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**The Central African States
Development Bank
(CASDB)**



**INTRODUCES
ITSELF**

BRIEFLY

The CASDB is devoted to reducing poverty in the Economic and Monetary Community of Central African States (*CEMAC*), particularly through financing priority national or regional development projects and supporting the private sector.

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1. GENERAL FEATURES

As an institution of development financing for the countries of the *CEMAC*, the Central African States Development Bank (CASDB) was founded by the Agreement of 3 December 1975. In reality, it initiated its activity on 2 January 1977.

The Head Office of the Bank is located in Brazzaville, (Republic of Congo)

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The area of the Bank's activities covers the six (6) *CEMAC* States: Cameroon, Central African Republic, Congo, Gabon, Equatorial Guinea and Chad. However, while it concerns at least one Member country, this area may be extended to non-member countries if the Institution's interests require it.

The Bank possesses the legal status of an international financial Institution endowed with full legal personality and financial autonomy. On these grounds, it is able to profit from diplomatic immunities and privileges.

The 2002 year was highlighted by the materialization of a coherent programme of institutional reforms aimed at renovating the Institution so as to allow it to more effectively affront the numerous and novel challenges that questioned it in this rapidly changing sector of activity within the Sub-Region.

The 2003 year was known for its recovery of project financing activities inspired by a renewed vision of promoting regional integration and supporting the private sector.

In 2004, so as to increase its financial potential for interventions, the Bank launched its first operation of mobilizing regional savings. This type of operation is being called upon to renew itself.

2. THE BANK'S MISSION

Since its origin, the CASDB responded to the concerns of its Member States to have an appropriate instrument at their disposal to promote their development and economic integration.

In this context, the Bank aims to:

- a) promote economic and social development in the *CEMAC* countries, particularly through financing national and multinational investments as well as projects for economic integration;
- b) provide its assistance to the States, sub-regional organizations, financial institutions and business concerns in their efforts to mobilize financial resources and to finance projects;
- c) support States, sub-regional organizations and business concerns in financing feasibility studies for programmes and projects.

For this purpose, the Bank is actively searching for and mobilizing internal and external resources so as to finance investments.

3. EQUITY CAPITAL AND SHAREHOLDERS

Set originally at sixteen billion FCFA (16,000,000,000), CASDB equity capital – following several increases, rose on 31 December 2004 to eighty-one billion, four hundred fifty million CFA Francs (81,450,000,000). It is currently structured as follows:

- Authorized capital : 81,450 million FCFA
- Subscribed capital : 55,590
- Redeemable capital : 21,740
- Callable capital : 33,850

More generally, for all periods, the total amount of subscriptions has been allocated into two portions according to the following proportions:

- 32.5% of subscribed capital are solely redeemable and assume the designation of “subscribed and redeemed capital”;
- 67.5% remaining constitutes the subscribed and non-redeemed capital designated as « callable capital ».

The Bank’s shareholders include:

- The holders of category A shares, who are *CEMAC* States. They may possess no more than 51% of capital;
- The holders of category B shares, composed on 31 December 2004 of:
 - The Central African States Bank (*BEAC*);
 - The African Development Bank (*BAD*);
 - France;
 - Kuwait.

CASDB capital is open to States that are not members of *CEMAC*, to regional or external institutional investors who wish to contribute to the development of the *CEMAC* countries.

4. ADMINISTRATION, MANAGEMENT AND ORGANIZATION

The CASDB is administered and managed by the General Assembly of Shareholders, the Board of Directors and the Chairman of the Bank.

A- The General Assembly of Shareholders

The General Assembly of Shareholders is the highest body holding all the power of the Bank. However, it may delegate certain powers to the Board of Directors, which is composed of one representative per shareholder and is presided by the Representative of the State that possesses category A shares and which assumes the Presidency of the *CEMAC* Heads of State Conference.

B- The Board of Directors

The Board of Directors – in the context of guidelines provided by the General Assembly – defines the overall policy of the Bank. To that end, it holds the most extensive powers.

The Board of Directors is composed of:

- The Chairman of the Bank who ensures the Presidency;
- An administrator to represent each shareholder and replaced
- If unable to participate - by a deputy administrator.

C- The Chairman of the Bank

The Bank's Chairman is elected by a majority of two thirds by the General Assembly, proposed by a category A shareholder State, following the consent of the other shareholder States of the same category. The period of his mandate is five years – renewable once. Under the supervision of the Board of Directors, the Chairman is responsible for the overall administration of the Bank.

The Chairman is assisted in exercising his functions by a Vice-Chairman.

As for the Bank's organization, the organizational chart in effect since 31 December 2004 is composed of the following – excluding the positions of Chairman and Vice-Chairman:

- o The Chairman's Cabinet, including notably the Director of Cabinet and Advisors;
- o The departments linked to the Chairman: the Communication and Documentation Division, Audit and Inspection Division, Legal Affairs and Disputes Division, the Organization and Informatics Division;
- o Four (4) Departments:
 - Finance;
 - Project Financing;
 - Portfolio and Risks Management;
 - Human Resources and Administration.

5. STAFF

On 31 December 2004, the staff of the Bank stood at 42 agents (including the Chairman and Vice-Chairman), composed of 17 professionals and one Technical Assistant.

6. GOVERNANCE

Every year the Bank publishes its annual accounts that are approved by the General Assembly of shareholders. These accounts are first examined by two firms of internationally renowned Auditors that are selected at the conclusion of invitations to bid. The current CASDB Auditors are the firms of DELOITTE & TOUCHE and ERNST & YOUNG.

Moreover, the internal ad hoc working committees are continuously operating so as to promote operational effectiveness and transparency.

7. CASDB RESOURCES

The Bank's resources are derived from:

- its subscribed and redeemed capital;
- its long-term loans, credit lines and refinancing obtained from countries or national, multinational or international institutions;
- its mobilized regional savings and borrowing on financial markets in Africa or overseas;
- the assistance granted by the Central Bank;
- specialized funds;
- non-reimbursable contributions from States or institutions of cooperation;
- amounts resulting from Bank operations or due to other reasons;
- any other resources obtained through arrangements that are authorized by the Board of Directors.

8. FIELDS AND FORMS OF INTERVENTION

The CASDB intervenes in financing investments relative to both public and private sectors, and with regard to quite a varied range of fields:

- Infrastructures (energy, telecoms, ports, airports, railroads, roads, transportation equipment, etc.);
- Industries and agro-industries, mining;
- Agriculture, animal husbandry, fisheries, forestry and rural development;
- Real estate programmes, the hotel trade, information and communication technologies;
- Etc.

The Bank's intervention is conducted mainly through the form of project/programme loans, i.e. through granting beneficiaries medium or long-term loans to finance eligible operations.

The Bank also intervenes indirectly in the form of refinancing lines profiting local commercial banks and other National Financial Institutions (*IFN*) that finance micro and other small and medium-size enterprise (*PME*) projects.

Under the conditions defined in the Statutes, the Bank may also intervene in the form of :

- Interest subsidies;
- Equity participation;
- Endorsements and securities;
- Financing feasibility studies.

These various forms of intervention are not mutually exclusive.

9. INTERVENTION LIMITATIONS AND CONDITIONS

The CASDB applies the principles of sound management and correct financial practices to its operations. Therefore:

- Setting up a minimum self-financing of 25% by the promoter constitutes the preliminary condition for granting a loan or guarantee by the Bank;
- The maximum level of the Bank's intervention within a project is 75% of the cost (excluding taxes) for the proposed investment;
- The Bank's upper commitment threshold in any project may not exceed 10% of its permanent resources;
- The ceiling level for direct interventions of the Bank is set at 200 million FCFA, except for files pertaining to Specialized Funds. Below this threshold, the Bank intervenes indirectly through refinancing lines granted to local banks.

10. GUARANTEES

The Bank takes all appropriate guarantees to ensure the effective materialization of its operations. They may require various backing – either alternatively or cumulatively:

- A joint liability guarantee of the State or States involved (in cases of regional projects);
- The joint liability guarantee of a financial institution or a bank authorized by the CASDB;
- Security of main shareholders;
- Other real or personal surety;
- Other appropriate guarantees.

11. COOPERATION

The CASDB maintains close and multiform cooperative relations with international financial institutions and development assistance organizations. The objective sought out by the Bank is to strengthen and increase its capacity for mobilizing the financial resources required for sustaining the expansion of its

financing investment activities in behalf of the sub-regional economies so as to reduce poverty.

Moreover, by co-financing large-scale projects in partnership with international financial institutions, the CASDB is able to thus attract considerable financial resources into the sub-region.

In addition, strengthening its cooperation with its traditional partners as well as opening up new opportunities have allowed mobilizing technical assistance and training resources that have greatly contributed to the Bank's expertise capacity building and modernizing its working instruments.