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Digitized: June 28, 2013

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McNamara Papers

Contracts
West African Development Bank
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Contacts with member countries West African Development Bank - Correspondence 01

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MENT BANK

WEST AFRICAN DEVELOPMENT BANK

1. 11/25/75

P. C. Damiba, President

Mr. Kofi, Economist

H. E. The Ambassador of Upper Volta, Telesphore Yaguibou

OFFICE MEMORANDUM

TO: Memorandum for the Record

DATE: November 26, 1975

FROM: J. Chaffey, Division Chief, WACP11-A

SUBJECT: WEST AFRICA DEVELOPMENT BANK - Note of Mr. McNamara's Meeting with Mr. Damiba, President on November 25, 1975

Present: Mr. P.C. Damiba, President, West Africa Development Bank (BOAD)
H.E. T. Yaguibou, Upper Volta Ambassador to the U.S.A.
Mr. S. Kpognon, Alternate Executive Director
Mr. Kofi, Economist, BOAD
Messrs. McNamara, Hidalgo and Chaffey.

Mr. Damiba reported on the setting up of BOAD emphasizing its intended role as a regional development financing institution.^{1/} He paid particular tribute to the technical assistance given by the World Bank thus far during this formulative period.

2. Mr. Damiba requested Mr. McNamara's help in two ways. First, he asked the Bank to second three staff to BOAD (a special assistant to the President, a senior economist to advise the department which would be responsible for research and the promotion of regional matters, and a senior project officer to advise the projects department). The seconded staff would advise on policy and procedure formulation, assist with the start-up of operations and help train African staff. Secondly, Mr. Damiba asked that BOAD should have access to the data gathered by the Bank on member countries of the West African Monetary Union, as a basis for formulating sectoral policies and identifying regional and national projects for financing.

3. Mr. McNamara expressed his strong support for the setting-up of BOAD and stated that the Bank would continue to respond fully to Mr. Damiba's requests for technical assistance. On the question of secondments, he said that the Bank's staff resources were presently stretched in the face of similar demands from comparable institutions. But he promised that the West Africa Region would review the requests in detail to see whether suitable staff could be made available. He said that the Bank would respond to Mr. Damiba by December 15 or 20 at the latest on this issue. Addressing Mr. Chaffey, as the regional representative present, Mr. McNamara added that should the Region encounter problems of a budgetary nature, he should be notified immediately. Furthermore he indicated that, if the Region were to conclude that all three positions could not be filled by secondment from the Bank, he should be informed before any response was sent to Mr. Damiba.

^{1/} Details on BOAD's role, sectoral priorities, resources and embryonic policies and procedures can be found in Mr. Wright's briefing memorandum to Mr. McNamara dated November 25, 1975 and in Mr. Hidalgo's memorandum to Mr. de la Renaudière dated November 24, 1975.

4. Mr. McNamara did not specifically address Mr. Damiba's second request but it should be assumed that he would regard it favourably. Mr. McNamara's message to the Region was clear --do all we can to help!

Cleared with and cc: Mr. D. Hidalgo, DFC

cc: Mr. McNamara's Office
Messrs. J. Burke Knapp, Senior Vice President
R. Chauffournier, RVP, WAN
R.A. Clarke, Director, Personnel
X. de la Renaudière, Director, WACP II
D.L. Gordon, Director, DFC
E. Peter Wright, Acting RVP, WAN
M.L. Bazin, Division Chief, WACPI-C
J. Chaffey, Division Chief, WACP II-A
P. Nouvel, DFC Division

JChaffey:lmc

OFFICE MEMORANDUM

TO: Mr. R. McNamara, President

DATE: November 25, 1975

FROM: E. Peter Wright, Acting RVP, WAN *EPW*SUBJECT: Your Meeting with Mr. P.C. Damiba, President of the West Africa
Development Bank on November 25, 1975

Mr. P.C. Damiba, first President of the newly-created West Africa Development Bank (BOAD) will meet with you on Tuesday, November 25th, at 6 p.m. Messrs. Chaffey (Division Chief, WACPII-A) and Hidalgo (Division Chief, DFCAF) will also be present. Mr. Damiba's curriculum vitae is Attachment I to this brief.

2. BOAD was set up in September, 1974 by the Council of Ministers of the West Africa Monetary Union (UMOA),^{1/} whose members share a common central bank (Banque Centrale des Etats de l'Afrique de l'Ouest - BCEAO). The Bank has played an important role in helping establish BOAD, by participating in the 1974 Working Group which defined BOAD's role, drafted its Policy Statement, proposed an organizational structure and prepared financial projections. At Mr. Damiba's request a Bank mission has just spent two weeks in Lomé to help develop operational procedures. BOAD is intended to be a regional development bank paying particular attention to the promotion of regional projects, especially in the less-developed areas, and projects which encourage the development of local entrepreneurship. BOAD will be primarily concerned with infrastructure (roads, railways and communications), rural development and industry, including small-scale enterprises. Care has been taken to ensure that BOAD's policies and procedures will enable it to work harmoniously with national development finance institutions and that its sectoral priorities will be complementary to the role of the African Development Bank. Some notes on BOAD's resources are included in Attachment II.

3. BOAD has received strong political support from UMOA countries, as evidenced by the handsome initial grant from BCEAO (see Attachment II). In Mr. Damiba, BOAD has a forceful and politically-effective leader. He will no doubt take this opportunity to speak about the progress he had made thus far in setting-up BOAD.

4. One of Mr. Damiba's major problems is staffing. It is expected that eight out of the twenty professional staff to be recruited initially will be expatriates. It is understood that the French government, FED and UNDP will provide altogether five professional staff although no final agreement has been reached on terms and conditions of employment. Mr. Damiba will probably ask the Bank to provide three staff (a special advisor to the President, a senior economist and a senior project officer) on secondment.

^{1/} UMOA comprises Ivory Coast, Sénégal, Togo, Dahomey, Upper Volta and Niger.

5. Until we have had an opportunity to examine Mr. Damiba's proposals in more detail at the regional level, you may wish to respond that the Bank will consider this request carefully. You will want to add that the Bank will continue to provide BOAD with technical assistance including joint missions with the African Development Bank, seconding of staff and possibly some Bank financing. We will need to consider carefully the proposal to second staff in the light of the availability of suitable candidates. On possible direct financing by the Bank, we should also proceed with some caution: this will require a proper appraisal by the Bank in accordance with the normal criteria.

Attachments

cc: Messrs. Knapp
Chaufournier (o/r)
Gordon
de la Renaudière
Bazin
Hidalgo

DHidalgo/JChaffey:lmc

BANQUE OUEST AFRICAINE DE DEVELOPPEMENT

Resource Position

- (i) Share capital of CFAF 2,4 billion (\$11 million) subscribed 50% by BCEAO, 50% in equal parts by the six member countries. Share capital may be increased by subscription of "associated countries" (i.e. developed countries) which can hold at most 33% of BOAD's capital; France has already agreed to subscribe CFAF 500 million.
- (ii) A grant from BCEAO totalling CFAF 2.9 billion (\$13 million). BCEAO will also provide grants of CFAF 0.8 billion annually in the future.
- (iii) In addition, BOAD has access to BCEAO's discount resources; since loans up to 10 years may now be discounted, this will probably constitute BOAD's main external resource, although the recent increase of the "normal" discount rate from 5.5% to 8% will make it difficult for BOAD to use discount resources for some of its operations, in particular for infrastructure.

Pierre Claver DAMIBA

Citizen of Upper Volta

Holds MA Degree in Economics

1966-71	Minister of Planning and Civil Works
1972-74	Member of Parliament Secretary of Opposition Party
1974	Director-General, Caisse Nationale des Dépôts et des Investissements
1974	President BOAD
Languages	English and French