Barenscot Bosboom of the Netherlands to carry out this project, and we are planning to hold negotiations with them during the first half of January. At the conclusion of these negotiations, we shall be able to update the budget and also provide you with an estimate of expenses likely to be incurred before the project can be submitted for formal approval to the June 1972 session of the Governing Council. We are, of course, aware that procedures for approval might be changed at the January 1972 session of the Governing Council and that, as a consequence, it might not be necessary to wait for the approval of the June 1972 Governing Council. In that case, we would assume that it will no longer be necessary to provide an estimate of expenses from commencement of the project to June 1972.

We note that you plan to ascertain from your Resident Representative whether the project should be treated as a large-scale Technical Assistance one, or whether it should follow the format of a Special Fund-type project. The point of this is not clear to us as it is our understanding that the distinction between Technical Assistance and Special Fund projects will be announced from January 1, 1972 and that the same format of a project document will apply to all projects.

Mr. Doc Kingma

-2-

December 6, 1972

In response to the last paragraph of your letter, it is our practice to keep FAO informed of agricultural projects which we might be handling through the medium of the FAO/IBRD Cooperative Program. We plan to follow the same practice in this case.

Sincerely yours,

~~E~~ileen Powell  
Development Services Department

cc: H. Mirsa  
Bazo  
H. Jones  
R. Krishna

EPowell:gt



## OFFICE MEMORANDUM

TO: Miss E. Powell

DATE: December 2, 1971

FROM: J. Bazo

SUBJECT: NIGERIA - Plan of Operations - Brief Description of the Project

ARTICLE \_\_\_\_\_

### The Project

Section \_\_\_\_ . The Project is the organization and in managing of the new Nigerian Agricultural Bank (hereinafter called NAB), to make it an effective Federal Bank to assist state institutions and farmers in the field of agricultural credit.

The Project will be carried out through the provision of technical expertise and the training of local personnel by the Consultants who shall hold senior executive positions in the NAB, all as more fully described in their contract with the Bank.

J.Bazo/ed

UNITED NATIONS  
DEVELOPMENT PROGRAMME



OFFICE OF THE RESIDENT  
REPRESENTATIVE IN NIGERIA

file  
(yellow)

TELEPHONES

26110  
26116  
26118  
26119

P. O. BOX 2075

LAGOS

CABLES: UNDEVPRO-LAGOS

STREET ADDRESS:

11, QUEEN'S DRIVE-IKOYI

REFERENCE: 5.11.6.1

4 December 1971

Dear Mr. Ebong,

Nigerian Agricultural Credit Bank

Further to our telephone conversation of 2 November on the above subject, I am pleased to enclose a copy of a revised request on the lines that we discussed. In view of the urgency which you attach to this project I should be very grateful if you could let me know as soon as possible whether you approve of this revision.

The level of expenditure is such that it would have to be approved by the Governing Council of UNDP and this cannot be done earlier than the June session next year. However, the Administrator has authority to issue an advance allocation of funds to the IBRD in order to enable them to initiate the award of the contract. This cannot, however, be done until we have had confirmation in writing that you approve the revised request.

Yours sincerely

Stanley Fryer  
Resident Representative

Mr. I.J. Ebong  
Permanent Secretary  
Federal Ministry of Economic Development  
and Reconstruction  
LAGOS

cc w/encl. IBRD Resident Representative Lagos

Bcc w/encl.

Mr. Doo Kingue, Assistant Administrator and Director UNDP New York  
Mr. H. Mirza, Western Africa Department, IBRD, Washington



UNITED NATIONS DEVELOPMENT PROGRAMME  
(TECHNICAL ASSISTANCE)

NIGERIA

Request for Country Project No. 71/16 (Sub-contract)

1. Summary

The Federal Government has included in its 1970-1974 Development Plan the establishment of an Agricultural Credit Bank. The Bank will lend through recognised Farmer's Co-operative Societies and other State Governments Credit institutions and will assist in improving the standard of management of such credit institutions in all the States. In addition it will give direct loans to individual farmers and companies for large scale farming projects. UNDP is requested to finance a team of consultants to be provided by the executing agency through sub-contracting.

Financial Data

	1971	1972	1973	1974
<u>Expert Posts (SUB-CONTRACT)</u>				
GENERAL MANAGER	}	222,700	222,700	222,700
CREDIT SPECIALIST				
AGRICULTURAL ECONOMIST				
ACCOUNTANT				
.....				
<u>Equipment</u>	NIL			
.....				
<u>Administrative support and miscellaneous</u>				
.....	NIL			
TOTAL:		222,700	222,700	222,700
GRAND TOTAL 1971 - 1974	668,100			
(US \$ )				

Note: Expert costs as given by proposed executing agency for sub-contracting.



## 2. BACKGROUND

The total population of Nigeria is now estimated at over 60 million. About 80% of the total labour force is employed in agriculture, and there are over 6½ million farming families. The bulk of agricultural production is in foodcrops and livestock for local consumption. The major crops (cocoa, cotton, groundnuts, palm produce and rubber) are only a small part of total production. Agricultural production has probably remained static since 1964, but as a percentage of GDP it is estimated to have declined from 47 in 1964/65 to 43 in 1966/67. Food crops are marketed locally, export crops through the marketing boards. Earning power of agricultural capital is relatively low, which has restricted the demand for new capital and for credit.

Moneylenders remain the chief source of agricultural credit. Credit institutions have not generally been successful and none are operating efficiently at the present time, although plans to reorganize the one in the Western State are under consideration. Some small schemes for short term credit through cooperatives are working in some of the northern states. No data is available on which to estimate the total credit demand.

The 12 states were set up in 1967, replacing the four former regions. While their Governments are keen, they are at present relatively inexperienced. Most have already started work on agricultural development plans, which include credit programs. NAB's main benefit will be to help the States develop their credit programs and policies on sound lines, and to help to restructure existing State institutions or start new ones as soon as the credit demand becomes sufficiently large to make them viable. NAB will act as a channel for Federal funds to these institutions, and in the meantime will lend funds direct to State Governments for credit projects. Projects will be administered by the States, but NAB will impose its own terms and conditions for loans, and have the right to inspect progress at field level. For the time being most loans will be made with the State Government guaranteeing repayment.

### OBJECTIVES:

The objective is to provide for the management of the Nigerian Agricultural Bank which has just been set up and to make it an effective lending institution in the field of agriculture. The Nigerian Agricultural Bank is an agricultural credit bank at Federal level. NAB will lend to State governments and institutions for agricultural credit projects within the States and will help to develop viable credit policies, projects and institutions.



OBJECTIVES: continued

A team of experts is required to provide technical expertise for the management of the Bank and for training local personnel in development banking techniques.

3. ASSISTANCE REQUESTED

(a) Experts

The experts will be provided by a subcontractor and will hold senior executive positions within the Agricultural Bank for an initial period of three years, during which time they will not only be responsible for the organization of the Bank and training of staff but also for the day-to-day operations of their respective departments.

1. General Manager:

Responsible for the overall management of NAB and for advising the Board on its lending policies.

2. FINANCIAL ADVISER/ACCOUNTANT

Responsible for the accounts of NAB, including the accounting system and all accounting operations, the provision of statistical data to management, and the training of accounting and secretarial staff. He will also act as Company Secretary and Financial Advisor to the Board.

3. Credit Specialist:

Responsible for introducing and operating a suitable project appraisal and evaluation system, all credit aspects of NAB's operations, the provision of credit data to management and the training of credit staff.

4. Agricultural Economist:

Responsible for all economic aspects of NAB's operations, including the provision of economic data to management and the training of field staff. He will assist the Credit Specialist in the appraisal and inspection of projects. He will also evaluate the results of lending operations.

(b) Fellowships

NIL

(c) Equipment

NIL

(d) Administrative support and miscellaneous

Nil - The NAB undertakes to furnish all administrative and miscellaneous support



4. COUNTERPART SUPPORT

(a) Counterpart personnel

An assistant General Manager, an assistant Agricultural Economist, an assistant Credit Specialist and an Assistant Accountant plus other personnel as appropriate will be designated counterparts to the four international experts.

(b) Budgetary provision

The Bank will receive £6 million during the 1970-1974 Plan period. (Reference: Second Development Plan, Chapter 5 (iii), page 113)

(c) Transport, Office and Supporting Services

Will be provided by the NAB

5. AVAILABILITY OF HOUSING FOR EXPERTS

Will be made available by the Federal Government

6. RELATED PROJECTS

(a) Previous Assistance

**NIL**

(b) Complementary to this request

**NIL**

7. FOLLOW UP

(Distribution of this request to **IBRD and UNOTC** )



UNITED NATIONS  
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES  
POUR LE DEVELOPPEMENT

UNITED NATIONS  
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/311/IBRD/NIR/71/16

30 November, 1971.

Dear Mr. Demuth,

Subject : NIGERIA - Assistance to the Agricultural Development Bank.

Reference : Miss Eileen Powell's letter of 22 November, 1971.

We agree that the project should be executed by you using a team employed through a consulting firm, and we have informed our Lagos office accordingly.

We have asked our Resident Representative to obtain final clarification from the Government regarding the fourth post, that of the accountant. We have also asked him to ascertain whether the project should be treated as a large-scale Technical Assistance one, or whether it should follow the format of a Special Fund-type project.

In any event, because the total cost exceeds \$100,000, the approval of the Governing Council must be sought under our present procedures. However, as you know, there is a possibility that these may be changed at the January 1972 session, as the question of approving individual projects outside Country Programmes was not resolved at the June 1971 session.

Irrespective of the procedures to be followed, we do require a final detailed budget so that a debit can be made against Nigeria's IPF, and action can be initiated to give you an advance allocation to enable the project to begin. We should be most grateful if you would be good enough to up-date the budget which you attached to your letter of 18 August 1971, taking into account

/...

Mr. Richard H. Demuth  
Director  
Development Services Department  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C. 20433.

cc: H. Mirza  
Bazo  
R. Jones  
R. Krishna

JSO

DEC 2 1971



- 2 -

the Government's expressed requirements, and forward a copy to us as soon as it has been finalised.

We should also be grateful if you would advise us what contact you have had with FAO to date, and whether they are aware of the details of this proposed project.

Yours sincerely,

*J. Saunders*

John M. Saunders  
Officer-in-Charge  
Regional Bureau for Africa



file: Nigeria  
ADB.

H. Mirza

November 30, 1971

P. C. Goffin

NIGERIA - Progress on Project for the Nigerian Agricultural Bank

On November 18, 1971 the Selection Committee chaired by Mr. Chadenet selected the firm to be invited for contract negotiations.

Since as you have indicated the Nigerian Government is anxious to have the team of consultants in the field no later than the end of January 1972, we would have to arrange a date for negotiations with the consulting firm for the first week of January, but no definite date can be set for negotiations until we have the Plan of Operations, which I understand is being prepared by Legal Department and a firm answer from UNDP/SF in regard to the financing of the Project.

Before negotiations take place, I would like to send Mr. J. Bazo to Lagos in order to ascertain the steps that are being taken for the prompt implementation of NAB, to discuss the details of the Plan of Operation, to inform the Government of the manner in which the consulting firm has been selected and to arrange for a representative to come for negotiations with the consulting firm.

As you can see, all of these steps have to be taken in the course of the next five weeks, which make it urgent to have this week the above mentioned Plan of Operations and UNDP's commitment.

J. Bazo/ed

cc: Miss E. Powell ✓

Nigeria Ag. Bk.  
file

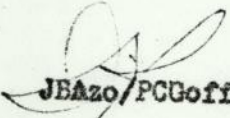
Files

November 23, 1971

P. C. Goffin

NIGERIA - Consultants for Agricultural Bank

This morning I phoned Berenschot and Bosboom's Office in the Netherlands and talked to Mr. C.E. Metcalfe. I informed Mr. Metcalfe that the Bank had selected his firm for the job to organize and in managing the Nigerian Agricultural Bank, but that no date could be fixed yet for negotiations; most probably these could take place by the middle of December 1971 or first part of January 1972, depending on the settlement of financial arrangements between UNDP/SF and the Government of Nigeria. Mr. Metcalfe thought the proposed dates were acceptable and they would be ready to come to Washington as soon as notified for formal negotiations. The proposed team could proceed to Nigeria soon afterwards.

  
JBAzo/PCGoffin/ed

cc: Messrs. Evans  
Wapenhans  
Mirza  
Raj Krishna  
Engelmann  
Powell ✓



*Nigeria Gov.*

Ref: DP/311/NIR71/21

November 22, 1971

Mr. Michel Doo Kingue  
Assistant Administrator and Director  
Regional Bureau for Africa  
United Nations Development Programme  
United Nations, New York 10017

Dear Mr. Doo Kingue:

Nigeria: Assistance to the Agricultural  
Development Bank (ADB)

We refer to your letter of September 17 and would like to respond to the various points you raise.

We are glad to note that the UNDP is prepared, in principle, to assist this project. The establishment of the ADB is a most important first step in the implementation of Nigeria's plans for agricultural development, as set out in the Second National Development Plan. The IBRD is not providing part of its capital and has no immediate plans to lend to the ADB, but it is certainly expected that the Nigerian Government will request financing for the ADB within the next two or three years. Before the IBRD can consider such financing, however, it is necessary that the ADB be soundly launched, and this in turn requires the technical assistance which the Government, with the encouragement of the IBRD, has requested from the UNDP.

In addition to financing for the ADB itself, the IBRD expects to be deeply involved in providing substantial financing during the next five years for agricultural projects which would form part of Nigeria's plans for agricultural development. The establishment and smooth operation of the ADB would be an important consideration in the IBRD's financing of these projects.

While we acknowledge that the experts requested for the ADB will hold senior executive positions, thus partly satisfying the criteria for OPAS-type appointments, they will also be required to train Nigerians who can eventually take over. As time goes on, therefore, the experts will gradually fill advisory, rather than executive, positions. We strongly feel that a team employed through a consulting firm, rather than individually recruited experts, will provide the cohesion of action

November 22, 1971

which is so necessary to provide the executive capacity and to train Nigerian counterparts for subsequent managerial positions. Furthermore, it is essential that the full team be working at the ADB from the beginning of operations, and this is not always possible when experts are recruited on an individual basis.

When the Government first asked for our assistance in setting up the ADB, we made a number of recommendations, including the team versus the individual approach. This was accepted by the Government at the time, and has been endorsed by the Government again during discussions with the Bank's latest mission. Your Resident Representative also supports the Government/IBRD position, and we believe he has informed you accordingly.

We have purposely delayed responding to your letter before now as we wanted to have the above-mentioned further discussions with the Government to be quite sure that they still accepted the original recommendation made by the Bank. We hope the confirmation you have received from the field, together with this letter, will enable you to approve the request as submitted and to authorize commencement of the project.

Sincerely yours,

Eileen Powell  
Development Services Department

cleared in substance and cc - Mr. Povey

cc - Mr. Bazo  
Mr. Burney (Lagos)  
Mr. Fryer (UNDP Res. Rep. Nigeria)

EPowell:jg



Nigerian Ap. Bk.

file

## INCOMING CABLE

DATE AND TIME  
OF CABLE:

NOVEMBER 16, 1971

1322

LOG NO.:

WUI 9/17

TO:

INTBAFRAD

FROM:

LAGOS

## ROUTING

ACTION COPY: MR. POVEY

INFORMATION  
COPY: MR. CHAUFURNIER

DECODED BY:

TEXT:

SEVEN FOR POVEY

GOVERNMENT ANXIOUS WE MOVE AHEAD QUICKLY RECRUITMENT EXPERTS FOR AGRICULTURAL BANK. IT STATES IF UNDP FINANCING NOT AVAILABLE IT WILL FINANCE PROJECT ITSELF. UNDP RESIDENT REPRESENTATIVE SUPPORTS PROJECT AS AGREED BETWEEN BANK AND GOVERNMENT AND HAS SO INFORMED NEWYORK. HAVE DISCUSSED THIS MATTER DOO KINGUE PRESENTLY IN LAGOS FOR ONE DAY WHO WILL RECOMMEND THIS PROJECT FORM PART OF PREPROJECT ACTIVITY ON BASIS AGREED BETWEEN GOVERNMENT AND BANK AS TOO LATE FOR GOVERNING COUNCIL JANUARY 1972. HOWEVER HE CONCERNED NOT RECEIVING REPLY HIS LETTER SEPTEMBER 17 FROM BANK. HE STRESSED THAT UNDERSTANDING ON PROJECT MUST BE REACHED BETWEEN WASHINGTON AND NEW YORK. ALSO ASKS WHETHER STONEHAM REPORT SENT TO FAO SUGGEST DEVELOPMENT SERVICES DEPARTMENT TAKE MATTER UP IMMEDIATELY WITH NEW YORK TO AVOID FURTHER DELAYS. REGARDS

MIRZA

SC



*MISS POWELL*  
*Nigeria Agr. Bank*

INCOMING CABLE

DATE AND TIME

OF CABLE: OCTOBER 28, 1971

1542

LOG NO.: WUI 11/29

TO: INTBAFRAD

FROM: IAGOS

ROUTING

ACTION COPY: MR. POVEY

INFORMATION COPY: MR. CHAUFURNIER

DECODED BY:

TEXT: ONE FOR POVEY

PRIMO HAVE RECEIVED LEGAL OPINION COCOA PROJECT FROM FINANCE TODAY OCTOBER 29 AND AIRMAILED TODAY BUT DOUBT YOU WILL RECEIVE IT BEFORE NOVEMBER ONE. SUGGEST FURTHER EXTENSION EFFECTIVE DATE BY TWO WEEKS TO PERMIT RECEIPT, REVIEW AND ACTION.

SECUNDO GOVERNMENT HAS ACCEPTED INCLUSION ACCOUNTANT AMONG EXPERTS FOR AGRICULTURAL BANK AND WOULD LIKE EXPERTS TO BE IN FIELD BY JANUARY 1972 OR LATEST BY MARCH. IF NOT POSSIBLE FOR ALL FOUR TO BE HERE BY JANUARY IT REQUESTS THAT AT LEAST GENERAL MANAGER SHOULD COME. EBONG ASSURES ME THAT FINANCING FOR EXPERTS WILL BE AVAILIABLE WITH OR WITHOUT UNDP SUPPORT. EXPECT RESOLUTION FINANCING ISSUE EARLY NEXT WEEK. WILL CABLE ONCE MATTER RESOLVED.

TERCERO BUKAR SHAIB ATTENDING CHAD BASIN COMMISSION MEETINGS SECOND WEEK DECEMBER THEREFORE TIMING OF LIVESTOCK MISSION CRUCIAL. SUGGEST MISSION ARRIVES IAGOS DECEMBER FIVE AND PROCEEDS TO KADUNA WITH BUKAR SHAIB DECEMBER SIX. HE WILL START MEETINGS DECEMBER SEVEN AND THEN PROCEED TO FORT IAMY LEAVING MISSION TO COMPLETE DISCUSSIONS IN KADUNA. THIS SCHEDULE CLEARED WITH GOVERNMENT AND CANNOT NOW BE CHANGED UNLESS LIVESTOCK MISSION IS POSTPONED TO JANUARY 1972. SUGGEST YOU FINALIZE YOUR TRAVEL PLANS TO ARRIVE IAGOS DECEMBER FIVE AND INFORM PROJECTS AND CDC ACCORDINGLY. PEARCE RETURNS OFFICE NOVEMBER 15 AND I WILL FOLLOW ONE WEEK LATER. THIS WILL ENABLE YOU TO OVERLAP WITH ME DURING WEEK STARTING NOVEMBER 29. REGARDS

MIRZA

FAMILY NOTIFICATION BEING MADE FOR PEARCE  
NO FAMILY NOTIFICATION NECESSARY FOR MIRZA

SC

FOR INFORMATION REGARDING INCOMING CABLES, PLEASE CALL THE COMMUNICATIONS SECTION, EXT. 2021

ORIGINAL



*Nigeria*  
*Haral*  
*(blue file)*

## OFFICE MEMORANDUM

TO: Miss Eileen Powell

DATE: October 13, 1971

FROM: Humayun Mirza *HM*SUBJECT: NIGERIA: Agricultural Development Bank

1. Reference is made to your memo of September 29, and UNDP letter of September 17, 1971.
2. We feel very strongly that the provision of experts together with logistic support should be a Special Fund type project. The establishment of this Bank is a most important first step in the implementation of Nigerian agricultural development plans as set out in the second National Development Plan. The Bank expects to be deeply involved in providing substantial financing for this plan including lending to the Agricultural Development Bank (ADB).
3. The Federal Government requested the Bank's assistance in setting up ADB and has accepted our recommendations practically in toto, including the need for outside assistance for top level management. We do not agree that the recruitment of individual experts will provide the cohesion of action which is so necessary if the team is to provide the executive capacity and train Nigerian counterparts for subsequent management posts.]
4. The Terms of Reference for the experts were drafted by the Bank and accepted by the Federal Government. The consulting firms who were requested to submit proposals were selected by the Federal Government from a list provided by the Bank. It is clear, therefore, that the Government prefers the sub-contractor approach and has accepted that this approach will absorb more of the funds allocated to Nigeria by UNDP.
5. Timing is another important factor. Proposals have already been or are about to be submitted by the invited consultants and there is still a good chance that the experts can be in the field by January 1972 or shortly thereafter. To revert to individual recruitment under the OPAS scheme will clearly result in considerable delay which is highly undesirable.
6. I recommend that you request UNDP to proceed on the basis of a Special Fund type project as per the request of the Nigerian Government.

cc Messrs Bazo  
Burney, Lagos

Oct. 22

Disc. of Lowey, & said we can't do this unless we're sure Govt. understands difference between SF & OPAS type projects, & want to the former. There is now some doubt abt. this & UNDP (local) is discussing with Govt. Mirza has left for N. & Lowey will ask



4/10/71  
Blue file

INTERNATIONAL FINANCE CORPORATION

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

DATE: October 13, 1971

TO: Messrs. Powell

FROM: Mr. [illegible]  
SUBJECT: Agricultural Development Bank  
Nigeria: Agricultural Development Bank  
The Bank's view is that it is important to pursue with them their intentions to improve on their side and take it up with us again.  
September 14, 1971

P.

2. We feel very strongly that the provision of experts together with logistic support should be a Special Fund type project. The establishment of this Bank is a most important first step in the implementation of Nigerian agricultural development plans as set out in the second National Development Plan. The Bank expects to be deeply involved in providing substantial financing for this plan including lending to the Agricultural Development Bank (ADB).

3. The Federal Government requested the Bank's assistance in setting up ADB and has accepted our recommendations practically in toto, including the need for outside assistance in top level management. We do not agree with the recruitment of individual experts will provide the cohesion of action which is so necessary if the team is to provide the executive capacity and train Nigerian counterparts for subsequent management posts.

4. The Terms of Reference for the experts were drafted by the Bank and accepted by the Federal Government. The consulting firms who were requested to submit proposals were selected by the Federal Government from a list provided by the Bank. It is clear, therefore, that the Government prefers the sub-volunteer approach and has accepted that this approach will absorb more of the funds allocated to Nigeria by UNDP.

5. Timing is another important factor. Proposals have already been or are about to be submitted by the invited consultants and there is still a good chance that the experts can be in the field by January 1972 or shortly thereafter. To revert to individual recruitment under the OAS scheme will clearly result in considerable delay which is highly undesirable.

6. I recommend that you request UNDP to proceed on the basis of a Special Fund type project as per the request of the Nigerian Government.

cc Messrs. Bano  
Burney, Lagos

Oct. 22

With but little time left for N. 1. [illegible] is discussing some change of [illegible] this & on 11 (Gael) is discussing some change of [illegible] but understand difference between 27 and 28 of [illegible] & avoid me cant do this unless [illegible]



UNITED NATIONS  
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES  
POUR LE DEVELOPPEMENT

NIGERIA -  
*General*

UNITED NATIONS  
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/311/NIR/71/21

4th October, 1971.

Dear Mr. Demuth,

Subject : NIGERIA - Agricultural Development Bank.  
Ref. your letter of 18th August, 1971.

Re-reading our letter of 17th September to you on the above-mentioned project, we realize that we have not specifically answered your last paragraph.

It will be impossible to include this project in the Governing Council programme of January 1972. Notwithstanding this, the project could begin as soon as it has been put in final form, and be presented to the Governing Council later on, if need be.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Michel Doo Kingué'.

Michel Doo Kingué  
Assistant Administrator  
and

Director, Regional Bureau for Africa.

Mr. Richard Demuth  
Director of Development Services  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C. 20433.

cc: Mirza/Povey  
Bazo  
DSD

OCT 13 1971

Blue  
File

Messrs. Mirza, Burney and Bano

September 29, 1971

Eileen Powell

NIGERIA: Assistance for the Agricultural Development Bank

I attach a copy of UNDP's letter of September 17 in response to our letter of August 18. I would like to make some comments in response to points four, five and six listed by UNDP.

1. The Government's letter of April 29, 1971, to the UNDP Resident Representative, clearly sets out the request in terms of a Special Fund type of project by asking the UNDP to contribute the full salary and subsistence costs of the experts with supporting vehicles and operating costs. On this basis it would be logical to carry out the eventual project through a consulting firm. If the experts are to be recruited through the CPAS scheme instead, the Government would be required to finance the salaries up to the Nigerian level and the UNDP would "top up" the salaries by financing the balance required to bring them into line with international competitive levels. You will appreciate that such an arrangement would virtually preclude the use of a consulting firm.
2. We have a precedent for treating a project of this nature under the Special Fund category which the UNDP might have overlooked. We are executing agency for a project financed by the UNDP to reorganize and manage the Agricultural and Cottage Industries Bank of Afghanistan, and we have subcontracted the work to a German firm which is providing four experts: credit specialist, agricultural economist, supplies manager, and accountant. These experts hold managerial and executive responsibilities in the Afghanistan Bank just as would be required for the Nigerian Agricultural Bank. UNDP financing for the Afghanistan project covers the full cost of salaries, allowances and travel for the experts, and vehicle operating costs.
3. The cost of a project for the Nigerian Agricultural Bank, whether the UNDP finances it in full or under the CPAS scheme, will have to be charged against the UNDP planning figure of \$20 million for Nigeria for the period 1972-76. Obviously the CPAS arrangement would absorb fewer UNDP funds and would thus release money which would be applied to other projects in Nigeria. The Government's views on the way this project is eventually handled and financed are therefore very important.

I shall appreciate receiving your comments.

Attachment

EPowell:bdb



UNITED NATIONS  
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES  
POUR LE DEVELOPPEMENT

UNITED NATIONS  
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: DP/311/NIR 71/21

17th September, 1971.

Dear Mr. Demuth,

Subject : NIGERIA - Assistance for the Agricultural  
Development Bank. NIR/71/21.  
Ref. your letter of 18th August, 1971.

---

An indication of the Government's interest in receiving assistance to establish an Agricultural Development Bank, was first received from our office in Lagos, not as a formal request, but as advance information. On receipt of your letter dated 18th August, which regarded the request as having an official status, we contacted Lagos. On the basis of their explanations and of our own examination, we want to convey to you the following comments and questions.

1. Nobody in UNDP, either in Lagos or New York, has any doubt on the paramount importance of an Agricultural Development Bank in Nigeria. IBRD must be praised for dedicating its efforts to such an undertaking, and in principle, UNDP certainly is prepared to help to the limits of its own competence and means.
2. We would like to know how and to what extent IBRD may be associated with this new bank. Is IBRD going to provide part of the capital and/or some type of direct assistance, in the manner of that extended to the Nigerian Industrial Development Bank?

./.

Mr. Richard H. Demuth  
Director of Development Services  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C. 20433.

cc. Mr. Mirza  
Mr. Burney  
Mr. Bazo  
DSD

SEP 27 1971

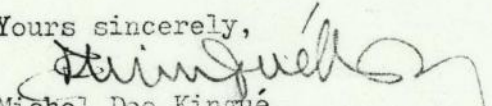


- 2 -

3. In relation to the preceding point, we wonder to what extent UNDP support is needed or appropriate. It would seem that the arrangement made between the IBRD and the NIDB has some merit, and may be also applicable to the Agricultural Bank.
4. According to your letter, annex A, "the experts will hold senior executive positions". In this case, they will fall within the category of OPAS experts, to the effect that part of their salaries should be paid by the institution to which they are attached. We would consider this even more desirable since the Agricultural Bank, like any other, is supposed to make money and pay for its own operating costs. But the intricacies of local payments, combined with a sub-contract passed with IBRD and financed by UNDP, should not be under-estimated, assuming that the Government of Nigeria would be willing to accept this formula, and that an OPAS agreement already exists between IBRD and Nigeria.
5. We would similarly be reluctant to finance vehicles, office equipment and operating costs, for the same reason.
6. We would like to know if and why you consider it necessary to sub-contract this project. We do not question that implementation through a sub-contractor has some advantages. The cost of it, however, is extremely high, and the side effects are not all positive. Moreover, in this particular case, the team is so small and the relative position and duties of each member so clear, that a careful selection of individual experts can achieve the necessary coherence in their action, with some substantial savings.
7. In this decisive stage of negotiations with the Government, we will appreciate that the Resident Representative be fully involved, as it has been the case up to now.

We shall certainly welcome your comments on these propositions.

Yours sincerely,

  
Michel Doo Kingué

Assistant Administrator  
and

Director, Regional Bureau for Africa.



Form No. 75  
(2-60)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

ROUTING SLIP		Date 9/17/71	
NAME		ROOM NO.	
Mr. Paul Goffin		A 642	
<u>Miss Eileen Powell</u>		<u>D 1138</u>	
	To Handle		Note and File
	Appropriate Disposition		Note and Return
	Approval		Prepare Reply
	Comment		Per Our Conversation
	Full Report		Recommendation
	Information		Signature
	Initial		Send On
REMARKS			
I plan to discuss this with Burney when he comes next week.			
From Humayun Mirza			

*File Nigeria Ag. Bank.*

INCOMING CABLE

DATE AND TIME

OF CABLE: SEPTEMBER 15, 1971 1508

LOG NO.: WUI 1 / 16

TO: INTBAFRAD

FROM: LAGOS

ROUTING

ACTION COPY: MR. MIRZA

INFORMATION MR. CHAUFOURNIER  
COPY:

DECODED BY:

TEXT:

MISC-1128 MIRZA

YOUR 1103 OUR 1033 "AGRICULTURAL BANK NO SPECIAL OBJECTION FOUR EXPERTS  
HAVE NO OFFICIAL REQUEST AM CHECKING FMED MEANWHILE EXPLAIN TITLE FUNCTIONS  
REFERENCE REQUIREMENT WE UNAWARE UNDP PROJECT ALLOCATION SINCE REQUEST FROM  
FORM NOT YET SUBMITTED OUR HEADQUARTERS PENDING CLARIFICATION OPAS OR SUB-  
CONTRACTING STATUS EXPERTS OR FIRM CONCERNED THIS DISCUSSED BURNEX EARLY  
WITHOUT FURTHER CLARIFICATION FROM BANK OR GOVERNMENT PLS CLARIFY COPYING  
HEAD-QUARTERS TO WHOM PRESENT QUOTED" AT THIS MOMENT WE ARE INFORMED THAT  
ACCOUNTANT NOT DESIRED BY ALL CONCERNED AND ARE AWAITING FMED REACTION.

BOOEVEE



Form No. 75  
(2-60)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

ROUTING SLIP

Date

Sept. 16, 1971

NAME

ROOM NO.

Miss Eileen Powell

~~Development Service~~

file

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

From

BRD (WORLD BANK) LAGOS

(RESIDENT MISSION IN NIGERIA)

17, Kingsway Road  
Ikoyi, Lagos

P. O. Box 127  
Lagos, Nigeria

Phone: 56577

September 16, 1971

Letter No. 149

Mr. Humayun Mirza  
Chief - Division C  
Western Africa Department  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.,  
Washington, D.C. 20433

Nigerian Agricultural Bank

Dear Humayun:

Since my cable No. 134 to you on the above subject, I have further discussed the matter with the Federal Ministries of Agriculture and Natural Resources (Wemambu, Principal Assistant Secretary) and of Economic Development (Ayo, Chief of Agriculture Section) and both do not favour the inclusion of an accountant in the UNDP project and insisted that a Nigerian accountant should hold that post. They realise that their Ministries had the opportunity to comment on the draft Terms of Reference and transmittal letter to consulting firms on four experts (including an accountant) and that the Federal Ministry of Finance had given their clearance to the Bank to approach the consulting firms.

Wemambu told me that his Ministry, on the "orders" of Dr. Shaib had written to Finance (Essien) on July 29 that the request should be for three experts only and that the accountant should be excluded. I suggested that they get in touch with UNDP, Lagos and the Ministry of Finance, emphasizing that further undue delay in finalising the applications might prevent the proposal from being considered by the Governing Council in January.

SEP 21 1971

RECEIVED



(RESIDENT MISSION IN NIGERIA)

P. O. Box 127  
Lagos, Nigeria

17, Kingsway Road  
Ikoyi, Lagos

Phone: 26277

September 16, 1971

Letter No. 135

Mr. Humphrey Mirza  
Chief - Division C  
Western Africa Department  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C. 20433

Nigerian Agricultural Bank

Dear Humphrey:

Since my cable No. 134 to you on the above subject, I have further discussed the matter with the Federal Ministers of Agriculture and Natural Resources (Womamba, Principal Assistant Secretary) and of Economic Development (Ayo, Chief of Agriculture Section) and both do not favour the inclusion of an accountant in the UNDP project and insisted that a Nigerian accountant should hold that post. They realize that their Ministers had the opportunity to comment on the draft Terms of Reference and transmitted letter to consulting firms on four experts (including an accountant) and that the Federal Ministry of Finance had given their clearance to the Bank to approach the consulting firms.

Womamba told me that his Ministry, on the "orders" of Dr. Shail had written to Finance (Kassan) on July 29 that the request should be for three experts only and that the accountant should be excluded. I suggested that they get in touch with UNDP, Lagos and the Ministry of Finance, emphasizing that further under delay in finalising the applications might prevent the proposal from being considered by the Governing Council in January.

1971 SEP 20 PM 2:25

RECEIVED

SEP 21 1971

Mr. Humayun Mirza

- 2 -

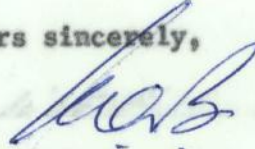
September 16, 1971

I have also been in touch with Mr. Finn Bonnevie, Deputy Resident Representative. He yesterday wrote to the Ministry of Economic Development and sent a revised draft application - based on four experts (letter and application enclosed). I am also enclosing a copy of Bonnevie's letter to Doo Kingue in New York. As you can see, the UNDP, Lagos is inclined to agree with the Government that a Nigerian accountant can be found. They are also refusing to finance cars, office, equipment, etc.

I think the upshot of it all is likely that the government will stick to the project being limited to three experts and I suggest that we agree with this, and so advise the consultants.

Regards.

Yours sincerely,



Mahmud A. Burney  
Resident Representative in Nigeria

P.S. Mr. Bonnevie was kind enough to send me a copy of Miss Powell's letter of August 18 to Doo Kingue, New York, on this subject.

cc: Mr. P. Goffin (Agriculture Projects)  
Miss E. Powell (Development Services)

Attachments

SEP 21 1971



COPY

Reference: 5.11.6.1

15 September 1971

Dear Mr. Doo Kingue,

Nigerian Agricultural Bank

Following our letter of 8 September, 1971 we have had a further cable from Mr. Mirza, IBRD Washington, requesting our immediate approval for certain changes to the above mentioned project. Mr. M. Burney, the IBRD Resident Representative in Lagos, had a similar reminder and while this office merely referred to its cable of 20 August, copied to you, the Bank representative replied to his headquarters as per the enclosed copy of his cable.

According to Mr. Burney, it appears that the request initially elaborated mainly in collaboration with the Federal Ministry of Finance now has met with some delaying action caused by the intervention of the FMANR which the Ministry would appear not to have been consulted on the addition of an accountant to the team of experts.

As you will see from the attached copy of our letter of even date to the FMED we have now submitted our suggestion for a revised request to the appropriate authorities in an effort to keep the matter going and pending receipt of your comments particularly with respect to the rather high cost of sub-contracting as well as to the question of OPAS status for the team. As you will see, we have on the other hand completely turned down the inclusion of vehicles and equipment and have requested information as to the local salaries which will presumably be paid to the sub-contracting personnel in their capacity as executive officers of the Bank, if, indeed, this can or should be arranged in a sub-contracting agreement.

In view of IBRD's efforts to appoint a sub-contractor and ensure the implementation of the project by January 1972, we very much hope

Mr. M. Doo Kingue  
Assistant Administrator and Director  
Regional Bureau for Africa  
UNDP New York

SEP 21 1971

Mr. Doo Kingue

- 2 -

15 September 1971

for a speedy reaction from the Government so that the enclosed draft request may soon be confirmed as the Government's official and final submission.

At the moment of finalizing the present we were called to see an official of the Ministry of Agriculture who confirmed that his Ministry had not asked for the accountant. When this addition came in we do not know at the moment, but we rather agree that it may not be a very essential post.

We shall keep you further informed as soon as possible.

Yours sincerely,

Finn Bonnevie  
Deputy Resident Representative

cc: Mr. Burney, IBRD, Lagos



UNITED NATIONS  
DEVELOPMENT PROGRAMME



OFFICE OF THE RESIDENT  
REPRESENTATIVE IN NIGERIA

TELEPHONES

26110  
26116  
26118  
26119

P. O. BOX 2075  
LAGOS

CABLES: UNDEVPRO-LAGOS  
STREET ADDRESS:  
11, QUEEN'S DRIVE-IKOYI

REFERENCE: 5.11.6.1

15 September 1971

Your ref.: E.1570/256

Attention: Mr. E.O. Martins

Dear Sir,

Nigerian Agricultural Bank

Referring to your letter of 29 April 1971 submitting your Government's official request for UNDP assistance in establishing the above mentioned Bank in accordance with provisions set forth in the Second National Development Plan, we are pleased to enclose herewith a copy of an amended draft request for such a project.

Following several exchanges of views between the proposed Executing Agency (IBRD) and the technical ministries involved in the project, they agreed that the Executing Agency would implement the project through the services of a sub-contractor. A further change has been introduced in the form of an additional expert in the field of accounting.

The UNDP would be prepared to give favourable consideration to these changes from the original idea of the recruitment of three individual experts on an OPAS basis. So far as equipment is concerned we regret that, as the personnel in question will be occupying executive positions in an institutions already disposing of appropriate means to accomplish its functions, it will not be possible for the UNDP to also supply vehicles, office equipment and maintenance costs for the same. This is in accordance with UNDP standard procedures. We have therefore found it necessary to eliminate from the present draft request the provisions in that respect contained in your Government's original submission.

The Permanent Secretary  
Federal Ministry of Economic Development  
and Reconstruction  
LAGOS



The OPAS principles will however still apply and therefore we would be grateful to receive at your earliest convenience detailed information on the salaries and appointments to be given them by the Bank including all allowances as well as income tax and other deductions, if any. This is in order to enable our Headquarters to issue appropriate allocations to the Executing Agency.

As it is hoped that the sub-contracting firm may be able to have its personnel in Nigeria already in January next year, we very much hope that your Ministry will be able to agree to the enclosed revised draft request so that it may be speedily submitted to our Headquarters as your Government's final and official version of the forthcoming project.

Yours sincerely

Finn Bonnevie  
Deputy Resident Representative

cc: The Permanent Secretary, Federal Ministry of Finance  
(Attn.: Mr. Easien)  
encl. The Permanent Secretary, Federal Ministry of Agriculture  
and Natural Resources (Attn.: Mr. Mawaka, MAB)  
IBRD Resident Representative Lagos  
Mr. Doc Kingus, Assistant Administrator and Director, UNDP New York



**UNITED NATIONS DEVELOPMENT PROGRAMME  
(TECHNICAL ASSISTANCE)**

**NIGERIA**

**Request for Country Project No. 71/16 (OPAS)**

1. **SUMMARY** The Federal Government has included in its 1970-1974 Development Plan the establishment of an Agricultural Credit Bank. The Bank will lend through recognized Farmer's Co-operative Societies and other State Government Credit institutions and will assist in improving the standard of management of such credit institutions in all the States. In addition it will give direct loans to individual farmers and companies for large scale farming projects. UNDP is requested to finance on an OPAS basis a team of consultants to be provided by the executing agency through sub-contracting.

**Financial Data**

	1971	1972	1973	1974
<b><u>Expert Posts (OPAS)</u></b>				
GENERAL MANAGER )				
CREDIT SPECIALIST )				
AGRICULTURAL )				
ECONOMIST )		222,700	222,700	222,700
ACCOUNTANT )				
<b><u>Equipment</u></b>				
.....	NIL			
<b><u>Administrative support and miscellaneous</u></b>				
.....	NIL			
<b>TOTAL:</b>		222,700	222,700	222,700
<b>GRAND TOTAL 1971 - 1974 668,100 - <u>less executive salaries to be determined</u></b>				

Note: Expert costs as given by proposed executing agency for sub-contracting.



## 2. BACKGROUND

The total population of Nigeria is now estimated at over 60 million. About 80% of the total labour force is employed in agriculture, and there are over 6½ million farming families. The bulk of agricultural production is in foodcrops and livestock for local consumption. The major crops (cocoa, cotton, groundnuts, palm produce and rubber) are only a small part of total production. Agricultural production has probably remained static since 1964, but as a percentage of GDP it is estimated to have declined from 47 in 1964/65 to 43 in 1966/67. Food crops are marketed locally, export crops through the marketing boards. Earning power of agricultural capital is relatively low, which has restricted the demand for new capital and for credit.

Moneylenders remain the chief source of agricultural credit. Credit institutions have not generally been successful, and none are operating efficiently at the present time, although plans to reorganize the one in the Western State are under consideration. Some small schemes for short term credit through cooperatives are working in some of the northern states. No data is available on which to estimate the total credit demand.

The 12 states were set up in 1967, replacing the four former regions. While their Governments are keen, they are at present relatively inexperienced. Most have already started work on agricultural development plans, which include credit programs. NAB's main benefit will be to help the States develop their credit programs and policies on sound lines, and to help to restructure existing State institutions or start new ones as soon as the credit demand becomes sufficiently large to make them viable. NAB will act as a channel for Federal funds to these institutions, and in the meantime will lend funds direct to State Governments for credit projects. Projects will be administered by the States, but NAB will impose its own terms and conditions for loans, and have the right to inspect progress at field level. For the time being most loans will be made with the State Government guaranteeing repayment.

### OBJECTIVES

The objective is to provide for the management of the Nigerian Agricultural Bank which has just been set up and to make it an effective lending institution in the field of agriculture. The Nigerian Agricultural Bank is an agricultural credit bank at Federal level. NAB will lend to State governments and institutions for agricultural credit projects within the States and will help to develop viable credit policies, projects and institutions.

A team of experts is required to provide technical expertise for the management of the Bank and for training local personnel in development banking techniques.



3. ASSISTANCE REQUESTED

(a) Experts

The experts will hold senior executive positions within the Agricultural Bank for an initial period of three years, during which time they will not only be responsible for the organization of the Bank and training of staff but also for the day-to-day operations of their respective departments.

1. General Manager:

Responsible for the overall management of NAB and for advising the Board on its lending policies.

2. Accountant:

Responsible for the accounts of NAB, including the accounting system and all accounting operations, the provision of statistical data to management, and the training of accounting and secretarial staff. He will also act as Company Secretary and Financial Advisor to the Board.

3. Credit Specialist:

Responsible for introducing and operating a suitable project appraisal and evaluation system, all credit aspects of NAB's operations, the provision of credit data to management and the training of credit staff.

4. Agricultural Economist:

Responsible for all economic aspects of NAB's operations, including the provision of economic data to management and the training of field staff. He will assist the Credit Specialist in the appraisal and inspection of projects. He will also evaluate the results of lending operations.

(b) Fellowships

NIL

(c) Equipment

NIL

(d) Administrative support and miscellaneous

Nil - The NAB undertakes to furnish all administrative and miscellaneous support



4. COUNTERPART SUPPORT

(a) Counterpart Personnel

An assistant General Manager, an assistant Agricultural Economist, an assistant Credit Specialist and an Assistant Accountant plus other personnel as appropriate will be designated counterparts to the four international experts.

(b) Budgetary provision

The Bank will receive \$6 million during the 1970-1974 Plan period. (Reference: Second Development Plan, Chapter 5 (iii), page 113)

(c) Transport, Office and Supporting Services

Will be provided by the NAB

5. AVAILABILITY OF HOUSING FOR EXPERTS

Will be made available by the Federal Government



6. RELATED PROJECTS

(a) Previous Assistance

Nil

(b) Complementary to this request

Nil

7. FOLLOW UP

(Distribution of this request to IERD and UNOTU)

Form No. 75  
(2-60)

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE  
CORPORATION

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

ROUTING SLIP		Date	
NAME		ROOM NO.	
<del>Miss Eileen Powell</del>		D-1138	
Nigeria Ag. Bank		- file	
	To Handle		Note and File
	Appropriate Disposition		Note and Return
	Approval		Prepare Reply
	Comment		Per Our Conversation
	Full Report		Recommendation
	Information		Signature
	Initial		Send On
REMARKS			
<p>Attached are two cables, one from Fryer and the other from Burney. I have already cabled Fryer that we have not received his cable of Aug. 20 and have asked him to repeat it to us. However, since then I have received Burney's cable which throws more light on the subject and I assume this was what Fryer was trying to tell us in August. I am somewhat intrigued by New York being informed on June 2 by UNDP. You may like to follow this up.</p>			
From Humayun Mirza			



INCOMING CABLE

DATE AND TIME OF CABLE: SEPTEMBER 13, 1971 1729

LOG NO.: WUI 9/14

TO: INTBAFRAD

FROM: LAGOS

ROUTING

ACTION COPY: MR. MIRZA

INFORMATION COPY: MR. CHAUFOURNIER

DECODED BY:

TEXT:

134 FOR MIRZA.

REYURCAB 565.

UNDP LAGOS IS DOING ITS BEST TO EXTRACT APPLICATION FROM MINISTRIES ECONOMIC DEVELOPMENT AND AGRICULTURE FOR EXPERTS FOR ADB. THESE MINISTRIES HAVE PROMISED FINALISE THIS WEEK APPLICATION IN CONSULTATION WITH UNDP LAGOS. HAVE POINTED OUT TO BOTH MINISTRIES NEED FOR ~~WEE~~ IMMEDIATE SUBMISSION APPLICATION NEW YORK. GENERALLY UNDP LAGOS SUPPORTS PROPOSAL INCLUDING PROPOSED SUBCONTRACTING ARRANGEMENTS FOUR EXPERTS AND HAS SO INFORMED NEW YORK IN THEIR JUNE TWO AND SEPTEMBER EIGHT LETTERS. BONNEVIE DRP PROMISED MORE DETAILED COMMENTS TO NEW YORK ALONG WITH COMMISSION FORMAL APPLICATION. REGARDS.

BURNEY

ee

FOR INFORMATION REGARDING INCOMING CABLES, PLEASE CALL THE COMMUNICATIONS SECTION, EXT. 2021

ORIGINAL

WUINY MSG 3

WU105 NYA134

LAGOS 33/30 10 1530 WU1 September 10 1971

LT

INTBAFARAD

WASHINGTON

SEP 11 11 00 AM 1971

COMMUNICATIONS  
SECTION

Mr. Mirza

Distribution

Mr. Chaufournier

MISC/1103 MIRZA FROM FRYER YOURCAB EIGHT SEPTEMBER AGRICULTURAL  
CREDIT BANK PLEASE SEE OURTEL 1033 TO YOU OF TWENTY AUGUST WE  
HAVE ALSO WRITTEN DOOKINGUE SAME SUBJECT

UNDEVPRO

Mr. Mirza,

I have checked with incoming cables  
and have been informed that No. 1033 dated  
August 20 from UNDP was never received.

COLL MISC1/1103 1033

JB

INTFRAD 64145

+

INTFRAD 64145

*Calmer*



file: Nigeria Ag. Dev.  
Bank

BURNEY

SEPTEMBER 9, 1971

INTBAFRAD

LT

LAGOS

NIGERIA

No. 165

REFERENCE GOVERNMENTS REQUEST BANK ASSISTANCE FOR FOUR AGRICULTURAL EXPERTS  
PROPOSED NEW AGRICULTURAL DEVELOPMENT BANK HAVE CABLED FRYER TWICE REQUESTING  
HIS CONFIRMATION UNDP WILL FINANCE THESE EXPERTS STOP REGRET NO RESPONSE  
RECEIVED TO DATE STOP ALSO UNDERSTAND UNDP NEW YORK NOT INFORMED THIS PROJECT  
BY FRYER NOR HAVE THEY RECEIVED RESPONSE FROM HIM TO THEIR QUERIES STOP SINCE  
WE ARE PROCEEDING WITH SELECTION AGRICULTURAL EXPERTS MOST URGENT FRYER CONFIRMS  
TO UNDP NEW YORK AND TO US THAT UNDP FINANCING FOR FOUR SPECIALISTS AVAILABLE  
STOP CONCERNED LACK OF RESPONSE FRYER TO COMMUNICATION FROM US AND UNDP NEW  
YORK STOP PLEASE INVESTIGATE MATTER AND ADVISE REGARDS

MIRZA

INTBAFRAD

Humayun Mirza  
Western Africa

cc: Miss Powell ✓  
Messrs. Goffin  
Povey  
Bazo

HMirza:cn

Sep. 8

Klatterman @ UNIB says  
they have not rec'd.  
details of rep. from  
Res. Dep. Are cabling  
him again.

Sep-9

Ida Guiza who will  
cable Barney to see  
Res. Dep. & bring  
answers to Bank on  
Sep. 20.

P.



FRYER

SEPTEMBER 8, 1971

UNDEVPRO

LT

LAGOS

NIGERIA

PLEASE CABLE URGENTLY YOUR RESPONSE MY CABLE AUGUST THIRTEEN REGARDING  
AGRICULTURAL SPECIALISTS FOR PROPOSED NIGERIAN AGRICULTURAL DEVELOPMENT  
BANK STOP YOUR PROMPT REPLY WILL BE MOST APPRECIATED REGARDS

MIRZA  
INTBAFRAD

Humayun Mirza  
Western Africa

cc: Messrs. Gaffin  
Bazo  
Povey  
Miss Powell

HMirza:cn

*file Nigeria  
Ag. Dev. Bk.*

August 18, 1971

Public Administration Services (PAS)  
1313 East 60th Street  
Chicago, Illinois  
U. S. A.

Gentlemen:

The Federal Republic of Nigeria has requested assistance from the United Nations Development Program for organizing and in managing the Agricultural Development Bank. The UNDP has been approached to make funds available and the International Bank for Reconstruction and Development has agreed to act as Executing Agency for the project which is subject to final approval by the UNDP Governing Council.

The personnel required will be, (1) a general manager, (2) an accountant, (3) a credit specialist and (4) an agri-economist. Enclosed are the "Terms of Reference" Annex A and "Supplementary Information to Consultants" Annex B for the services to be provided. If you are interested and in a position to undertake this assignment you are invited to submit a proposal (exclusive of financial terms) which could form the basis for further negotiations and, ultimately, for a contract between your firm and the Bank. Other firms are also being invited.

Please acknowledge this letter on receipt and indicate whether you are interested and in a position to undertake the assignment specified. We would expect to receive your proposal in our Washington Office not later than September 30th, 1971. We would like the experts to be in the field by January, 1972. If the four experts cannot commence their work at the same time, would be prepared to discuss advance posting of the general manager who would be the team leader.

Sincerely,

P. C. Goffin  
Chief Agricultural Credit Division

Cleared with and cc: Mr. Mirza  
Miss E. Powell ✓  
Mr. Clyde (Legal)  
Letters sent to: Dr. Hendrikson Associates  
ITALCONSULT  
Berenshot-Bosboom  
Economist Intelligence Unit



NIGERIA - ORGANIZATION OF THE AGRICULTURAL DEVELOPMENT BANK

Supplementary Information for Consultants

Proposals shall be submitted in septuplicate and shall include the following:

- (a) A brief description of the firm (or group of firms) and an outline of recent experience on projects of similar nature.
- (b) Particulars, in detail, of the individual staff members to be assigned to Nigeria giving (1) age, education, professional qualifications and present position, including salary, (2) marital and family status including number and ages of children and whether the family will accompany the expert, (3) past experience including length of time spent on each important assignment in the last 10 years, and (4) data on the type and scope of such assignments.
- (c) Details of home leave to be taken by the experts during the period of the assignment and proposals for leave reliefs if necessary.
- (d) Dates on which experts will be available to depart for Nigeria.

In preparing the proposal the Consultants should give particular attention to the following:

- (a) The experts should, if possible, have had experience in a developing country, preferably similar to Nigeria. Fluency in English is essential.
- (b) The assignments will be for an initial period of three years each.
- (c) The experts will hold senior executive positions within the Agricultural Development Bank and will not act merely as advisors.
- (d) Training of local staff will be a most important part of the experts' duties. Ability to impart knowledge and to teach is therefore essential.
- (e) The Consultants will not be expected to pay supervision visits to Nigeria.

FEDERAL REPUBLIC OF NIGERIA

AGRICULTURAL DEVELOPMENT BANK

Terms of Reference

A. Objective

1. The objective is to provide for the management of the Nigerian Agricultural Bank which has just been set up and to make it an effective lending institution in the field of agriculture. The Nigerian Agricultural Bank is an agricultural credit bank at Federal level. NAB will lend to State governments and institutions for agricultural credit projects within the States and will help to develop viable credit policies, projects and institutions.

A team of experts is required to provide technical expertise for the management of the Bank and for training local personnel in development banking techniques.

B. Operations

2. The experts will hold senior executive positions within the Agricultural Bank for an initial period of three years, during which time they will not only be responsible for the organization of the Bank and training of staff but also for the day-to-day operations of their respective departments. The experts will:

- (a) advise and assist NAB's Board of Directors in formulating the policy for the organization, administration and development of NAB; plan and put into operation an accounting system;
- (b) assume the management and executive responsibilities of NAB's operations;
- (c) train Nigerian personnel to assume management of NAB, and train staff at all levels in all aspects of agricultural credit work;
- (d) with the approval of NAB's Board, advise and assist State governments and institutions in formulating credit policies and programs, and in the organization and administration of such policies; plan and implement an effective loan appraisal and evaluation system including drafting loan application forms and instituting form plans; plan and put into operation an effective collection system for loan repayments;
- (e) assist in the identification and preparation of agricultural credit projects appropriate for external financing in accordance with government policy;



- (f) establish working relationships with the Federal and State Governments, marketing boards, and all other bodies (national and international) and individuals engaged in agricultural development.

C.

Duties of Experts

- (a) General Manager: responsible for the overall management of NAB and for advising the Board on its lending policies. He should have a record of successful management of a similar institution elsewhere;
- (b) Accountant: responsible for the accounts of NAB, including the accounting system and all accounting operations, the provision of statistical data to management, and the training of accounting and secretarial staff. He will also act as Company Secretary and Financial Advisor to the Board. He should have held a responsible accounting position in a similar institution elsewhere;
- (c) Credit Specialist: responsible for introducing and operating a suitable project appraisal and evaluation system, all credit aspects of NAB's operations, the provision of credit data to management and the training of credit staff. He should have had previous wide experience of credit work at farm level;
- (d) Agricultural Economist: responsible for all economic aspects of NAB's operations, including the provision of economic data to management and the training of field staff. He will assist the Credit Specialist in the appraisal and inspection of projects. He will also evaluate the results of lending operations. He should have had previous experience in relevant agricultural development work at farm level.

Mr. Paul C.H. Goffin

August 18, 1971

Humayun Mirza

NIGERIA: Technical Assistance for  
Agricultural Development Bank

1. I refer to Mr. Chaufournier's memorandum dated May 25, 1971 in which he confirmed a telephone conversation he had had with Mr. Evans, informing him of the Government's request to Mr. McNamara for the Bank's help in recruiting the agricultural specialists for the proposed new Agricultural Development Bank. You will note from that memorandum that financing would be obtained from the UNDP.
2. This is to confirm that Mr. Stanley Fryer, the UNDP Resident Representative in Lagos, suggested to Mr. McNamara that, although the UNDP had been asked to finance this project, the Bank is in a better position to recruit the personnel required and urged that we move quickly on this matter. This, coupled with the request of the Nigerian Government to recruit the necessary specialists, prompted Mr. McNamara to promise that we would proceed immediately with the necessary recruitment. The financing of the specialists will no doubt be taken care of by the UNDP as this project has the full support of Mr. Fryer. Although the formalities leading to the final commitment of the UNDP have not yet been completed, I do not expect any problems in the necessary financing being made available in view of the level at which this matter has been handled.
3. I would, therefore, suggest that you send the letters out to the qualified specialists today in order to avoid any delays in locating the appropriate personnel.

cc: Messrs. Bazo  
Povey  
Miss Powell

HMirza:cn





INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Cable Address - INTBAFRAD

INTERNATIONAL DEVELOPMENT ASSOCIATION

Cable Address - INDEVAS

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

Area Code 202 • Telephone - EXecutive 3-6360



*Nigeria  
Ag. Bank*

August 18, 1971

Gentlemen:

The Federal Republic of Nigeria has requested assistance from the United Nations Development Program for organizing and in managing the Agricultural Development Bank. The UNDP has been approached to make funds available and the International Bank for Reconstruction and Development has agreed to act as Executing Agency for the project which is subject to final approval by the UNDP Governing Council.

The personnel required will be, (1) a general manager, (2) an accountant, (3) a credit specialist and (4) an agri-economist. Enclosed are the "Terms of Reference" Annex A and "Supplementary Information to Consultants" Annex B for the services to be provided. If you are interested and in a position to undertake this assignment you are invited to submit a proposal (exclusive of financial terms) which could form the basis for further negotiations and, ultimately, for a contract between your firm and the Bank. Other firms are also being invited.

Please acknowledge this letter on receipt and indicate whether you are interested and in a position to undertake the assignment specified. We would expect to receive your proposal in our Washington Office not later than September 30th, 1971. We would like the experts to be in the field by January, 1972. If the four experts cannot commence their work at the same time, would be prepared to discuss advance posting of the general manager who would be the team leader.

Sincerely,

P. C. Goffin  
Chief Agricultural Credit Division



August 18, 1971

Mr. Michel Doo Kingue  
Assistant Administrator and Director  
Regional Bureau for Africa  
United Nations Development Programme  
United Nations, New York 10017

Dear Mr. Doo Kingue:

NIGERIA: Technical Assistance for the  
Agricultural Development Bank

We refer to the Government of Nigeria's request to UNDP dated April 29, 1971, for a Special Fund project to provide three experts to help establish the Agricultural Development Bank. When Mr. McNamara visited Nigeria last May, your Resident Representative, Mr. Fryer, discussed this request with him and suggested that the Bank help recruit the necessary experts. At his suggestion, therefore, and upon the Government's subsequent request to the Bank for such assistance, Mr. McNamara agreed to help. In order to proceed with the recruitment without delay, we have already prepared appropriate terms of reference and a list of suitable consulting firms from whom we could request the proposals. Both the terms of reference and the list have been approved by the Government. A copy of the terms of reference is attached for your information.

The Bank had originally discussed the need for assistance in establishing the Agricultural Bank with the Nigerian Government as early as 1969 and had at that time prepared cost estimates based on the provision of five experts. In reviewing the eventual request, the Bank agreed that one of the original five experts would no longer be required from expatriate sources but felt that the position of an accountant should be included in the request. The Government has now agreed to this and has also agreed to the employment of a consulting firm rather than the hiring of individual experts.

In addition to the inclusion of the accountant, there are several reasons why the cost estimates in the request would need to be revised: Some of the estimates are based on those originally prepared by the Bank in 1969 and apparently take no account of subsequent price increases; the man-month rate of \$2,500 allows for the employment of individual expatriates but is too low for those hired through a consulting firm; the man-month



August 18, 1971

rates and travel costs do not allow for the fact that it might eventually be decided to contract with a North American firm. We have therefore prepared a revised estimate of costs for the project and are attaching a copy of this. You will see that the contribution required from UNDP amounts to \$765,000.

Subject to the inclusion of a fourth expert and the necessary revisions to the cost estimates, we should like to express our full support for the Government of Nigeria's request and to indicate that we would be prepared to act as Executing Agency in accordance with the Government's expressed wish. It is hoped that the experts will be able to play an active role in helping the Agricultural Bank to prepare projects for future Bank Group lending.

Your Resident Representative, Mr. Fryer, has indicated to us his support of the Government's request, and we assume that you will have heard similarly from him. We are sending him a copy of this letter. It is planned that operations should start by January 1972, and we would therefore appreciate receiving from you as soon as possible your confirmation of UNDP's agreement to finance this project and your views as to its inclusion in the Governing Council Programme for January 1972.

Sincerely yours,

Eileen Powell  
Technical Assistance Division  
Development Services Department

Enclosures 2

cc: Mr. Fryer, UNDP, Lagos (with enclosures)

EP:ch

Cl. and cc: Mr. Mirza  
Mr. Bazo

NIGERIAEstablishment of the Nigerian Agricultural BankEstimated Budget for the UNDP/SF ProjectEstimated Project Cost 1/

	U.S.\$ thousands equivalent		
	Foreign	Local	Total
	Currency	Currency	
	<u>UNDP</u>	<u>UNDP</u>	<u>Govt.</u>
<u>Foreign Professional Staff 2/</u>			
144 mm (4x36) at US\$4,000 mm	576		576
Subsistence		60	60
<u>Transportation Foreign Staff + Families 3/</u>			
International	32		32
Local		40	40
<u>Counter-part Personnel</u>			
144 mm at 550		80	80
Local Travel		26	26
<u>Office Space, Utilities</u>		30	30
<u>Equipment</u>			
Vehicles, 4 at 3.500	14		14
Office Equipment 4/	10		10
Vehicles operating cost, communications, miscellaneous		4	4
	632	64	176
			872
Flexibility, about 10%.	63	6	18
	695	70	194
			959
	(765)		

1/ Assumes a contract with a consulting firm to provide 4 experts for 3 years.

2/ An average figure, which assumes billing by consulting firms of an agreed rate per man month, including salary, insurances, home leave, social charges, consultants' overhead, fee and profit.

3/ Assumes two round trips per family of four, US-Nigeria-US, economy class.

4/ Calculators, copying machines, typewriters



FEDERAL REPUBLIC OF NIGERIA  
AGRICULTURAL DEVELOPMENT BANK

Terms of Reference

A. Objective

1. The objective is to provide for the management of the Nigerian Agricultural Bank which has just been set up and to make it an effective lending institution in the field of agriculture. The Nigerian Agricultural Bank is an agricultural credit bank at Federal level. NAB will lend to State governments and institutions for agricultural credit projects within the States and will help to develop viable credit policies, projects and institutions.

A team of experts is required to provide technical expertise for the management of the Bank and for training local personnel in development banking techniques.

B. Operations

2. The experts will hold senior executive positions within the Agricultural Bank for an initial period of three years, during which time they will not only be responsible for the organization of the Bank and training of staff but also for the day-to-day operations of their respective departments. The experts will:

- (a) advise and assist NAB's Board of Directors in formulating the policy for the organization, administration and development of NAB; plan and put into operation an accounting system;
- (b) assume the management and executive responsibilities of NAB's operations;
- (c) train Nigerian personnel to assume management of NAB,



and train staff at all levels in all aspects of agricultural credit work;

- (d) with the approval of NAB's Board, advise and assist State governments and institutions in formulating credit policies and programs, and in the organization and administration of such policies; plan and implement an effective loan appraisal and evaluation system including drafting loan application forms and instituting form plans; plan and put into operation an effective collection system for loan repayments;
- (e) assist in the identification and preparation of agricultural credit projects appropriate for external financing in accordance with government policy;
- (f) establish working relationships with the Federal and State Governments, marketing boards, and all other bodies (national and international) and individuals engaged in agricultural development.

C.

Duties of Experts

- (a) General Manager: responsible for the overall management of NAB and for advising the Board on its lending policies. He should have a record of successful management of a similar institution elsewhere;
- (b) Accountant: responsible for the accounts of NAB, including the accounting system and all accounting operations, the provision of statistical data to management, and the training of accounting and secretarial staff. He will also act as Company Secretary and Financial Advisor to the Board. He should have held a responsible accounting position in a similar institution elsewhere;



- (c) Credit Specialist: responsible for introducing and operating a suitable project appraisal and evaluation system, all credit aspects of NAB's operations, the provision of credit data to management and the training of credit staff. He should have had previous wide experience of credit work at farm level;
- (d) Agricultural Economist: responsible for all economic aspects of NAB's operations, including the provision of economic data to management and the training of field staff. He will assist the Credit Specialist in the appraisal and inspection of projects. He will also evaluate the results of lending operations. He should have had previous experience in relevant agricultural development work at farm level.

NIGERIA - ORGANIZATION OF THE AGRICULTURAL DEVELOPMENT BANK

Supplementary Information for Consultants

Proposals shall be submitted in septuplicate and shall include the following:

- (a) A brief description of the firm (or group of firms) and an outline of recent experience on projects of similar nature.
- (b) Particulars, in detail, of the individual staff members to be assigned to Nigeria giving (1) age, education, professional qualifications and present position, including salary, (2) marital and family status including number and ages of children and whether the family will accompany the expert, (3) past experience including length of time spent on each important assignment in the last 10 years, and (4) data on the type and scope of such assignments.
- (c) Details of home leave to be taken by the experts during the period of the assignment and proposals for leave reliefs if necessary.
- (d) Dates on which experts will be available to depart for Nigeria.

In preparing the proposal the Consultants should give particular attention to the following:

- (a) The experts should, if possible, have had experience in a developing country, preferably similar to Nigeria. Fluency in English is essential.
- (b) The assignments will be for an initial period of three years each.
- (c) The experts will hold senior executive positions within the Agricultural Bank and will not act merely as advisors.



(d) Training of local staff will be a most important part of the experts' duties. Ability to impart knowledge and to teach is therefore essential.

(e) The Consultants will not be expected to pay supervision visits to Nigeria.

DRAFT/EPowell:eb  
August 17, 1971

Mr. Michel Doo Kingue  
Assistant Administrator and Director  
Regional Bureau for Africa  
United Nations Development Programme  
United Nations, New York 10017

Dear Mr. Doo Kingue:

NIGERIA: Technical Assistance for the  
Agricultural Development Bank

We refer to the Government of Nigeria's request to UNDP dated April 29, 1971, for a Special Fund project to provide three experts to help establish the Agricultural Development Bank. ~~A copy of this request was forwarded to the Bank and was discussed with Mr. McNamara during his visit to Nigeria last May. At that time the Government requested the Bank's assistance in recruiting the necessary experts and we agreed to help.~~

The Bank had originally discussed the need for assistance in establishing the Agricultural Bank with the Nigerian Government as early as 1969 and had at that time prepared cost estimates based on the provision of five experts. In reviewing the eventual request, the Bank agreed that one of the original five experts would no longer be required from expatriate sources but felt that the position of an accountant should be included in the request. The Government has now agreed to this and has also agreed to the employment of a consulting firm rather than the hiring of individual experts.

*When Mr. McNamara visited Nigeria last May, your Resident Representative, Mr. Fryer, discussed this request with him & suggested that the Bank help recruit the necessary experts. At his suggestion, therefore, & upon the Government's subsequent request for such assistance, Mr. McNamara agreed to help. In order to proceed with the recruitment without delay we have (insert A from next page)*

.../



August 17, 1972

In addition to the inclusion of the accountant, there are several reasons why the cost estimates in the request would <sup>need to</sup> ~~not~~ be revised: some of the estimates are based on those originally prepared by the Bank in 1969 and apparently take no account of subsequent price increases; the man-month rate of \$2,500 allows for the employment of individual expatriates but is too low for those hired through a consulting firm; the man-month rates and travel costs do not allow for the fact that it might eventually be decided to contract with a North American firm. We have therefore prepared a revised estimate of costs for the project and are attaching a copy of this. *You will see that the contribution required from UNDP amounts to \$76,500.*

Subject to the inclusion of a fourth expert and the necessary revisions to the cost estimates, we should like to express our full support for the Government of Nigeria's request and to indicate that we would be prepared to act as Executing Agency in accordance with the Government's expressed wish. *It is hoped that the experts will be able to play an active role in preparing projects for future Bank Group lending.*

*we have* already prepared appropriate terms of reference and a list of suitable consulting firms from whom we could request the proposals. Both the terms of reference and the list have been approved by the Government. *A copy of the terms of reference is* and copies are attached for your information.

Your Resident Representative, Mr. Fryer, has indicated to us his support of the Government's request and we assume that you will have heard similarly from him. We are sending him a copy of this letter. *It is planned that operations should start by January 1972.*

your confirmation of UNDP's agreement to finance this project and your views as to ~~its~~ *its* inclusion in the Sovereign Capital Programme for January 1972.

Eileen Powell  
Development Services Department

cc: ad: To be cleared with Messrs. Mirza, Lagos

cc: Res. Rep. Nigeria.

\* role in keeping the Agricultural Bank to prepare projects for future Bank Group lending.

Insert in Para 1.

STANLEY FRYER

AUGUST 13, 1971

UNDEVPRO

LAGOS

NIGERIA

NIGERIAN GOVERNMENT HAS ASKED BANK ASSISTANCE IN SECURING FOUR INSTEAD OF THREE REPEAT FOUR AGRICULTURAL SPECIALISTS FOR PROPOSED NIGERIAN AGRICULTURAL DEVELOPMENT BANK STOP WE ARE WRITING UNDP NEW YORK INFORMING THEM WE ARE PROCEEDING WITH RECRUITMENT IMMEDIATELY STOP IN VIEW DISCUSSIONS WITH YOU REGARDING UNDP FINANCING PROPOSED SPECIALISTS ASSUME UNDP WILL PROVIDE FINANCING THESE SPECIALISTS STOP PLEASE CONFIRM YOU ALSO SUPPORT FINANCING FOURTH SPECIALIST AND THAT COSTS WILL BE ADJUSTED ACCORDINGLY STOP WOULD APPRECIATE YOU INFORM UNDP NEW YORK REGARDS

MIRZA

INTBAFRAD

Humayun Mirza  
Western Africa

Cleared with and cc: Mr. Goffin  
Miss Powell  
cc: Mr. Bazo  
Mr. Povey

HMirza:cn



RECONSTRUCTION AND DEVELOPMENT CORPORATION  
OFFICE MEMORANDUM

TO: Mr. Paul Goffin  
FROM: Humayun Mirza *HM*  
SUBJECT: NIGERIA: Technical Assistance for  
Agricultural Development Bank

DATE: August 4, 1971

*Copy retained  
from Ag. Proj.  
Aug. 17/71*

1. I refer to your memorandum dated May 28, 1971 and to my memorandum dated July 2, 1971 regarding technical assistance for the Agricultural Development Bank. I have now heard from Nigeria that the Government has approved the draft letter to be sent to the consultants and the terms of reference which I had left with it during my last mission to Nigeria (attached is the Government's letter on this subject). As regards the firm of consultants to be contacted, they have authorized us to invite proposals from all the firms listed in your abovementioned memorandum, except the firm of Vincent V. Checci and Company, whom they wish to have excluded from this list.

2. I would appreciate your contacting the firms and making the selection for the agricultural experts as soon as possible.

Attachment

cc: Messrs. Chaufournier o/r  
Povey



# Record Removal Notice



<b>File Title</b> Nigeria - Agricultural Development Bank - set		<b>Barcode No.</b>  1051334
<b>Document Date</b> 23 July, 1971	<b>Document Type</b> Letter	
<b>Correspondents / Participants</b> To : Mr. Mahmud A. Burney, Resident Representative in Nigeria From : Otto B. Essien for Permanent Secretary		
<b>Subject / Title</b> Agricultural Development Bank		
<b>Exception(s)</b> Information Provided by Member Countries or Third Parties in Confidence		
<b>Additional Comments</b>		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.
		<table border="1"><tr><td><b>Withdrawn by</b> Chandra Kumar</td><td><b>Date</b> 28-Jan-15</td></tr></table>
<b>Withdrawn by</b> Chandra Kumar	<b>Date</b> 28-Jan-15	



## OFFICE MEMORANDUM

*Copy obtained  
from Ag. Pro.**Aug. 17/71*

TO: Mr. P. C. Goffin

DATE: July 14, 1971

FROM: M. Hassid

*Copy remarks Mirza Stoneham. DF  
7/15/71*SUBJECT: Comments on the Memorandum of Association of  
Nigerian Agricultural Bank

Reference is made to the Memorandum and Articles of Association which was given by the Federal Ministry of Finance to Mr. H. Mirza on a very confidential basis and was passed on to our Division for comments on July 2, 1971. I would like to mention that my comments on this draft have taken into account recommendations included in Mr. Stoneham's report, (September 18, 1969) transmitted to the Government on October 8, 1969.

## MEMORANDUM OF ASSOCIATION

1. The Memorandum consists of the three following sections:
  - a) Section I gives the name of the Company
  - b) Section II indicates the location of the Company
  - c) Section III consists of 25 articles which list the objects of the Company.
2. Matters of form These 25 articles are in fact various subjects which might be listed as follows:
  - a) the objects of the Company (the provision of credit for agricultural production purposes and for marketing, the advise and assistance to states on agricultural credit policies and project preparation;
  - b) the operating policies (interest rates charged on loans shall be sufficiently high to meet the full cost of management and to establish adequate general and bad debt reserves before paying any dividend to shareholders);
  - c) the powers necessary to carry out its functions
  - d) the capital of the company
  - e) the liability of the members.

3. Matters of substanceA. Beneficiaries of loansMemorandum Rules, NAB objects are:

- a) to make loans for agricultural production purposes
  - (i) to any state, group of states, or any state institution for on-lending to farmers or body corporate, subject to the state or group of states guaranteeing repayment of the loan

July 14, 1971

- (ii) direct to any farmer, group of farmers or body corporate where adequate security is forthcoming and in appropriate cases without prior approval, by State Government
- b) to finance the marketing of agricultural products (Section III 1)
- c) to lend or advance money or give credit upon the security of real or personal property or upon personal security or without security and generally on a project by project basis.

Comments

- a) loans under category a (ii):

According to Mr. Stoneham's report, NAB should make loans direct to any farmer or body corporate, where adequate security was forthcoming, but subject to the approval of the appropriate State Government. Since NAB is a Federal institution, it is preferable to stick to this rule.

- b) loans under category c:

There is no indication on the purpose of the loan. It is not clear whether such loans will be granted to state institutions or direct to farmers. These matters should be clarified.

B. Non-lending activities

Memorandum: Besides its lending activities, NAB objects are:

- a) to advise State Governments and institutions on agricultural credit policies and helping them to prepare agricultural project (III, i, A, IV)
- b) to investigate and advise or procure advice upon and to and in formulation and carrying into effect of all manner of propositions and schemes connected with agriculture in respect of which the Company's loan is requested
- c) to promote, constitute, form or organize or to concur promoting, constituting forming or organizing companies, syndicates, partnerships, and associations of all kinds for the purpose of acquiring all or any of the property, rights and liabilities of the Company or any other purpose which may seem directly or indirectly calculated to further the objects of the Company (III 8)
- d) to carry on a general financial business, and general financial operations of all kinds and undertake or aid in any enterprise (III 9)
- e) to buy, take on lease, or in exchange or otherwise acquire, sell, turn to account, deal in and dispose of lands, buildings and hereditaments whether free hold or leasehold or any other tenure, easements, concessions, claims, timber rights, water rights or privileges and real or personal property of every description (III 10)



- f) to amalgamate, enter into partnership or into any arrangement for sharing profits, union or interest or cooperation with any person or corporation or company or international organization carrying on or engaged in, or about to carry on or engage in any business or transaction which the Company is authorized to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted as directly or indirectly to benefit the Company (III 19).

Comments: The scope of NAB seems too important. According to Mr. Stoneham's report, assuming three possible alternatives:

- a) a development institution
- b) a finance institution
- c) a credit institution, the Federal Government indicated its preference for a credit institution.

The provisions of the Memorandum go far beyond the scope of a credit institution. I would prefer to limit for the time being non-lending activities to the object indicated in (a) (advice on agricultural credit policies and assistance in preparation of agricultural projects). However, NAB should be involved only in projects including a credit element and not in all agricultural projects.

#### Capital

Memorandum: The capital is N£ 6 million divided into 6,000 shares of N£ 1 each (III 25.(v)).

Comments: Mr. Stoneham recommended an equity capital of N£ 2 million and medium-/long-term borrowings of £ 4 million. I have no basis for ascertaining what would be the best solution (no cash flow has been submitted). However, it is obvious that medium- and long-term borrowings are more easily geared to requirements than equity capital. I would like to mention that this provision of the memorandum is conflicting with the clause 5(a) of the articles of association which indicates that the share capital is divided into shares of N£ 1,000 each.

### ARTICLES OF ASSOCIATION

#### Capital

Article 5(a)(b): The share capital of the Company is N£ 6 million divided into 100 "A" ordinary shares of £ 1,000 each (the preference shares) 1900 "B" ordinary shares of N£ 1,000 each and 400 unclassified shares of £ 1,000 each. The "A" shares carry voting rights while the "B" shares do not carry voting rights.

Article 10: Any unclassified shares in the capital of the Company may be issued by the Directors with such rights and privileges and subject to



with limitation and restrictions as the Directors shall determine and in particular, such shares may be issued with or have attached thereto preferential, deferred, or other special rights or restrictions whether in regard to dividend voting return of capital or otherwise, and any preference share may be issued on the terms that they are not at the option of the company, are to be liable to be redeemed provided however that unclassified shares shall, without the sanction of the Company in General Meeting be issued with any right to participate in dividend or capital in priority to the ordinary shares.

Comments:

- a) Mr. Stoneham proposed two classes of shares: A shares, voting (NZ 100,000) B shares, non-voting (NZ 1,900,000),
- b) I think that there is a typing mistake and that the number of unclassified shares is 4,000 and not 400.

Distribution of Profits

Article 5(c): The profits of the company, (after meeting any loss in respect of bad debts previously incurred) in respect of each financial year or other period shall be applied in the following order of priority.

- (i) in paying to the holders of the "A" shares a fixed cumulative dividend at the rate of 5% p.a. on the amount paid up in the said shares
- (ii) in setting aside to reserve such sums as the Directors are required by these presents to set aside and in setting aside to reserve or carrying forward such further sums as they shall think proper.

Comments: The operating results should take into account not only the losses but also the reserve for bad and doubtful debts. An adequate general reserve should also be established before paying any dividend to shareholders.

Borrowings

Article 60: Borrowings should not exceed three times the amount of the capital and reserves (other than the Special Reserve Fund required to be set up under Article 121(i)).

Comments:

- a) There is a typing mistake. The Special Reserve Fund is dealt with in article 120(i).
- b) The debt equity ratio is usually a relation between the medium- and long-term loans (and not all debts outstanding) and the capital plus the free reserves.
- c) Mr. Stoneham's report recommended that medium-/long-term borrowings should not exceed twice the paid-up capital, until the whole of the capital has been subscribed, thereafter not to exceed four times the paid-up capital. I do not see the reasoning behind these two



General Meeting

Article 67: The Company shall hold an annual general meeting once at least in every calendar year and not more than 15 months after the holding of the last preceding general meeting.

Comments: It seems preferable that the period between each annual meeting does not exceed 12 months.

Directors

Article 98: The Directors shall consist of:

- (1) One person nominated as independent chairman
- (2) Two persons as independent members
- (3) Three persons nominated by the Federal Government
- (4) Two persons nominated by the Central Bank
- (5) One person nominated by the Nigerian Province, Marketing Company

Comments: Mr. Stoneham's report recommended that Board representation would be on the basis of "A" shares held and might be (1) Federal Government 3 (2) Central Bank 2 (3) State Governments 3 (4) Marketing Boards 1. I would recommend to stick to such recommendations.

Chairman

Article 108: The Chairman of the Board should be appointed by the Board.

Comments: Mr. Stoneham's report recommended that the Chairman be elected by the shareholders in general meetings from among the nominated Board members. I think, however, that the Nigerian position is acceptable.

Powers of Directors

Article 117: The business of the Cy shall be managed by the Directors who may exercise all such powers and do all such acts and things as the Company is authorized to exercise and are not required to be exercised by the Cy in General Meeting.

Comments: Board's powers should be classified. Mr. Stoneham's report outlined as follows the Board's duties: to formulate the policy to be followed by NAB, to ensure management follows that policy, to receive from the General Manager, routine progress reports, to ensure that proper books of accounts are kept; to appoint the General Manager; to approve annual budgets, of income and expenditures to approve investment policy (for surplus fund); to approve the borrowing of any funds; to approve the interest rates to be charged on loans; to approve the borrowing of any funds; to approve the interest rates to be charged on loans; to approve all loans made to projects; to approve appointment and discharge of senior officers to be designated.

General Manager

Article 118: The Directors shall from time to time appoint an officer to be known as the General Manager

Comments: There should be provision for ensuring continuity of tenure and independence of action.

Accounts

Article 137: Once at least in every calendar year, the Directors shall lay before the Company in General Meeting a profit and loss account for the period since the preceding account and a balance sheet containing a summary of the property and liabilities of the Company made up to date not more than 9 months before the meeting.

Comments: The delay of 9 months is too long. According to Mr. Stoneham's report, the annual report should be forwarded to shareholders together with audited statements of accounts for the financial year under review within three months of the end of the financial year.

Audit

Article 142: Auditors shall be appointed and their duties regulated in accordance with Sections 152 and 155 of the Decree.

Comments: The last article of the decree has the number 151. It should be necessary to mention that accounts have to be audited by an independent firm of auditors to be appointed at shareholders' annual general meetings.

Conclusions and Follow-up

1. The Act of the NAB should be reviewed by a lawyer.
2. I suggest that we discuss with Area the opportunity of sending a mission in Nigeria in order to review with the Government the Draft before its finalization.



## OFFICE MEMORANDUM

*Copy obtained  
from Agric.  
Pro.**Aug. 17/71*

DATE: July 2, 1971

TO: Mr. P.C. Goffin

FROM: Humayun Mirza

SUBJECT: NIGERIA: Technical Assistance for  
Agricultural Development Bank

1. During my recent mission to Nigeria I discussed the Nigerian Government's request for technical assistance for the proposed new Agricultural Development Bank. I gave Mr. Ayida, Permanent Secretary, Federal Ministry of Finance for approval, the list of firms that we would contact with a view to finding the three specialists. I also left with the Nigerian Government the draft letter to be sent to these firms and the terms of reference. Mr. Ayida in principle had no objection to our contacting the suggested firms. He further agreed that we should contact firms rather than individuals so as to have a homogeneous team to lead the new Bank. However, before he gives us the final decision of the Government, he wants to discuss this matter with Mr. Bukar Shaib, the Permanent Secretary of the Federal Ministry of Agriculture, who was not in Nigeria during the course of my mission. I have asked Mr. Burney to follow this matter up and we should be hearing from him in the very near future when I expect that the Government's approval of the proposed firms, the draft letter and terms of reference would be given.

2. I discussed the issue of only three specialists being requested when in the original proposal five were suggested -- the accountant and an agriculturalist being left out of the Government's request. Mr. Ayida, after talking with the Federal Ministry of Agriculture, informed me that the posts of accountant and agriculturalist will be filled by Nigerians. Hence, the request for expatriates for these positions was not made. At this point I would like to mention that Mr. Stoneham's report was very well received by the Nigerian Government and, in fact, when the Federal Executive Council approved the draft Memorandum and Articles of Association of the proposed Bank, it commended Mr. Stoneham for the help he had given the Nigerian Government.

3. Turning to the status of the proposed Agricultural Development Bank, I enclose herewith the draft Memorandum and Articles of Association that was given to me by the Federal Ministry of Finance on a very confidential basis. I would appreciate it if you would treat it as such as this is the first time in our relations with the Nigerian Government that a draft of this type of document has been given to us at this early stage.

4. The Memorandum and Articles of Association were prepared by the Ministry of Justice. After obtaining the preliminary approval of the FEC, the Memorandum and Articles of Association were circulated to the Ministries of Finance, Trade, Industry, and Economic Development and Reconstruction, and the Central Bank for comments. The comments of all the ministries

except those of the Federal Ministry of Finance have already been communicated to the Federal Ministry of Justice. The Federal Ministry of Finance has agreed with me that before it gives its comments it would await the Bank's views. After the Federal Ministry of Finance has acted, the Memorandum and Articles of Association would be shown to the Federal Executive Council and then registered under the Company and Banking Decrees. The registration under the Company Decree will be done by the Ministry of Trade, and by the Central Bank under the Banking Decree. I understand that the formation of this Bank would take place soon after our comments are given.

4. I would appreciate it if you could have someone look at the Memorandum and Articles of Association as quickly as possible and let me have your views. In view of the confidential nature of this document, I have agreed with the Federal Ministry of Finance that I would communicate our comments to the Bank's Resident Representative, who will hand them over to the Federal Ministry of Finance. Since he is going on home leave for a month on July 20, your prompt action on this matter will be appreciated.

Attachment

cc: Messrs. Chaufournier  
Stoneham  
Povey  
Krishna  
Bennett

HMirza:cn



Nigeria  
General

*Handwritten:* H. Mirza  
Is this for you?  
P. C. Goffin  
6/2

Mr. H. Mirza

May 28, 1971

P. C. Goffin

NIGERIA - Technical Assistance for Agricultural Development Bank

1. In response to Mr. Chaufournier's memorandum to Mr. Evans of May 25, 1971, requesting the Bank's help in recruiting three officers (general manager, credit specialist, and agricultural economist) for the Agricultural Development Bank, a few points need to be clarified before we proceed any further. Maybe Gene Reese has some of the answers, but he is absent today from the Bank, and as you are leaving this afternoon for Nigeria, it is better that you take these matters up in Lagos.
2. Gene Reese has received from Mr. Burney a copy of Government's letter addressed to the UNDP Special Fund, requesting assistance for the three above mentioned specialists. This program deviates from our original proposals which included also an accountant and an agriculturalist. Before we proceed, we would like to know the reasons why these two experts and/or functions have been omitted; maybe are they going to be filled by Nigerians. We feel quite strongly that at least the accountant should be included in the team.
3. Another point which needs to be clarified is the status of the present agricultural bank. When will it be set up and what are the outstanding points before it will be set up? Could we have a copy of its proposed constitution? This is important in relation to the timing of recruiting the consultants.
4. Once we are in agreement on the number of consultants to be recruited and the precise timing of the setting up of the bank, then we can proceed with the recruitment.
5. With regard to the experts, I suggest that we contact firms rather than individuals so as to have an homogeneous team to lead this new bank. The following firms could be invited to make offers:

Dr. Hendrikson Associates  
Gesellschaft für Angewandte Planungs-  
und Entwicklungsforschung mbH (GPE)  
6 Frankfurt/Main 70  
Gartenstrasse 56  
Germany

*Handwritten:* Mr. Puck

*Handwritten:* H. Mirza  
What is this about?  
Anything for us?  
6

Mr. Mirza

- 2 -

May 28, 1971

Vincent V. Checchi and Company  
815 Connecticut Avenue, N. W.  
Washington, D. C. 20006  
U. S. A.

Public Administration Services (PAS)  
1313 East 60th Street  
Chicago, Illinois  
U. S. A.

Berenghot-Bosboom  
Willem II-straat 19  
Tilburg  
The Netherlands

Economist Intelligence Unit  
Spencer House  
27 St. James' Place  
London S. W. 1, England

ITALCONSULT  
Via Giorgione 163  
00147-Rome, Italy

6. We would need Government's approval on the firms to be contacted. I attach a draft letter which could be sent to these firms, inviting them to make offers. Also, agreement should be sought on the substance of this letter.

7. If you have any further questions, please call me before your departure and we should get together with DSD on your return.

PCGoffin/ms  
IBRD

Discussed by phone:

*Miss*  
Mr. Powell

✓

Do.

*(went first to Mr. Powell by mistake)*

Cleared with

: Mr. Stonham



Draft

PC 90FFW/LW  
MAY 28, 1971

Date

Gentlemen:

The Federal Republic of Nigeria has requested assistance from the United Nations Development Program for organizing and in managing the Agricultural Development Bank. The UNDP has agreed to make funds available and the International Bank for Reconstruction and Development has agreed to act as Executing Agency for the project which is subject to final approval by the UNDP Governing Council.

The personnel required will be, (1) a general manager, (2) an accountant, (3) a credit specialist and (4) an agri-economist. Enclosed are the "Terms of Reference" Annex A and "Supplementary Information to Consultants" Annex B for the services to be provided. If you are interested and in a position to undertake this assignment you are invited to submit a proposal (exclusive of financial terms) which could form the basis for further negotiations and, ultimately, for a contract between your firm and the Bank. Other firms are also being invited.

Please acknowledge this letter on receipt and indicate whether you are interested and in a position to undertake the assignment specified. We would expect to receive your proposal in our Washington Office not later than .... We would like the experts to be in the field by .... If the four experts cannot commence their work at the same time, we would be prepared to discuss advance posting of the <sup>general manager</sup> ~~credit banking expert~~ who would be the team leader.

Sincerely,

FEDERAL REPUBLIC OF NIGERIA  
AGRICULTURAL DEVELOPMENT BANK

Terms of Reference

A. Objective

1. The objective is to provide for the management of the Nigerian Agricultural Bank which has just been set up and to make it an effective lending institution in the field of agriculture. The Nigerian Agricultural Bank is an agricultural credit bank at Federal level. NAB will lend to State governments and institutions for agricultural credit projects within the States and will help to develop viable credit policies, projects and institutions.

A team of experts is required to provide technical expertise for the management of the Bank and for training local personnel in development banking techniques.

B. Operations

2. The experts will hold senior executive positions within the Agricultural Bank for an initial period of three years, during which time they will not only be responsible for the organization of the Bank and training of staff but also for the day-to-day operations of their respective departments. The experts will:

- (a) advise and assist NAB's Board of Directors in formulating the policy for the organization, administration and development of NAB; plan and put into operation an accounting system;
- (b) assume the management and executive responsibilities of NAB's operations;
- (c) train Nigerian personnel to assume management of NAB,



and train staff at all levels in all aspects of agricultural credit work;

- (d) with the approval of NAB's Board, advise and assist State governments and institutions in formulating credit policies and programs, and in the organization and administration of such policies; plan and implement an effective loan appraisal and evaluation system including drafting loan application forms and instituting form plans; plan and put into operation an effective collection system for loan repayments;
- (e) assist in the identification and preparation of agricultural credit projects appropriate for external financing in accordance with government policy;
- (f) establish working relationships with the Federal and State Governments, marketing boards, and all other bodies (national and international) and individuals engaged in agricultural development.

C.

Duties of Experts

- (a) General Manager: responsible for the overall management of NAB and for advising the Board on its lending policies. He should have a record of successful management of a similar institution elsewhere;
- (b) Accountant: responsible for the accounts of NAB, including the accounting system and all accounting operations, the provision of statistical data to management, and the training of accounting and secretarial staff. He will also act as Company Secretary and Financial Advisor to the Board. He should have held a responsible accounting position in a similar institution elsewhere;

- (c) Credit Specialist: responsible for introducing and operating a suitable project appraisal and evaluation system, all credit aspects of NAB's operations, the provision of credit data to management and the training of credit staff. He should have had previous wide experience of credit work at farm level;
- (d) Agricultural Economist: responsible for all economic aspects of NAB's operations, including the provision of economic data to management and the training of field staff. He will assist the Credit Specialist in the appraisal and inspection of projects. He will also evaluate the results of lending operations. He should have had previous experience in relevant agricultural development work at farm level.



NIGERIA - ORGANIZATION OF THE AGRICULTURAL DEVELOPMENT BANK

Supplementary Information for Consultants

Proposals shall be submitted in septuplicate and shall include the following:

- (a) A brief description of the firm (or group of firms) and an outline of recent experience on projects of similar nature.
- (b) Particulars, in detail, of the individual staff members to be assigned to Nigeria giving (1) age, education, professional qualifications and present position, including salary, (2) marital and family status including number and ages of children and whether the family will accompany the expert, (3) past experience including length of time spent on each important assignment in the last 10 years, and (4) data on the type and scope of such assignments.
- (c) Details of home leave to be taken by the experts during the period of the assignment and proposals for leave reliefs if necessary.
- (d) Dates on which experts will be available to depart for Nigeria.

In preparing the proposal the Consultants should give particular attention to the following:

- (a) The experts should, if possible, have had experience in a developing country, preferably similar to Nigeria. Fluency in English is essential.
- (b) The assignments will be for an initial period of three years each.
- (c) The experts will hold senior executive positions within the <sup>Development</sup> Agricultural Bank and will not act merely as advisors.

(d) Training of local staff will be a most important part of the experts' duties. Ability to impart knowledge and to teach is therefore essential.

(e) The Consultants will not be expected to pay supervision visits to Nigeria.



Mr. Lionel J.C. Evans

May 25, 1971

Roger Chaufournier

NIGERIA: Technical Assistance for Agricultural Development Bank

1. This confirms my telephone conversation with you of yesterday in which I informed you that during Mr. McNamara's recent visit to Nigeria the Government requested the Bank's help in recruiting three officers for the Agricultural Development Bank which is about to be formed. These are a Chief Executive Officer, a Credit Specialist, and an Agricultural Economist. The Nigerian Government wants each of these three officers to be recruited on a three-year contract, which should be renewable for another three years. The UNDP is prepared to provide the financing, but in order to move swiftly on the matter both the UNDP Resident Representative and the Government agree that the Bank should be asked to find the appropriate personnel.

2. I would appreciate it if you would initiate action on this matter as quickly as possible.

cc: Mr. Demuth (Development Services)

HMirza:cn

~~1-11-71~~ EP  
2. UJR  
Nigeria  
General

Nigeria  
General

FEDERAL MINISTRY OF ECONOMIC  
DEVELOPMENT & RECONSTRUCTION

DEVELOPMENT AND DIVISION

LAGOS

P.M.H. No 12358

Telegram: 1570W

Telephone: 25651/607

Ref. No. 1570/258

Date: 29th April, 1971

S. Fryer, Esq.,  
Resident Representative,  
U.N. Development Programme,  
Ikoyi, Lagos.

Dear Sir,

Establishment of the Nigerian Agricultural Bank:  
Request for Experts

Further to your telephone conversation of Wednesday April 28, 1971 Mr. Fryer/Martins, I am directed to forward herewith six copies each of duly completed Project Data Sheets from the Federal Ministry of Agriculture and Natural Resources requesting for posts of three experts to man the bank namely:

- (a) General Manager
- (b) Agricultural Economist
- (c) Credit Specialist

It is estimated that the Project will cost US\$570,000 of which the Federal Government will provide \$145,200 as counterpart contributions and local operating costs. The UNDP/SF will provide the balance of \$424,800.

2. This Ministry supports the request. I will be grateful if you despatch the documents to the International Bank for Reconstruction and Development and please keep me informed of further developments.

Yours faithfully,

D.W.G. Mbanefo (Mrs)  
for Permanent Secretary.



# I Estimated Recurring Costs

1000 thousands equivalent  
Estimated Recurring Costs by

	UNDP	NAB	TOTAL
<u>Minimum professional staff</u> 100 MM at \$ 270	270		270
<u>Subsistence</u>		54	54
<u>Transportation foreign staff</u> International	21		21
Local		36	36
<u>Courier staff personnel</u> 100 MM at \$ 59.4		59.4	59.4
Local travel		24	24
<u>Office space, utilities and equipment</u>		24.7	24.7
<u>Vehicles</u> 5 Vehicles at \$3,000	9	15	24
<u>Vehicles operating costs</u> Miscellaneous, including communications		3	3
	300	108	414
	30	12	42
	330	120	450

Flexibility, about 10%

- (1) an average figure, which assumes billing will be made by consultants at an agreed rate per man-month for work done, the rate to include salary, social overheads (pensions, health insurance etc), consultants overheads, fee and profit.

- (2) to be provided in kind by NAB

## II Calculation of NAB's contribution towards local operating costs

Estimated cost of foreign staff:

50% foreign staff charges

Subsistence

International Travel

135,000

54,000

21,000

210,000

Contribution towards local operating costs: approx 12% of 210,000

25,200

BUDGET ESTIMATE

I.	Allocation by UNDP: (equal to total of Col 1 & 2 of Annex 1 Part I)	(in US\$ equivalent)
		450,000
	Consisting of	
	a. Special Fund contribution (450,000 - 25,200)	424,800
	b. NAB's contribution towards local operating costs (from Annex 1, Part II)	25,200
II.	<u>NAB Counterpart contribution:</u> (from Col 3 of Annex 1, Part I)	120,000
	a. Contribution in cash	95,400
	b. Contribution in kind	24,600
III.	Total NAB contribution 1/	145,000
	Consisting of	
	a. Counterpart contribution in cash and in kind (from Section II above)	120,000
	b. Contribution towards local operating costs (from Section II above)	24,600

1/ this is a summary of the elements of NAB's contribution and only repeats items in Sections I & II above.



V PROGRAMME FINANCE

1. A provisional estimate of the cost of the programme is US\$ 570,000, detailed in Annex 1 attached. It is proposed to be met as follows:

		<u>US\$</u>	<u>US\$</u>
UNEP	Special Fund Contribution		424,800
NAB	(i) counterpart contribution in cash and kind	120,000	
	(ii) contribution to local operating cost of foreign staff	<u>25,200</u>	<u>145,200</u>
			570,000

VI EXECUTING AGENCY

2. The Government of the Federal Republic of Nigeria requests that UNEP be designated the Executing Agency for this Programme.

October 29

Sp. to F. Porey. He says  
report sent to Federal &  
State Gorts. approx Oct. 7.  
No reaction yet. Has  
discussed with McNamara  
& they feel better not to  
send report to UNDP  
until Gort's reaction is  
known. Porey going to  
Nigeria soon & will  
discuss w/ res. rep. who  
already is acquainted  
with possibility of Bank  
project.





INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENTINTERNATIONAL DEVELOPMENT ASSOCIATIONOFFICE MEMORANDUM

TO: Mr. P.C. Goffin  
FROM: A. H. Stoneham  
SUBJECT: NIGERIA: Agricultural Credit Review  
Full Report

DATE: September 18, 1969

I. SUMMARY AND CONCLUSIONS

1.1 Following the reorganization of the country into 12 States (see Map) in 1967, the responsibility for agricultural production and development devolved upon the State Governments, with the Federal Government retaining responsibility for coordination and research. Most of the State Governments, which are keen but inexperienced, are already working on development plans and reviewing their institutional problems. The objective of the present mission was to discuss with the Federal and State Governments and other interested parties the prospects of establishing a Federal agricultural bank; its finance, management, operations and relationship with the States.

1.2 The bulk of Nigerian agricultural production is in food crops and livestock for local consumption. The major crops (cocoa, cotton, groundnuts, palm produce and rubber) form only a small part of total production. Earning power of agricultural capital is low, and this has restricted the demand for capital and credit. Little is known of the total credit demand, but the bulk of it is currently met through moneylenders. Institutional credit has been tried in the past in a number of areas, but has not been successful. Some small credit programs are working in some of the States, and most of them are capable of some expansion.

1.3 There is a fair measure of agreement among the States, with which the Federal Government and the mission concurs, that the time is opportune to establish a Federal agricultural credit bank. It would lend for credit projects within the States and would exert a significant influence on the States in the formulation of sound credit policies and projects. Existing credit programs would be expanded and new ones introduced. Programs would be administered by the State, with the bank imposing its own terms and conditions and having the right to inspect progress. In most cases the States would guarantee loan repayment. The potential investors are the Federal Government, Central Bank and marketing boards, with the State Governments holding nominal shares. Management for the first three years would be through experienced consultants, who would provide five experts including the General Manager, for which the Federal Government is considering seeking UNDP/SF technical assistance.

Budget was  
cleared w/  
VSR.See error in calc.  
of loc. assessment  
p. Addendum Bback  
Page-13Copy to UNDP?  
What is status?  
Concept error.



1.4 The immediate steps to be taken by the Federal Government to set up the bank are to get the agreement of the potential investors to its constitution, capitalization, and operating and management policies. An outline for a draft constitution is at Annex 1, and proposals covering the other points to be agreed are included in this report. As soon as the bank is formed the Government should apply to UNDP/SF for assistance to obtain management consultants, and a draft application is at Annex 2.

1.5 It is unlikely that a project suitable for IBRD finance will emerge for a year or two. Meantime the mission recommends IBRD should:

- (a) advise the Federal Government of the substance of this report;
- (b) offer to give further advice and guidance in the establishment of the bank; and
- (c) offer to act as executing agency for the UNDP/SF technical assistance program.

## II. INTRODUCTION

2.1 The mission, consisting of Mr. A. H. Stoneham, visited Nigeria June 6 through 25, 1969. It held discussions with officials of the Federal Government and 11 of the 12 State Governments, and with a number of official and commercial organizations. It visited Lagos, Ibadan, Benin, Jos, Kano and Kaduna. Mr. N. McIvor, of the Western Africa Department, assisted in the final discussions in Lagos.

2.2 The mission's terms of reference were to discuss with the Federal and State Governments and other interested parties the possibility of establishing a Federal agricultural bank. Points requiring particular attention were:

- (a) whether a new institution was required or any existing institution could be used;
- (b) its sources of finance and staffing;
- (c) the type and scope of its operations; and
- (d) its relationship with existing credit arrangements in the States.

## III. BACKGROUND

### Agriculture

3.1 Almost all production comes from about 7 million farming families. The major food crops for local consumption are yam, cassava and cocoyam in the south, and maize, guinea corn, rice, millet and cowpeas in the north. In general, food production meets the needs of the population, and imports are very small. Livestock is of importance; most of the cattle is in the north, most of the swine in the south, and there are substantial numbers of goats, poultry and sheep in all States. Cocoa, groundnuts, palm produce and rubber are the major export crops and cotton the major import saving crop. Total agricultural production has probably remained static since 1964, but as a percentage of GDP it is estimated to have declined from 47 in 1964/65 to 43 in 1966/67.



3.2 Major crops (except rubber) are marketed through marketing boards, which have monopoly buying powers for specific crops produced in their State or group of States. The future of the marketing boards vis-a-vis the States and the Federation remains an unresolved constitutional issue. Food crops are distributed through local markets, which are poorly organized and capable of considerable improvement. In these markets, prices vary greatly depending on the extremely localized supply and demand. Responsibility for price stabilization programs (for food as well as major crops) has been with the marketing boards. The use of their funds for non-agricultural purposes (para 3.4) has in the past prevented any effective price stabilization programs. The States are beginning to show interest in such programs, particularly for food crops.

#### Agricultural Capital and Farm Incomes

3.3 Nigerian agriculture uses relatively very small amounts of medium and long-term capital, despite the importance of its export crops. Use of power equipment and machinery is almost nil. There is little on-farm capital investment in fences, irrigation, wells, roads and buildings. Capital invested in palm, rubber, kola and fruit trees, cocoa bushes and livestock is relatively large, but the stock is often of poor quality.

3.4 Part of the earnings of the marketing boards has in the past been used as a source of revenue for the Federal and regional governments. The surpluses have mostly been transferred from agriculture to other sectors, mainly through investment in infrastructure expansion, and only a small part has been plowed back to agriculture via subsidized inputs, agricultural research and university instruction.

3.5 The earning power of capital invested in Nigerian agriculture is partly dependent on the taxation and pricing policies for export crops. Past policies have deliberately kept the price paid to the farmer low in relation to the export price and severely restricted the amount of agricultural earnings plowed back into the sector, so the return to the farmer has been very low, both in relation to the comparatively low levels of his capital investment and to returns from alternative sectors of the economy. This has inhibited the demand for capital for agricultural investment, which in its turn has kept down the demand for credit.

3.6 Cash incomes on the majority of small food crop farms are probably around NE 20 to 30<sup>1/</sup> (US\$ 55 to 85) a year, with a few of the more prosperous farms reaching up to ten times as much. An IBRD appraisal of a small-holder cocoa project in 1965 showed the average income for a farmer with 3<sup>1/2</sup> acres of cocoa in the Western State to be about NE 80 (US\$ 255) per year.

#### Agricultural Credit

3.7 Nigerian farmers have had access to credit for many centuries, particularly from local moneylenders, friends and families, who are still the chief sources. Institutional credit has been available for the past two or three decades, but has not been successful. Institutions have been formed in several regions, operated for a few years with limited or negligible success, then reorganized with much the same personnel and policies for

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<sup>1/</sup> NE 1 = US\$ 2.80



additional years of unsuccessful operation. Two are currently in operation, one each in the Western and Mid-West States, but neither has active credit programs, being only concerned with collecting old debts. Agricultural credit in the former Eastern Region was nominally provided by the Fund for Agricultural and Industrial Development, which proved ineffective. Since the start of the civil war it has ceased operations.

3.8 The agricultural cooperatives at present functioning throughout Nigeria reach less than 5% of the farming population. Most of them provide finance for marketing produce with varying degrees of success, but negligible credit for production purposes. In the north a production credit program has been operating through some of the cooperatives for some years, under which the regional government guaranteed approved loans made to cooperatives by a commercial bank to cover pre-season advances to farmers against crops controlled by the marketing board (mainly groundnuts, cotton and benniseed). In the recent past the program has worked relatively well. Total loans have not exceeded NE 2.5 million (US\$ 7 million) in any one year, due mainly to the inability of the cooperatives to handle any greater sum with prudence. The program is being continued by the State Governments, but remains restricted. Under a new Federal law the cooperatives will in future have to borrow from the Central Bank instead of commercial banks, with State Government guarantees.

3.9 There are some very small credit programs for the supply of fertilizer in some of the northern States. They are operated by the States, but hampered by lack of adequate funds, being financed from annual revenues. A tobacco manufacturer operates a small but successful credit program with groups of farmers in the Western State, supplying annual farm inputs which are paid for at the tobacco harvest. A small but successful program in the north has for some years provided animal drawn plows to individual farmers. It is administered by the Local Authorities who are responsible for loan collection and act as guarantors. Total capital involved is only NE 0.2 million. It is being continued to a limited extent in the Kano and North-Central States.

#### Interest Rates

3.10 Much of the credit from moneylenders does not bear interest in the accepted sense. Loans are either in cash or kind, the borrower usually giving a receipt for more than he received to cover the interest charge, which is usually somewhere between 24 and 50%. Commercial bank interest rates are at present 7½% per annum prime rate. The Central Bank's rediscount rate is 4½%, and it lends to marketing boards at 6%. Rate for savings deposits is from 3½ to 4%, depending on time. Cooperative banks lend at 8 to 10½% to the unions, who on-lend at 12 to 15% to societies, who on-lend at 18 to 20% to members.

#### Credit Demand

3.11 It is not possible to estimate the current agricultural credit demand throughout the country due to lack of data. The demand for capital for investment in agriculture is unlikely to increase until more of the income from the sector is used for agricultural development and for stabilizing



prices, particularly of food crops, and more is passed back to the farmer. Until the return from agricultural production is made more attractive to the farmer, on-farm capital development will remain restricted, and the demand for medium and long term credit will remain relatively small. This in its turn will restrict the demand for short term credit.

3.12 More enlightened commodity buying policies are being tried in three States. The production of cotton in North-Central State increased by 40% between 1967 and 1968, and in 1969 is expected to be twice the 1967 production. This has been achieved simply by announcing the buying price before the planting season has started, and has been mainly due to increases in acreage planted. Had fertilizer been available on credit, yields could also have been improved. In the long run production increases of this magnitude will have to come from increased yields and will require short term credit. The recent 50% increase in the buying price for cocoa (from NE 100 to NE 150 per ton) has stimulated considerable interest in cocoa replanting in the Western and Mid-Western States. Replanting programs will require medium term credit. These indicate that credit demand can be stimulated by suitable commodity pricing policies.

3.13 Given government policies which provide a reasonable return on capital to farmers, a measure of price stability for export and food crops, and a reasonable agricultural infrastructure, the demand for agricultural credit could be greatly increased. Mechanization is in its infancy, and even a change from the ubiquitous hand hoe to simple animal drawn implements would produce a large credit demand. Rehabilitation schemes for tree crops (which would include improved plants and fertilizer application) and production improvement plans for annual export and food crops (which would include fertilizer and improved seeds) would also generate a large demand.

3.14 The extent to which any increased credit demand could be met in future depends on many factors. The former credit institutions had to contend with both external and internal problems. Externally, these included inadequate marketing arrangements, fluctuations in the price of crops, inadequate extension services and poor liaison with them, and the lack of security for loans, which meant a burden of overdue debts. Internally, their main problems were with management and staffing. A lack of efficient top management, trained staff, and training programs at all levels seriously retarded progress. The task of management was made more difficult through: (a) interference by some boards in purely management affairs; (b) the imposition of unsound financial and credit policies for political reasons; (c) cumbersome loan procedures; and (d) the imposition of unsuitable and uncooperative local credit committees between the borrower and the credit institution.

3.15 In the immediate future most of the external problems are likely to continue to be met, whatever the credit demand and whatever method of getting credit to farmers is used. Their solution will require careful cooperation and coordination between the Federal and State Governments, the marketing boards and others concerned with agricultural development. Most of the internal problems can be overcome by starting up a Federal credit bank in the first instance, prepared to lend to States for agricultural credit projects, provided: (a) its constitution insulates it from political interference; (b) it is given adequate finance and sound operating policies; and (c) it is provided with experienced management of high quality.

3.16 There appears to be a genuine desire at all levels to make the new Federal-State relationship work in the agricultural sector. Steady progress can be expected in marketing, price stabilization, and improvement to the extension services. The creation of a Federal credit bank on the above lines



is thus opportune. While its start will undoubtedly be modest and its progress slow for the first year or two, its establishment is fully justified.

3.17 During 1966, prior to the formation of the States, the Consortium for the Study of Nigerian Rural Development made a credit study <sup>1/</sup> at the request of the Federal Government, and recommended that a Federal credit bank be formed to provide credit to farmers and institutions. The bank would have been financed mainly from Federal funds and would have operated as a Federal institution in all areas and at all levels. With the formation of the States the proposals became completely unworkable. The proposals which follow take into account the existing Federal-State relationship.

#### IV. THE NIGERIAN AGRICULTURAL BANK

##### The Case for a Federal Bank

4.1 The responsibility for agriculture and its development belongs to the State Governments, and for coordination and research to the Federal Government. It is important that this division of responsibilities should remain in the agricultural credit sector, otherwise existing political problems would be intensified. Most of the States interviewed by the mission were keen to start their own credit institutions or to improve existing ones. The mission pointed out the almost impossible task of finding competent management for up to twelve State institutions and a Federal institution at one and the same time. There was a fair measure of agreement that if a strong Federal bank with highly competent management could be started in the first instance, it would be able to give help and guidance to the States in starting up their own institutions as their credit demands became big enough to support the costs of management. At the start it would concentrate on improving and expanding the present limited credit programs. The Federal and many of the State Governments were agreed that the role of the Federal bank should be to lend money for credit projects which would be administered by the States of State institutions. Each project would be considered separately on its own merits. The Federal bank would have the right to impose separate terms and conditions for each project and to inspect its progress, and in most cases would require a State Government guarantee for repayment of advances made under it. There was less agreement on ownership and financing of a Federal bank. The States wanted strong State participation in its ownership and direction, but only nominal participation in its financing. The Federal Government wanted direction to remain with them, and finance to come mainly from the Central Bank and marketing boards. A possible compromise is suggested below (para 4.6).

4.2 The fair measure of agreement between the Federal and State Governments on the role of a Federal bank is very encouraging, and augers well for the future. Until the constitutional problem of the financial relationship between the Federal and State Governments has been finally settled, there is bound to be a strong financial dependence on the Federal Government by the State Governments. This should strengthen the role of a Federal bank in the early formative years of its existence. Provided it starts with the best available management it should be able to set high standards of project formulation and execution, and have a favorable influence on the credit

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<sup>1/</sup> CSNRD-4: A proposed Agricultural Credit Program for Nigeria, August 1966.



policies of State Governments. While it is impossible at this stage to forecast its volume of lending over the next few years, and no rapid expansion of credit appears likely in the near future, nevertheless, a start should be made as soon as possible. The sooner such a bank is started up, the sooner will it be possible to guide the generally keen but inexperienced State Governments towards sound credit policies.

#### A New Institution

4.3 There are at present no Federal institutions directly concerned with finance for agriculture. Three alternatives are possible: (a) a development institution, responsible for financing projects (by loan or equity) and for managing some of them; (b) a finance institution responsible for financing projects (by loan or equity) but not their management; or (c) a credit institution, making only loans for projects. These alternatives were discussed, but the Federal Government prefers a credit institution for the time being, able to make loans to small and large farmers, as well as to groups of farmers and companies. Although it would be a Federal agricultural credit bank, the government would prefer the words "Federal" and "Credit" to be excluded from its title. A suitable name has yet to be agreed, but it is referred to as the "Nigerian Agricultural Bank" (NAB) in the rest of this report.

4.4 For the past few years, the possibility of the Central Bank opening up an agricultural section has been discussed within Nigeria. The Central Bank has however expressed a strong preference for a separate institution, but is prepared to invest in it and help it in every possible way. In present circumstances a new institution is preferable, provided it receives help and guidance from the Central Bank. Provisions are made below for the Central Bank to be represented on NAB's Board, to subscribe almost half the equity, and to provide rediscount facilities. The Central Bank would receive monthly returns from NAB, as required under the Banking Act from commercial banks, which would give it a fair measure of supervision over NAB's financial affairs.

4.5 The main constitutional requirements are that NAB should be free from political interference, and have efficient management that is able to function with enough flexibility to meet changing circumstances. It should not therefore come into being through a short "enabling" Act, which merely sets it up but empowers a Minister to make whatever regulations he considers necessary for its operation, since this would invite political interference. Nor should comprehensive legislation, which purports to deal with every aspect of policy and management, be enacted, since this would inhibit successful management. The objective must be to set up an institution under which the responsibilities of the Board of Directors and of management are clearly defined, and under which management can act decisively under the Board's direction. Although private capital is unlikely to participate, NAB might be set up under the Companies Act rather than by separate legislation, since this should insulate it from political interference and would contain safeguards for a satisfactory relationship between shareholders, the Board and management. A suggested outline of a draft constitution, which covers these and points made subsequently, is at Annex 1, from which an experienced lawyer should be able to produce suitable Memorandum and Articles of Association. Should NAB be set up by legislation, the main points in the draft would remain valid.



## Finance and Board Representation

4.6 The problems of finance and Board representation are interrelated. The State Governments want participation in NAB's policies, but their limited budgets preclude anything but nominal financial support. The Federal Government wants direction to remain with itself, with finance coming mainly from the Central Bank and marketing boards (para 4.1). State participation is essential to NAB's success, and without it States may try and undertake credit programs on their own without expert guidance and with little chance of success. The States must feel that NAB is their credit bank. At the same time, wholehearted participation by the marketing boards is essential, not only to obtain their funds and their cooperation where possible in collecting loan repayments, but also because in the past they have been too remote from the production on which their prosperity depends. They must be brought as close as possible to it, and to the problems of the farmers who are responsible for it. Export crops are not produced in all States, so that too dominant a role by the marketing boards in the direction of NAB's affairs would tend to alienate the non-exporting States. The cooperation and expertise of the Central Bank and the Federal Government are also essential to NAB's success.

4.7 A compromise will be required to bring these conflicting requirements together. As to direction of NAB, the Federation (represented by the Government and Central Bank) should hold a small majority of voting shares to retain control, and the State Governments and marketing boards should hold the balance. As to finance, the bulk can be expected to come from the Central Bank (equity plus rediscounting facilities), the Federal Government (equity plus some loan funds) and marketing boards (equity plus loan funds). The following compromise (which has not yet been discussed in detail between the parties concerned) is suggested:

- (a) a small number of "A" shares, with voting rights, giving the Federal Government 36% and the Central Bank 15% (making 51% between them), the State Governments 36% between them, and the marketing boards 13% between them, together with;
- (b) a large number of "B" shares, non-voting, apportioned as considered appropriate between the Federal Government, Central Bank and marketing boards.

Board representation would then be on the basis of "A" shares held, and might be Federal Government 3, Central Bank 2, State Governments 3, and marketing boards 1. This would give a Board of 9, which would not be so large as to be unmanageable. State Governments would require an agreement among themselves, and the marketing boards likewise, to arrange for nomination of their representatives.

## Capital

4.8 The Federal Government intends to earmark NE 6 million (US\$ 14 million) for NAB over the next five years (1969/74). This includes contributions to equity and long term loan by the Federal Government, Central Bank and marketing boards, but excludes seasonal funds. A suggested capital structure to meet the first stage of development would be:



NE thousands	Federal Govt.	State Govts.	Central Bank	Marketing Boards	Total
"A" shares voting	36	36	15	13	100
"B" shares non-voting	600	-	900	400	1,900
Total equity	636	36	915	413	2,000
Medium/long-term borrowings	500	-	1,000	2,500	4,000
Total	1,136	36	1,915	2,913	6,000

Additionally, the Central Bank would provide rediscounting facilities for short term borrowings up to an amount to be agreed, probably NE 4 million on the above structure. The proposals would be subject to the following safeguards:

- (a) "A" shares to be subscribed in full on formation;
- (b) calls on "B" shares to be made as required to meet financial commitments;
- (c) no medium/long term borrowings to be made until NAB's income was equal to its expenditure over a six-month period;
- (d) medium/long term borrowings to be made pro-rata among the three lenders up to a total of NE 4 million, and/or until other financial institutions were prepared to lend part of the total;
- (e) medium/long term borrowings not to exceed twice the paid-up capital until the whole of the NE 2 million has been subscribed, thereafter not to exceed four times the paid-up capital; and
- (f) short term borrowings not to exceed 75% of the value of paper discounted, until a higher figure had been agreed with the Central Bank.

On this basis, once the total equity had been subscribed, NAB would have access to total funds of NE 16 million, or more if the Central Bank was prepared to increase its rediscount facilities. Of this, NE 10 million would come from the main investors, and the balance would be sought from other sources, including external institutions.

#### Operating Policies

4.9 Main operating policies of NAB should include:

- (a) making loans for agricultural production purposes to any State, group of States, or any State institution for on-lending to any farmer, group of farmers or body corporate, subject to the State or group of States guaranteeing repayment of the loan;
- (b) making loans for agricultural production purposes direct to any farmer, group of farmers or body corporate where adequate security was forthcoming, but subject to the approval of the appropriate State Government;



- (c) all loans made under (a) and (b) above being on a project-by-project basis, with NAB having the right to impose terms and conditions, to have access to all data, and to inspect the progress in the field, for each loan;
- (d) charging interest rates on all loans that were sufficiently high to meet the full costs of management (including debt service), and to allow adequate sums to be set aside for general and bad debts reserves before paying any dividends to shareholders;
- (e) advising State Governments and institutions on credit policies and helping them to prepare projects.

The above policies should enable NAB to operate with the minimum of staff in the first instance, and to maximize the use of State Government technical staff at State and farm level (para 4.12). It is not possible at this stage to suggest what the interest rates should be; these must depend on the costs of management, the rates charged on NAB's borrowings, and the dividend policy on NAB's shares. Farmers at present pay high interest rates (para 3.10) so there should be no difficulty in charging realistic rates to States and for them to charge farmers at rates which would cover their operating expenses. Some general agreement to the above policies among the share subscribers would be desirable at the time NAB was formed.

4.10 The tendency of a few States to expect NAB to allocate available funds to individual States (whether on a per capita or any other basis) must be resisted. All parties should agree prior to NAB's formation that available funds would be allocated to viable projects as they were approved by NAB's Board after appraisal, from whatever State they came. All States would be free to put forward projects at any time, and these would rank for appraisal in order as received. Any imbalance in projects from individual States could best be rectified by NAB's management giving more encouragement and aid with project preparation to the less progressive States.

#### Management

4.11 While experienced Nigerians can be found in commercial banking, none is immediately available with experience in successful agricultural credit institutions. All parties were agreed that it would be necessary to recruit experienced management from overseas to start up NAB, and that Nigerian counterparts would be trained to take over management as soon as possible. Suitable counterparts could be recruited for training without difficulty. It was agreed to consider an approach to UNDP for funds to provide technical assistance through consultants who would supply the initial management, consisting of five experts for three years. A draft application is at Annex 2. The provisional estimated cost is NE 340,000 (US\$ 950,000), of which it is proposed NE 250,000 (US\$ 708,000) as a contribution from the UNDP Special Fund, and the balance NE 90,000 (US\$ 242,000) from NAB in cash and kind. It is recommended that IBRD consider becoming the executing agency for this technical assistance program. The five experts

697,500  
252,500



would consist of: (a) a General Manager, with experience in successful management of a credit institution elsewhere; (b) an Accountant who would act as Company Secretary and Financial Advisor; (c) a Credit Specialist with experience at farm level; (d) an Agriculturist; and (e) an Agricultural Economist. Full details of the duties and qualifications of the experts are in Annex 2.

4.12 When a request for a project loan was received by NAB, an appraisal team consisting of the credit specialist, agriculturist and economist would appraise the project, having previously given assistance in its preparation where necessary. The project would be considered by management which would impose such terms and conditions as considered necessary. The main objective would be to use State personnel to operate the project, including where appropriate, preparation of farm plans, provision of extension and other technical services, provision of farm inputs, and collection of farmers' debts. After negotiation with the State Government (or other borrower) the project would be put up for Board approval.<sup>1/</sup> At this stage it is not possible to estimate the rate at which suitable projects would come forward, but based on available evidence the three-man appraisal team should be adequate for the first year or so of operations, particularly since peak lending seasons vary between the States. During this period, counterparts would be in training, and it should be possible to build up sufficient counterpart teams to deal with future expansion. The appraisal team would also inspect the progress of the project after it got underway.

4.13 Only a small administrative staff would be required at headquarters, mainly bookkeepers, clerks and secretaries. The major expense apart from salaries would be for travelling, which would be quite high for the senior staff. It is not recommended that a representative of NAB be appointed to each State until the volume of work in that State justifies the expense of a full time executive. It is quite impossible to estimate NAB's profitability for the first few years, and income and expenditure estimates have not been included. However, if UNDP meets the cost of technical assistance, the cost of counterpart staff, clerical staff, office accommodation and administration, etc., should be relatively small.

#### Operations

4.14 Although it is not possible to forecast the demand for loans, it is likely it will come from the States in the first instance, rather than direct from creditworthy farmers or companies. Under current regulations the Central Bank has to provide the funds for fertilizer to some of the northern States for on-lending to cooperatives under guarantee (para 3.8). It is possible this responsibility could be transferred to NAB under rediscount facilities with the Central Bank. This would be replacement of the source of finance rather than development, but would be useful and suitable work for

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<sup>1/</sup> It would be for Board to decide whether the smaller loans should be approved by a Loans Committee, consisting of, say, three Board members and the General Manager, and whether the General Manager should be empowered to approve the smallest loans, without prior reference to Board.



NAB. There is considerable scope for steady expansion of the programs for supplying fertilizer in some of the northern States (para 3.9), particularly if operated in conjunction with a guaranteed buying price for cotton and groundnuts. The small program for supplying plows to Local Authorities in the northern States (para 3.9) might also be expanded fairly steadily, particularly in Kano and North-Eastern States. The IBRD has under consideration a smallholder cocoa development project in the Western State, whose total cost is likely to be of the order of NE 6 million (US\$ 17 million) of which about one-half would be for medium term credit to farmers. It might be possible to channel any IBRD/IDA finance for this project through NAB. A project to rehabilitate oil palms in the Mid Western State is also under consideration by its government.

4.15 The USAID is considering giving technical assistance to the agricultural credit corporation in the Western State. If this materializes, and the corporation can be made into an active credit institution, there should be good scope for NAB help in financing some of its projects. NAB should in due course advise the Mid-Western State Government on the future of its credit corporation.

#### The Role of the IBRD

4.16 The demand for finance from NAB is likely for the first year or so to be mainly short term, which it should be able to meet from its own resources. At a later date when the demand for medium term credit gets to a reasonable size, there should be scope for IBRD to consider lending for medium term credit projects sponsored by NAB. In the meantime, it is recommended below (para 5.2) that IBRD's role be limited to general guidance in getting NAB started, and to acting as the executing agency for the UNDP/SF technical assistance program.

### V. RECOMMENDATIONS

5.1 With the exception of Board representation and shareholdings, there is broad agreement between the Federal and State Governments and the Central Bank on the main issues involved in setting up NAB, although they have yet to be discussed in detail with the marketing boards. The Federal Government is anxious to get NAB started early in the new year. It is recommended that as soon as possible the Federal Government starts negotiations with the State Governments, Central Bank and marketing boards to get their agreement on the setting up of NAB. The main points on which detailed agreement will be required are:

- (a) name of bank (4.3);
- (b) constitution and whether to be set up under the Companies Act or by legislation (4.5 and Annex 1);
- (c) capitalization and Board representation (4.7);
- (d) separate agreements between State Governments and between marketing boards on the method of choosing their Board representatives (4.7);
- (e) operating policies (4.9 and 4.10); and
- (f) management policy and application under UNDP/SF technical assistance program (4.11 and Annex 2),



5.2

It is recommended that IBRD should agree to:

- (a) advise the Federal Government as early as possible of the substance of this report;
- (b) offer to give further advice and guidance in the establishment of NAB;
- (c) offer to comment on the draft constitution, capitalization, and other major points, once agreement between the parties has been reached; and
- (d) act as executing agency for the UNDP/SF technical assistance program.

AHStoneham/yt  
IBRD

cc: Messrs Chadenet  
Baum  
Lipkowitz  
Piccagli  
Rovani  
Maher  
Baldwin  
Evans  
Wapenhans  
McIvor (Area)  
Povey (Area)  
Riley  
Pollan (DFC)  
Hendry  
Rowe  
Veraart

Op Files

OUTLINE OF  
A PROPOSED DRAFT CONSTITUTION FOR THE NIGERIAN  
AGRICULTURAL BANK

Company would be formed as a private company under the Companies Act (Cap 37), with restrictions on the transfer of its shares. The Articles of Association would include the following points:

- (a) Incorporation: to be a body corporate with perpetual succession and a common seal;
- (b) Board: to be limited to nine members, to be appointed in accordance with para 4.7;
- (c) Chairman: to be elected by the shareholders in general meeting from among the nominated Board members, and to have a casting vote in the event of a tie;
- (d) Board meetings: to be held as required, with a minimum of six per year. Five members to be a quorum, provided at least one each representing the Federal Government the State Governments and the Central Bank is present;
- (e) Members' alternates: each member to be allowed to appoint an alternate (in writing). Such alternate to have the same powers as the member when attending meetings on his behalf;
- (f) Members' remuneration: members not to be paid any fees, but only reasonable travelling and out of pocket expenses when attending Board meetings or performing duties on behalf of NAB;
- (g) Board's duties: to formulate the policy to be followed by NAB; to ensure management follows that policy; to receive from the General Manager routine progress reports; to ensure that proper books of account are kept; to ensure minutes of Board meetings are kept; to appoint and discharge the General Manager; to approve annual budgets of income and expenditure; to approve investment policy (for surplus funds); to approve the borrowing of any funds; to approve the interest rates to be charged on loans; to approve all loans made to projects; to approve appointment and discharge of senior officers (to be designated);



- (h) Powers: NAB to have all the powers necessary to carry out its functions, including: to sue or be sued in its corporate name; to acquire, hold and dispose of property; to borrow money (subject to limitations in (i) below); to enter into contracts; to accept and acquire securities; to make, draw and accept negotiable instruments; to write off bad debts; to purchase plant equipment and stores; and to advance the skills of its employees;
- (i) Capital: initial fixed capital to be £ 2 million, made up of 100 "A" shares of £ 1,000 each carrying Voting rights at shareholders' meetings, and 1,900 "B" shares of £ 1,000 each, without voting rights; all to be allocated as agreed among the subscribers (para 4.8). "A" shares to be fully paid up on formation of NAB. Calls on "B" shares, and limitations as to borrowings to be in accordance with para 4.8;
- (j) Share transfers: to be restricted: before selling to outsiders, shares to be offered to existing shareholders pro rata their shareholdings or otherwise as agreed;
- (k) Annual Report: report to be forwarded to shareholders, together with audited statements of accounts for the financial year under review, within three months of the end of the financial year;
- (l) Audit: accounts to be audited by an independent firm of auditors, they to be appointed at shareholders' annual general meetings;
- (m) Management: (i) the General Manager; to be the chief executive officer with ultimate responsibility for carrying out the decisions of the Board; to be entitled to attend all Board Meetings; to have the necessary powers for disciplinary control of staff. (ii) the Accountant to be Secretary of the company with duties as laid down under the Companies Act;
- (n) Employees: NAB to make rules for its employees and to set up a fund for pensions, gratuities and retirement allowances, the benefits to be not less favorable than those of Government employees.

Other points not included above to be in accordance with the provisions of the Companies Act.

A DRAFT APPLICATION TO UNDP/SF FOR TECHNICAL  
ASSISTANCE

NIGERIAN AGRICULTURAL BANK

I INTRODUCTION

1.1 The Federal Republic of Nigeria hereby request the assistance of the United Nations Development Program Special Fund in financing a technical assistance program designed to provide for the management of the Nigerian Agricultural Bank (NAB), which has just been set up, during its formative years. The program arises from the desire of the Federal Government and the recently formed State governments to establish an agricultural credit bank at Federal level. NAB will lend to State governments and institutions for agricultural credit projects within the States, and will help them to develop viable credit policies, projects and institutions. The principal investors in NAB are the Federal and State governments, the Central Bank and marketing boards. They appreciate that if NAB is to become an effective credit institution, management will have to be entrusted to experienced international consultants for the first three years of its existence. No experienced Nigerians are presently available for the senior management positions, although suitable persons for counterpart training can be found.

1.2 A provisional estimate of the cost of the program is US\$ 950,000 (NE 340,000), of which about three fifths, US\$ 550,000 (NE 196,000), will be foreign exchange. Cost will cover the consultants' fee, 5 experts in the field, counterparts and their operating expenses. NAB will meet the cost of counterparts and their travel, and provide office accommodation and equipment, estimated to be about US\$ 200,000, plus a contribution of US\$ 42,000 (about 15%) towards local operating costs of foreign staff. UNDP is asked to provide the balance of US\$ 708,000 from the Special Fund.

697,500



## II BACKGROUND

2.1 The total population of Nigeria is about 55 to 60 million. About 80% of the total labor force is employed in agriculture, and there are over 6½ million farming families. The bulk of agricultural production is in foodcrops and livestock for local consumption.

The major crops (cocoa, cotton, ground-nuts, palm produce and rubber) are ~~only~~ a small part of total production. Agricultural production has probably remained static since 1964, but as a percentage of GDP it is estimated to have declined from 47 in 1964/65 to 43 in 1966/67. Food crops are marketed locally, export crops through the marketing boards. Earning power of agricultural capital is relatively low, which has restricted the demand for new capital and for credit.

2.2 Moneylenders remain the chief source of agricultural credit. Credit institutions have not generally been successful, and none are operating efficiently at the present time, although plans to reorganize the one in the Western State are under consideration. Some small schemes for short term credit through cooperatives are working in some of the northern states. No data is available on which to estimate the total credit demand.

2.3 The 12 States were set up just over 2 years ago, replacing the four former regions. While their Governments are keen, they are at present relatively inexperienced. Most have already started work on agricultural development plans, which include credit programs. NAB's main benefit will be to help the States develop their credit programs and policies on sound lines, and to help to restructure existing State institutions or start new ones as soon as the credit demand becomes sufficiently large to make them viable. NAB will act as a channel for Federal funds to these institutions, and in the meantime will lend funds direct to State Governments for credit projects. Projects will be administered by the States, but NAB will impose its own terms and conditions for loans, and have the right to inspect progress at field level. For the time being most loans will be made with the State Government guaranteeing repayment.

2.4 NAB's capital structure will include NE 2.0 million (US\$ 5.6 million) in equity shares, of which NE 0.1 million in voting shares and NE 1.9 million in non-voting shares. 51% of the voting shares will be jointly held by the Federal Government and the Central Bank, and the balance by the State governments and marketing boards. The Federal Government, Central Bank and marketing boards, will provide

between them NE 1.9 million in non-voting shares and a further NE 4.0 million in medium/long term loans. The Central Bank will provide up to NE 4.0 million in rediscounting facilities. The Board of Directors will be 9 members reflecting the holdings in voting shares, with the Federal Government and Central Bank together having the right to appoint 5 of them.

### III PROGRAM DESCRIPTION

3.1 The program will provide for the appointment of consultants who will employ a team of five experts for a three year period to occupy the senior management positions in NAB. The objective will be to make NAB an effective lending institution at Federal level in the field of agriculture. To this end the consultant's team will:

- (a) advise and assist NAB's Board of Directors in formulating the policy for the organisation, administration and development of NAB;
- (b) assume the management and executive responsibilities of NAB's operations;
- (c) train Nigerian personnel to assume management of NAB at the end of three years, and train staff at all levels in all aspects of agricultural credit work;
- (d) with the approval of NAB's Board, advise and assist State governments and institutions in formulating credit policies and programs, and in the organisation and administration of such policies;
- (e) assist in the identification and preparation of agricultural credit projects appropriate for external financing;
- (f) establish working relationships with the Federal and State Governments, marketing boards, and all other bodies (national and international) and individuals engaged in agricultural development.

3.2 The main duties of the five experts, and their previous background and experience will be:



- (a) General Manager: responsible for the overall management of NAB and for advising the Board on its lending policies. He should have a record of successful management of a similar institution elsewhere;
- (b) Accountant: responsible for the accounts of NAB, including the accounting system and all accounting operations, the provision of statistical data to management, and the training of accounting and secretarial staff. He will also act as Company Secretary and Financial Advisor to the Board. He should have held a responsible accounting position in a similar institution elsewhere;
- (c) Credit Specialist: responsible for introducing and operating a suitable project appraisal and evaluation system, all credit aspects of NAB's operations, the provision of credit data to management and the training of credit staff. He will also lead a team, which will include the Agriculturist and Agricultural Economist, in the appraisal and inspection of projects. He should have had previous wide experience of credit work at farm level;
- (d) Agriculturalist: responsible for all agricultural aspects of NAB's operations, including the provision of agricultural data to management and the training of agricultural staff. He will also assist the Credit Specialist and Agricultural Economist in the appraisal and inspection of projects. He should have previous experience in relevant agricultural development work at farm level;
- (e) Agricultural Economist: responsible for all economic aspects of NAB's operations, including the provision of economic data to management and the training of field staff. He will assist the Credit Specialist and Agriculturalist in the appraisal and inspection of projects. He will also evaluate the results of lending operations. He should have had previous experience in relevant agricultural development work at farm level.

#### IV PROGRAM TIME SCHEDULE AND REPORTS

4.1 Immediately upon approval of the program suitable firms of consultants will be invited to put forward their proposals, and in due course, a contract will be made with the selected consultants and a plan of operations agreed. The consultants will appoint the five experts as soon as possible thereafter, and the experts will serve in Nigeria for three years.

4.2 The consultants will submit an Inception Report three months after appointment, summarizing their initial findings and outlining any proposals for revision of the work program. Thereafter progress reports will be submitted at three-monthly intervals, an Interim Report after 18 months and a Final Report at the end of the three year period.

## V PROGRAM FINANCE

5.1 A provisional estimate of the cost of the program is US\$ 950,000 (NE 340,000), detailed in Addendum B attached. It is proposed be met as follows:

	<u>US\$</u>	<u>US\$</u>
UNDP Special Fund contribution		<del>697,500</del>
NAB (i) counterpart contribution		<del>708,000</del>
in cash and kind	200,000	
(ii) contribution to local		
operating cost of foreign	<del>12,500</del>	<del>252,500</del>
staff	<u>42,000</u>	<u>242,000</u>
		<u>950,000</u>

## VI EXECUTING AGENCY

6.1 The Government of the Federal Republic of Nigeria requests that IBRD be designated the Executing Agency for this program.



ADDENDUM A

Budget Estimate

(in US\$ equivalent)

I. Allocation by UNDP: (equal to total of Col 1 & 2  
of Addendum B Part I) 750,000

Consisting of

- |                               |                    |
|-------------------------------|--------------------|
| a. Special Fund contribution  | 697,500            |
| (750,000 - 42,000)            | <del>708,000</del> |
| b. NAB's contribution         |                    |
| towards local operating costs | 52,500             |
| (from Addendum B, Part II     | <del>42,000</del>  |

II. NAB Counterpart contribution:  
(from Col 3 of Addendum B, Part I) 200,000

- |                         |         |
|-------------------------|---------|
| a. Contribution in cash | 159,000 |
| b. Contribution in kind | 41,000  |

III. Total NAB contribution <sup>1/</sup>:  
242,000  
252,500

Consisting of

- |   |                             |
|---|-----------------------------|
| a. Counterpart contribution in<br>cash and in kind (from Section II<br>above) | 200,000                     |
| b. Contribution towards local<br>operating costs (From Section Ib<br>above)   | 52,500<br><del>42,000</del> |

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<sup>1/</sup> this is a summary of the elements of NAB's contribution and  
only repeats items in Sections I & II above.

ADDENDUM B

I Estimated program costs

	<u>Foreign currency</u>	<u>US\$ thousands equivalent</u>		
		<u>Local currency payable by</u>	<u>NAB</u>	<u>Total</u>
		<u>UNDP</u>		
<u>Foreign professional staff</u>				
180 mm at \$2,500 <u>1/</u>	450			450
subsistence		90		90
<u>Transportation foreign staff</u>				
International	35			35
Local		60		60
<u>Counterpart personnel</u>				
180 MM at \$ 550			99	99
Local travel			40	40
<u>Office space, utilities and equipment</u>			41 <sup>2/</sup>	41
<u>Vehicles</u>				
5 vehicles at \$3,000	15			15
<u>Vehicles operating costs</u>		25	5	30
<u>Miscellaneous, including communications</u>		5		5
	500	180	185	865
Flexibility, about 10%	50	20	15	85
	550	200	200	950

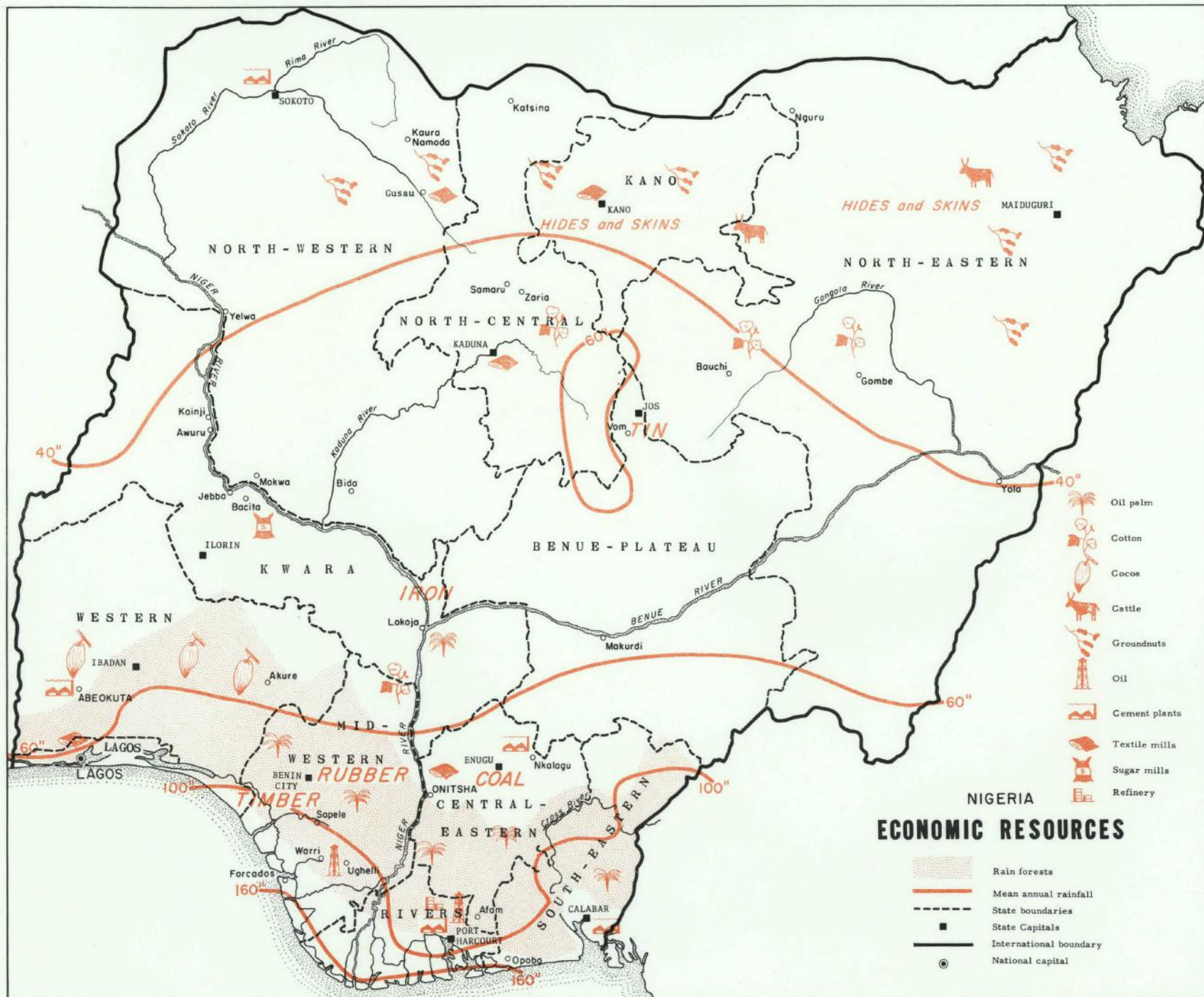
1/ an average figure, which assumes billing will be made by consultants at an agreed rate per man-month for each man, the rate to include salary, social overheads (pensions, health insurance etc), consultants overheads, fee and profit

2/ to be provided in kind by NAB

II Calculation of NAB's contribution  
towards local operating costs

	<u>US\$</u>
<u>Estimated cost of foreign staff:</u>	
50% foreign staff charges	225,000
Subsistence	90,000
International Travel	35,000
	<u>350,000</u>
Contribution towards local operating costs: approx 15% of 350,000	<u>52,500</u> <u>42,000</u>







INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

~~D-1136~~  
file -  
Nigeria  
General

TO : Mr. P.C. Goffin

DATE: 8 JULY, 1969

FROM : A.H. Stoneham

SUBJECT: NIGERIA - Agricultural Credit Review -  
Back-to-Office Report

1. The mission visited Nigeria June 6 through 25. It held discussions with the Federal and 11 of the 12 State Governments, and with a number of official and commercial organisations. It visited Lagos, Ibadan, Benin, Jos and Kaduna. Mr. N McIvor, of the Western Africa Department assisted in the final discussions in Lagos.

2. Although most of the States have been in existence for little more than a year, and their governments are relatively inexperienced, the pace of development can be expected to increase significantly in future. There is now a much closer contact between the States and their people, and the chances of successful development appear good. Agriculture is the responsibility of the State Governments, and most of them are working on agricultural development plans (some with technical assistance from USAID).

3. The future demand for agricultural credit is difficult to assess, but the Federal and State Governments are keen to start a Federal Agricultural Bank (FAB), and in the mission's view the present time appears opportune. FAB would lend to State Governments for specific projects, which would be appraised and supervised by FAB, but executed by State Governments. FAB would also lend direct to larger farmers and plantations, against adequate security. Much of the initial demand is likely to come from small farmers for short-term credits, mainly for fertilizers and seeds. Funds required cannot be assessed at this stage, but the Federal Government (with Central Bank co-operation) has set aside NE3 million (US\$8.4 million) for the first three years, which should be more than adequate to get FAB started. State Governments have expressed a strong desire to be directly represented on the Board of FAB, but the Federal Government would prefer representation through Marketing Boards. This will require further discussion among the Governments, as will FAB's precise capitalisation and shareholdings.

4. The Federal Government is committed to setting up FAB by the end of this year, if possible, and has asked for Bank advice and assistance. It has accepted that technical assistance will be essential for success, and the mission feels it would be appropriate to seek this through UNDP/SF. The most urgent requirement is to outline the immediate and essential steps for the Federal Government to take. These will be included in the full report, and should be passed on to the Government at an early date. At this stage no loan/credit would be required from Bank/IDA, although lending programs suitable for Bank/IDA finance could be expected to be developed within three years.

AHStoneham/ew  
IBRD

cc and cleared: Mr. N McIvor

cc: Messers Chadenet, Baum, Lipkowitz, Baldwin, Piccagli, Rovani,  
Lind, Veraart, Evans, Wapenhans, Dumoulin, Riley, Povey (Area).  
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