



Central African States Development Bank (C.A.S.D.B.)

FUNDAMENTAL TEXTS

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CENTRAL AFRICAN CUSTOMS
AND ECONOMIC UNION

COUNCIL OF HEADS OF STATE

**FOUNDING AGREEMENT FOR A CENTRAL AFRICAN STATES
DEVELOPMENT BANK**

The Government of the United Republic of Cameroon
The Government of the Central African Republic
The Government of the Popular Republic of Congo
The Government of the Gabonese Republic

- Aware that belonging to the Central African Customs and Economic Union and to a single bank of issue – the Central African States Bank – insuring them of large-scale possibilities capable of promoting their development and economic integration;
- Concerned about most effectively utilizing the financing capacities released by their solidarity in monetary matters;
- Resolved to increase their cooperation and development disparities;
- Considering the wish expressed by certain countries and institutions outside of the UNION to contribute to the development of Central African States;

The following arrangements have been agreed upon:

Article 1

A Central African States Development Bank has been founded in application of Article 66 of the UDEAC Treaty revised by Act # 12/74-UDEAC-180 by the Council of Heads of State on 8 December 1974, of which the constitution of administration and operations have been defined by the statutes attached to this Agreement.

Article 2

The statutes of the Bank attached to this Agreement are open, following unanimous acceptance by the founding States,

- to any other State which accepts its arrangements,
- to any financial institution that wishes to provide its contribution to the development of Central Africa States.

Article 3

This Agreement may be denounced by any signatory on the condition of addressing him a written notification at the Head Office of the Bank. This denunciation becomes operative at least six (6) months from the date of its notification.

Article 4

This Agreement will come into effect starting on the date of its signature by the founding States.

Signed in Bangui on 3 December 1975

(in French and English, the French text serving as proof)

For the Government of the
United Republic of Cameroon

THE PRESIDENT

El. Hadj AHMADOU AHIDJO

For the Government of the
Central African Republic

PRESIDENT FOR LIFE

Field Marshall Jean Bedel BOKASSA

For the Government of the
Popular Republic of the Congo

Commander Marien N'GOUABI

For the Government of the
Gabonese Republic

BONGO

STATUTES OF THE CASDB

- Adopted by the Constituent General Assembly of 30 April 1976
 - Modified by:
 - The Extraordinary General Assembly of 2 March 1978;
 - The Extraordinary General Assembly of 26 February 1982;
 - The Extraordinary General Assembly of 26 November 1983;
 - The Extraordinary General Assembly of 24 November 1986;
 - The Extraordinary General Assembly of 20 September 1989;
 - The Extraordinary General Assembly of 24 March 1990;
- and by
- The Extraordinary General Assembly of 20 November 2002.

STATUTES OF THE CASDB

(November 2002)

Article 1:

The Central African States Development Bank (hereafter designated as the Bank) founded by the Agreement of 3 December 1975 is the Development Financing Institution of the Central African Economic and Monetary Community (CEMAC).

It is governed by these statutes.

CHAPTER I: INTERVENTION AREA - MISSION - INTERVENTION RESOURCES, TERMS AND CONDITIONS - LEGAL STATUS - HEAD OFFICE IMMUNITIES AND PRIVILIGES

Article 2: INTERVENTION AREA

The intervention area of the Bank is composed of the CEMAC countries.

However, concerning at least one member country, it may be extended to non-member countries if it is required by the Institution's interests.

Article 3: MISSIONS

The Bank has the mission to:

1. promote the economic and social development of the CEMAC countries, particularly through financing national and multinational investments and economic integration projects;
2. provide its assistance to the States, sub-regional organizations, financial Institutions and economic operators in their effort to mobilize financial resources and financing projects;
3. support States, sub-regional organizations and economic operators in financing feasibility studies for programs and projects.

Article 4: INTERVENTION RESOURCES, TERMS AND CONDITIONS

In accomplishing its missions, the Bank must – either directly or through Special Funds it has created or through Financial Institutions contribute notably to:

- a) mobilize domestic savings, conforming to legislation and national regulations as well as community rulings;
- b) mobilize foreign capital through borrowing or obtaining non-reimbursable assistance funds, flotation of bonds, liabilities or other borrowed securities;
- c) financing investments or activities through capital participation, granting loans, endorsements, interest subsidies;
- d) concluding agreements with other financial institutions in Africa or overseas to set up public interest multinational enterprises for its members;
- e) financing any studies required by its activities;
- f) granting securities.

Article 5: CORPORATE HEADQUARTERS

1. The Corporate Headquarters of the Bank is to be established in one of the Members States of the Community- chosen by common agreement by the founding States.
2. The Bank may set up an agency in each of its Member States
3. It may also set up – according to the requirements of its operations – representative offices within or without the Community.

Article 6: LEGAL STATUS

1. The Central African States Development Bank is an International Financial Institution endowed with full legal status as well as financial autonomy.
By virtue of the foregoing, it has the ability to:
 - a) Go to court, to acquire, dispose, sell, receive grants, bequests and endowments, sign any contracts or conventions for its activities in the context defined by these statutes;
 - b) Conclude agreements with States and international organizations.
2. For this purpose, it enjoys the highest recognized ability for a legal entity and granted by national legislation in each of the Member States.

Article 7: BANK IMMUNITIES AND PRIVILEGES

1. The property and assets of the Bank, wherever they may be located and whoever their holder may be, are protected from every form of seizure, opposition or execution before a definitive judgment be made against it;
2. The property and assets of the Bank thus defined are exempt from searches, requisitions, seizure, expropriations, restrictive measures or any other form of distraint ordered by the executive or legislative powers of the Member States;
3. The archives of the Bank are inviolable, subject to investigative and communicative rights acknowledged to administrations subject to professional secrets;
4. The Bank is excused – during any judicial proceeding – from providing a guarantee and advance in all cases in which State legislation provides for this obligation at the expense of the parties;
5. For its official communication, the Bank enjoys – in every Member State – the same facilities granted to international organizations and an equal treatment as for official communication of other Member States;
6. However, when the Bank is to be given responsibility to carry out particular tasks by a State, the immunities stated in this article do not come into play concerning these tasks if it has been so agreed between the State concerned and the Bank

Article 8: STAFF IMMUNITIES AND PRIVILEGES

1. The members of the General Assembly, the Board Members, their deputies, the Chairman, the Vice-Chairman and the Management of the Bank:
 - a) enjoy jurisdiction immunity for any acts carried out in the exercise of their functions;

- b) Enjoy in all Member States, immunities relating to the arrangements limiting immigration, registration formalities, obligations as to civic or military service and facilities regarding exchange control recognized by Member States for Representatives and civil servants of other Member States;
 - c) Profit – from the point of view of relocations – of a treatment granted by Member States to Representatives, civil servants and comparably ranked agents from other States.
2. The experts and consultants who carry out work visits for the Bank enjoy – during the period of their visit, including travel time – the same privileges and immunities that the Bank deems necessary for them to carry out their functions in all sovereignty;
 3. No taxation is to be collected on the salary, pay or any indemnities that the Bank provides its Administrators, their deputies, the Chairman, the Vice-Chairman, senior management, experts and consultants who are carrying out a task for the Bank.

Article 9: FISCAL EXEMPTIONS

1. The Bank, its property, its other assets and revenues, its operations and transactions are exonerated of all taxes and customs duties.
The Bank is also exempt of all obligations relative to the payment, deduction or collection of any tax or charge.
2. The bonds and values issued by the Bank as well as the dividends and interest related to it are excused of all duties and taxes of whatever nature and to whomever they belong.
3. Likewise, the bonds and values that are guaranteed by the Bank, whoever the holders may be, as well as the dividends and interest related to them are dispensed of all duties and taxes – irregardless of their nature.

Article 10 : LIFTING IMMUNITIES

Immunities, exemptions and privileges that are provided for below are granted in the interest of the Bank. The Chairman – subsequent to the opinion that the Board of Directors – may lift the immunity of the persons mentioned in Article 8, to facilitate the normal course of justice, to the extent that it does not conflict with the interests of the Bank.

However, the Chairman’s immunity may only be lifted by a General Assembly Resolution.

Article 11: ASSISTANCE GUARANTEES

The assistance of the Bank is guaranteed by:

- Financial Institutions
- Any personal or real securities
- The States

Article 12: DISPUTE SETTLEMENT

Disputes between the Bank, its loaners, its guarantors and third parties are settled amicably initially if possible. If not, their settlement will be carried out through judicial channels with national jurisdictions or in the Community Court of Justice.

CHAPTER II: EQUITY PARTICIPATION - CAPITAL - RESOURCES

Article 13: BANK SHAREHOLDING

1. The following are shareholders of the Bank:
 - a) shareholders of category A, who are the CEMAC Member States
 - b) shareholders of category B, being:
 - the Central African States Bank
 - Non-member States of the CEMAC, who have been accepted by the other shareholders,
 - Regional or foreign institutional investors
2. The portion of capital represented by shares of category A may not be greater than 51% of capital.

Article 14: CAPITAL OF THE BANK

The authorized capital of the Bank is set at eighty-one billion, four hundred fifty million FCFA (81,450,000,000) split into eight thousand, one hundred forty five (8,145) shares of ten million (10,000,000) FCFA each.

Article 15: CAPITAL SUBSCRIPTION

1. The list of initial subscriptions and the current subscriptions are attached to these statutes with the subscribed share appearing with regard to the name of the shareholder.
2. The amount of the subscription is paid in the currency of the issuing zone.
3. However, this amount may be paid in any other freely convertible currency agreed upon by the Executive Board.
4. For each shareholder, the subscription payments are to be decided by the General Assembly.
5. However, in any given period, the total number of subscriptions is allotted as follows:
 - a) Only 32.5% of subscribed capital may be released and takes the name of “called and released capital”.
 - b) The remaining 67.5% constitutes the subscribed and unpaid capital called “callable capital.” The responsibility incurred by shareholders for Bank operations is limited to the callable capital.

As a result, the outstanding balance on loans of the Bank should not exceed 80% of the said callable capital.

The callable capital may only be the subject of a call by the Bank when it needs it to meet its financial obligations resulting from the loans it has contracted.

In case the callable capital must be mobilized, the Bank should take adequate steps related to the new structure of its capital as well as any other measure that should insure the continuation of its operations.

Article 16: CAPITAL PAYMENT

- 1 The called portion of registered capital is paid in blocks whose amounts, terms and conditions are defined by the Executive Board. However, as soon as the Agreement founding the Bank is signed, 10% of the initial subscribed and called capital is paid.
- 2 In conformity with Article 15, paragraph 5, line b, the Executive Board of the Bank may call on any occasion it deems necessary, whatever portion of the callable capital in order to deal with contractual interest payments, other costs or redemption relative to all loans of the Bank.

Calls on unpaid subscriptions deal with a uniform amount of all callable shares. However, the obligation of every shareholder to make payments on his share of callable capital is independent of that of other shareholders.

The other terms, conditions and payment dates for amounts thus called are defined by the Executive Board.

- 3 In case of a delay in paying the called block of a shareholder's capital, the sanctions provided for in Article 49 of these statutes will be applied.
- 4 Shares should neither be given as security nor entailed with costs in whatever way. They may only be given up with the acceptance of the General Assembly.

Article 17: ADDITIONAL SUBSCRIPTIONS

1. The capital of the Bank may be increased by contribution in cash or by incorporating reserves.
2. At the proposition of the Executive Board or on the occasion of other States or Institution adhering to the founding Agreement of the Bank, the General Assembly may authorize new subscriptions by increasing the capital.
3. Newly authorized subscriptions are not required for the State or Institution which has not accepted them.
4. However, all shareholders enjoy the same subscription rights to capital increases.

Article 18: CURRENCY USED

1. The currency of the Central Africa Monetary Union – issued by the *BEAC* – is the one in which operations of capital subscriptions, loan repayments accepted by the Bank and other expenses engaged in the interior of the zone are carried out.
2. The other currencies received and accepted by the Bank may be freely used and converted for any of its operations.

Article 19: RESOURCES OF THE BANK

The resources of the Central African States Development Bank originate from:

1. its subscribed and released capital;
2. long-term loans contracted from foreign countries or national, multinational or international Institutions ;
3. loans on financial markets in Africa and overseas;
4. assistance agreed upon by the Central Bank;
5. special funds

6. non-reimbursable contributions from States or cooperation institutions;
7. any other resources obtained through arrangements authorized by the Executive Board, particularly the transfer of equity participations to national financial institutions or other businesses implanted in the intervention zone;
8. and amounts originating from operations of the Bank or returning to the Bank for other reasons.

Article 20: CAPITAL REDUCTION

The capital of the Bank may – by way of a resolution of the General Assembly – be reduced on the occasion of the withdrawal of a shareholder or in cases of losses exceeding $\frac{3}{4}$ of capital.

CHAPTER III: ADMINISTRATION AND MANAGEMENT

Article 21: ADMINISTRATION

The Bank is administered and managed by:

- The General Assembly of shareholders
- The Executive Board
- The Chairman of the Bank.

Article 22: GENERAL ASSEMBLY

1. The General Assembly is the highest body of the Bank. It has full powers at its disposal. As such, it:
 - a) Formulates the main orientations of resource mobilization policy and financing for the Bank.
 - b) May delegate its powers to the Executive Board.
 - c) However, the following powers may not be delegated by the General Assembly:
 - Accepting new members;
 - Determining their quota of the capital;
 - Deciding on increasing or reducing capital;
 - Deciding on the issue of bonds;
 - Approving the designation of Administrators and their deputies;
 - Approving the activity report of the Bank;
 - Approval after having examined the report of the internal Auditors on the Bank's accounts;
 - Full discharge of the management of the Executive Board;
 - Allotment of profits including distributing dividends if needed;
 - Electing and dismissing the Chairman and Vice-Chairman;
 - Determining the working conditions of the Administrators, their deputies, the Chairman and Vice-Chairman;
 - Nominating and dismissing the Auditors and determining their payment.

2. The General Assembly is composed of one representative per shareholder. The shareholders of category A will be represented in this body by their Finance Minister and if necessary by their representative. The CEMAC Executive Secretary is to attend all meetings of the General Assembly with a consultative status.
3. The functions of General Assembly members are not paid for. However, the General Assembly may decide on attributing a per diem allowance for the session in compensation for expenses of the stay;
4. The General Assembly itself is to determine the procedure which will apply to its deliberations.

Article 23: MEETINGS OF THE ASSEMBLY AND QUORUM

1. Meetings of the General Assembly are presided over by the Representative of the State that holds category A shares and who undertakes the Chairmanship of the Conference of CEMAC Heads of State
2. The Chairman of the Executive Board is to be the reporter on the matters registered on the agenda.
3. The meetings of the General Assembly are summoned annually by the Executive Board. However, the General Assembly may be summoned in extraordinary session by at least a third of the members of the Executive Board representing 33% of category A shares and 33 % of category B ones.
4. The General Assembly – called together by a first summons – may deliberate legitimately only if the shareholders who have voting rights, present or represented, have at least 51% of each series of actions.

If this condition is not fulfilled, the General Assembly is to be summoned again in the way and notice time provided for in the Rules and Regulations of the Assembly.

It may deliberate legitimately if at least 25% of the shares of each category are represented, but its deliberations may only deal with matters that are registered on the agenda of the first Assembly.

5. The number of votes held by each participant in the General Assembly is equal to the number of shares he represents (former line 2).
6. The quorum for all meetings of the General Assembly is made up of a majority of the number of shareholders present representing 51% of each category of shares, excluding the examination of cases referred to in Articles 49 and 52, according to the arrangements of the Rules and Regulations of this Assembly.

Article 24: EXECUTIVE BOARD

1. The Executive Board of the Bank is composed of :
 - the Chairman of the Bank who assumes the Chairmanship;
 - An Administrator, representing each shareholder and replaced – if absent – by a deputy Administrator.
2. The Administrators and their deputies are designated for a term of three (3) years, renewable one (1) time.
3. The Administrators and their deputies must be professionals of economics, finance and development financing operations.

Article 25: COUNCIL MEETINGS

The Council meets at least four times a year and as often as needed in extraordinary sessions at the summons of its Chairman or at the request of Administrators representing 2/3 of the subscribed capital.

Article 26: DELIBERATION

1. The Council deliberates legitimately when Administrators representing fifty-one percent (51%) of each category of the shares of subscribed capital are present. Each administrator has a number of votes corresponding to the shares held by the shareholder he represents.
2. The decisions of the Council are taken by a majority of the votes held by the members who are present, except in the case when a qualified majority is required.
3. Adopting the Financial Regulations, delegating the powers to the Chairman, proposing to dismiss the Chairman to the General Assembly requires a majority of two-thirds of the votes.
4. The Chairman of the Executive Board does not participate in the vote, except in order to split a tie vote.

Article 27: ATTRIBUTIONS OF THE EXECUTIVE BOARD

- 1 In the context of the guidelines that are given to it by the General Assembly, the Executive Board is responsible for conducting the activities of the Bank. For this purpose, it has at its disposal its own management powers as well as powers delegated by the General Assembly, that allow it particularly to:
 - plan the General Assembly meetings;
 - approve equity participations by the Bank in the capital of businesses or institutions as well as loans granted and guarantees given by the Bank;
 - set the general conditions for loans and guarantees agreed to by the Bank;
 - decide on financial assistance that may be granted by the Bank through the application of Articles 36 to 41 of these statutes;
 - set the general rules for using available funds of the Bank, subject to the arrangements of Article 43 hereafter;
 - approve agreements to be concluded by the Bank, aimed at accepting non-reimbursable assistance, constituting special funds as well as administering and operating these funds;
 - examine and close annual accounts as well as the annual activity report of the Bank;
 - approve the status of staff and set the level of manpower.
2. The Executive Board approves the annual budget of the Bank;
3. At its inaugural session, the Council adopts the Rules and Regulations for its work as well as the Financial Regulations of the Bank;
4. It determines the procedure which is to apply in its deliberations.
5. The Council may authorize the Chairman to carry out certain operations that commit the Bank following deliberation and by a decision adopted by a majority of 60% of shares represented.

Article 28: ATTENDANCE FEES

The Administrators and their deputies carry out their duties without being remunerated or having their expenses defrayed by the Bank. However, they may receive attendance tokens whose amount is set by the General Assembly to cover the expenses of their stay during meetings.

Article 29: CHAIRMAN OF THE BANK

The Chairman of the Bank is elected by a majority of two-thirds by the General Assembly, on the proposal of a shareholder State of category A following the consent of the other shareholder States of the same category.

1. His duties may be terminated by a majority vote of two-thirds by the General Assembly.
2. The term of his mandate is five years – renewable once.
3. The Chairman of the Bank must be a banking professional who is competent in economic, financial matters and in development financial operations. He must be able to guarantee his moral integrity.

Article 30: RESPONSABILITIES OF THE CHAIRMAN OF THE BANK

Under the supervision of the Executive Board, the Chairman is responsible for the general administration of the Bank.

He insures that the arrangements of the Statutes of the Bank, the agreements it has concluded and the decisions of the Executive Board be applied.

1. He represents the Bank with regard to third parties, institutes and follows judicial and legal actions in relation to all jurisdictions – demanding as well as defending – and takes every protective measure that he deems useful.
2. He opens and operates every current or deposit account in the name of the Bank.
3. He organizes and directs the departments of the Bank.
4. He recruits, names and dismisses the Bank's staff with a dominating concern for assuring the Bank with the service of persons who possess the highest qualities in production, technical skills and integrity.
5. However, appointing Department Managers, Branch Managers and the likes requires the prior opinion of the Executive Board.
6. He sets their payment as well as the retirement pensions and advantages in kind that are granted them in conformity with the status of the staff member.
7. The Chairman signs all the agreements and conventions committing the Bank – following their approval by the Executive Board.
8. He may delegate his signature in the context of the Rules and Regulations.
9. He represents the Bank – personally or through his deputies – in meetings of international institutions to which the Bank is invited.

Article 31: THE VICE-CHAIRMAN

The Chairman is assisted in carrying out his duties by a Vice-Chairman who must be a banking professional, skilled in economic and financial affairs, as well as in development operations. He must also be able to guarantee his moral integrity in business matters.

He is elected and relieved of his duties under the same conditions as the Chairman.

Article 32: INCOMPATIBILITIES WITH THE DUTIES OF CHAIRMAN AND VICE-CHAIRMAN

The duties of Chairman and Vice-Chairman of the Bank are incompatible with the quality of permanent or alternate Representative of Member States to the General Assembly or the Executive Board of the Bank as well as the Executive Board of the Central African States Bank, the Ministerial Committee of the Central African Monetary Union, national Monetary and Financial Committees and the Council of Ministers of the Central African Economic Union.

Article 33: PROFESSIONAL SECRETS

The members of the General Assembly, the Administrators, their deputies, the Chairman, the Vice-Chairman as well as all the staff or any other persons working for the Bank are held to respect professional secrets.

Article 34: RESTRICTIONS

1. The members of the General Assembly, the Administrators, their deputies, the Chairman, the Vice-Chairman as well as all the staff of the Bank must respect the principles of independence inherent to their duties. They may not be chosen among the administrators, management, representatives of credit institutions and business managers who are capable of turning to the assistance of the Bank, except when they are no longer involved in these functions.
2. The Chairman, the Vice-Chairman and the staff of the Bank may not directly or through another person practice either an industrial or commercial activity, nor perform the function or mandate of a political or elected nature. However, an elected mandate in non-profit humanitarian, cultural and social organizations are not alluded to by this paragraph.

They may not – except with an explicit and prior authorization provided by the Executive Board or the Chairman to staff that he has appointed – either take or receive participations or any interest or payment whatsoever, nor perform work or give paid/unpaid advice in any company.

The arrangements of this article do not apply to the production of scientific, literary or artistic work.

Article 35: AUDITING ACCOUNTS

1. The General Assembly designates two internal Auditors for a term of 3 years – renewable once;
2. The internal Auditors maintain the auditing of the Bank's accounts, the consistency of its operations and its budget execution.
3. They propose any measures needed for that purpose to the Executive Board and the General Assembly;
4. Having a consultative status, they attend meetings of the Executive Board and the General Assembly, and are responsible for approving the accounts of the Bank. Their opinions must be registered in the minutes and attached to the Annual Report of the Bank;
5. They draw up audit reports that are submitted to the General Assembly;
6. The payment allocated to the internal Auditors is set by the General Assembly;
7. The General Assembly may order any other audit that it considers necessary.

CHAPTER IV: BANK OPERATIONS AND ITS ASSISTANCE IN FINANCING ECONOMIC DEVELOPMENT

Article 36: RESOURCE UTILIZATION

The resources and facilities that the Bank possesses are to be utilized to achieve the objectives defined in Chapter I.

Bank operations may be divided into two categories:

- a. So-called **ordinary operations**: they are financed through ownership of the Bank such as defined in Chapter II and by loans contracted by this latter.
- b. **Special operations**: they are financed by special resources assigned to the Bank, including special funds, defined in Chapter II.
- c. These two categories of operations should be presented in distinct and separate financial statements.

Article 37: BANKING OPERATIONS

1. In the context of its operations, the Bank may provide financial means:
 - a) to any enterprise, investment program or project of a shareholder State or regional organization which intends to participate in economic integration, poverty reduction and CEMAC development;
 - b) to national, regional or multinational projects or to those which impact on more than one of the Community's Member States;
 - c) to enterprises intending to produce, exploit or transform raw materials;
 - d) to enterprises that produce or distribute goods and services;
 - e) to transfer the property of production or distribution resources to nationals of CEMAC;
 - f) to enterprises whose aim is to promote the exports of Member States;
 - g) to national and sub-regional financial institutions.
2. In any case, priority must be granted to regional integration projects and to those which may facilitate the balanced and harmonious development of the countries in the Community.

Article 38: INTEREST SUBSIDIES

1. The Bank may contribute – through subsidies – to serve the interests of borrowing contracted by community bodies, by Member States, collectivities and enterprises of Member States that contribute to the development of their economies and aimed at creating or rehabilitating infrastructures, diversification or restructuring production resources, launching new activities;
2. These contributions must be provided by Bank ownership or from non-reimbursable assistance funds put at its disposal;
3. The Bank may improve its own loans on funds that it manages in conformity to the utilization rules for these funds.

Article 39: OPERATING METHODS

1. The Bank may grant direct loans to enterprises for the projects listed in Article 37 provided there is a guarantee of an accredited financial institution, another enterprise, its State of establishment or real securities.

In cases of multinational projects, the guarantee from concerned States may be demanded according to the nature and importance of the project or, by default, the one that shows solidarity to a bank whose creditworthiness has been established.

2. The Bank may subscribe to participations in the same enterprises on the condition that these participations not exceed 10% of the authorized capital of these enterprises.
However, concerning sub-regional financial institutions, participations may reach 25% of their authorized capital.

All of the Bank's participations should not exceed 10% of its net equity capital. The Bank may take participations within the limits exceeding those defined heretofore, to the extent that it profits from endowments that have been specially assigned for that purpose. The shares held must be returned to the States or nationals of the Member States within the period and according to the terms and conditions that are to be determined by the Executive Board.

3. The Bank may finance pre-feasibility studies but only at its initiative and for its own account so as to identify the intervention sectors or projects.
4. The Bank may participate with other financial institutions – in joint financing for development projects.
5. The Bank may – under certain conditions – advance funds to a State or an enterprise to carry out certain feasibility studies.
6. The Bank may provide its guarantee for loans granted by other financial institutions, community bodies and enterprises that contribute to development or to integrating the economies of the CEMAC Member States, under the conditions set by the Executive Board.
In any case, economic and financial criteria must be the only ones that determine the financing decision of the Bank.

Article 40: LIMITS IMPOSED ON OPERATIONS

1. All of the confirmed commitments relating to ordinary current operations described in the preceding articles should not exceed the total amount of resources composed of:
 - a) Bank ownership
 - b) and borrowing.
2. For special operations, the plurality of commitments should never exceed the total amount of special resources available.

Article 41: PROJECT ADMISSIBILITY

Projects financed by the Bank must present acceptable conditions of economic and financial profitability and satisfy the following selective criteria: They must -

- a) be development projects;
- b) be promoted by a solvent borrower who is able to pay – totally and on the projected date – the capital plus the interest;
- c) allow appreciable savings or an increase in currency receipts for the State concerned or the Member States;
- d) have a significant impact on the economic and social development through its direct contribution to domestic production;
- e) generate sufficient additional resources to justify their priority;
- f) contribute to improving the resources of the State, of localizing projects or Member States;

- g) aim at lessening the economic disparities between Member States;
- h) contribute to strengthening the regional integration and economic convergence of the member countries of the Community;
- i) contribute to promoting employment;
- j) allow transferring technical knowledge;
- k) participate in conserving the environment of Central African countries.

Checking that these conditions or some of them have been fulfilled should be the subject of a precise evaluation to estimate the viability of projects and their profitability as well as the intrinsic creditworthiness of borrowers.

Article 42: MANAGEMENT OF FUNDS

- 1 The Bank applies principles of sound financial management to its operations;
- 2 Loans and advances granted to carry out studies, projects and programs should be released progressively during their implementation;
- 3 When the borrower is a Member States, an inter-governmental organization, a mixed economy company or one that profits from a government guarantee, the Bank is to determine the terms and conditions of the financing by taking into account the situation and economic prospects of States or intended enterprises;
- 4 The Bank may temporarily invest its uncommitted permanent resources for the purpose of gaining interest and for a period that may not exceed twelve months.

Article 43: FINANCIAL REGULATIONS

The Executive Board approves its Financial Regulations for operations indicating the maximal and minimal limits imposed on loans of the Bank, as well as the normal costs paid by these operations and the terms and conditions for applying this subject.

CHAPTER V: ACCOUNTS OF THE BANK AND PERFORMANCE ASSIGNMENT

Article 44: DEPOSITS OF LIQUID ASSETS

1. Current liquid assets of the Bank are first deposited at the Central Bank which provides for cash operations of the Bank. They may be deposited there in the form of interest-bearing special accounts.
2. The Bank may – in relation to its needs – open accounts with financial institutions of Member States or elsewhere.

The terms and conditions for opening and operating these accounts will be determined by the Financial Regulations.

Article 45: ACCOUNTING RULES

Bank operations are to be carried out and recorded in conformity to the accounting standards that are generally accepted in the world.

Article 46: CLOSING ENTRIES

The Bank's accounts are closed and balanced on 31 December of each year. They are submitted to the scrutiny of the Executive Board and the approval of the General Assembly based on the report of the internal Auditors alluded to in Article 35.

For this purpose, they must be made available to Shareholders at least one month prior to the holding of the annual General Assembly meeting.

The Executive Board is to determine the value for which the pending claims may remain included in the assets accounts and carry out any depreciation and formation of funds that are considered necessary.

Article 47: DETERMINING AND ASSIGNING PROFITS

After having deduced any charges, setting up of funds and endowments for depreciation, the available surplus from income constitutes the net profit.

Out of the net benefit thus released, minus past losses if necessary, a levy of 10% is first taken and assigned to making up a statutory reserve fund.

This levy stops being obligatory when the amount of the reserve reaches a tenth of the registered capital.

The distributable earning is constituted from the net profits of the financial year, minus the former losses and the levy provided for on the preceding line and increased by forward premium of profits.

The General Assembly decides either to distribute it, to carry it forward, or to register it on one or several reserve items whose allotment and utilization it adjusts.

Article 48: APPROVAL OF ACCOUNTS

- 1 Within six months following the closure of the financial year, the accounts of the Bank are submitted to the approval of the General Assembly accompanied by the internal Auditors' report.
- 2 These accounts are published in the Official Bulletin of the Community.
3. A report about the activities and operations of the Bank during each financial year is presented to the General Assembly by the Chairman.

CHAPTER VI: SANCTIONS - SHAREHOLDER WITHDRAWAL AND SUSPENSION OF OPERATIONS

Article 49: SANCTIONS

1. When a shareholder fails to respect his obligations toward the Bank, he may:
 - a) be deprived of his voting rights, or
 - b) be suspended in his capacity of shareholder by the General Assembly.

For this purpose, when the accounts are approved, the General Assembly certifies the status of respect for the bonds of each shareholder – particularly as regards the discharge of share capital and loans repayment.

2. The decision on forfeiting voting rights or suspension is taken by majority vote of two thirds of those who represent three quarters of the subscribed capital;

3. The suspended shareholder automatically ceases to be a member of the Bank one year subsequent to the suspension date – unless an opposing decision of the General Assembly restores his status of shareholder.
4. During the suspension period, the concerned shareholder will have none of the rights conferred by these statutes – with the exception of withdrawal rights;
5. However, he remains subject to all of its obligations.

Article 50: WITHDRAWAL

1. Any shareholder may withdraw from the Bank after presenting a notice of 6 months provided by registered letter with receipt acknowledgement to the Head Office of the Bank or through any other means of communication that leaves written proof.
2. This withdrawal only takes effect on the closing date of the financial year that follows the expiration date of the notice addressed to the corporate head office of the Bank.

Article 51: SETTLEMENT OF ACCOUNTS

1. Suspending the capacity of shareholder does not suppress his obligations toward the Bank – particularly those relating to borrowed amounts he has contracted and the guarantees granted to him.
2. When a shareholder decides to withdraw from the capital, the Bank should take any measures required – either by redeeming his shares in conformity to lines 3 and 4 below or by having his shares bought back by a third party.

Redemption prices, in any potential case, will be the value of the said shares on the date that he ceases to be a shareholder as determined by an independent and reputable auditor's firm that is designated by the Executive Board – in collaboration with the said shareholder.

3. Category A and Category B shares may only be passed on to shareholders of the same category or to a third party who is eligible to acquire this category of shares in conformity with Article 13 of these statutes – unless the Bank decides to take them itself.
4. Payment for repurchased shares in accordance with the arrangements of this article is to be carried out according to the following terms and conditions:
 - a. All amounts due to a shareholder by way of repurchase of his shares will be kept by the Bank; from then on the said shareholder remains indebted as a borrower or guarantor toward the Bank and will be assigned to purging his obligations as they become due. Notwithstanding the preceding, no amount due to a shareholder by right of given up shares may be paid less than six months after he loses his status of shareholder.
 - b. Payment for the yield of transferred shares may be carried out in proportion to the remission of shares by the concerned shareholder to the Bank, but on the condition that the price of the said shares exceeds the total amount of the shareholder's obligations by virtue of his loans and securities.
 - c. Payments will be carried out in the currency of the zone or in any other convertible currency, considering – in due form – the financial situation of the Bank.
 - d. None of the dispositions of this article may be interpreted as rendering a shareholder responsible in his status of shareholder or former shareholder for bonds exceeding the transfer price of his shares other than loans or securities

If the Bank closes its operations – in accordance with Article 52.2 below – six months after the withdrawal of a shareholder, the rights of the said shareholder will be determined by applying the arrangements of Articles 52 to 54 and the said shareholder will be considered as a shareholder in applying the said arrangements, except that he will have no voting rights.

Article 52: SUSPENDING OPERATIONS

1. Under grave circumstances, the Executive Board may decide to temporarily suspend operations – particularly as relates to new loans and new securities.
2. Permanent suspension of Bank operations may be ordered by the General Assembly by a majority of two thirds of the votes representing three quarters of capital. This decision immediately affects new loans and securities.
3. As soon as operations are permanently suspended, the Bank ends all its activities with the exception of those that concern ordered fulfillment, conserving and protecting its assets as well as settling its liabilities.

Article 53: SHAREHOLDER RESPONSIBILITIES AND LIQUIDATION OF CREDITS

1. In case operations are permanently suspended, the responsibility of all shareholders resulting from their unredeemed subscriptions in the Bank's capital continues until all credits – including conditional credits – are liquidated.
2. All holders of direct credits are paid out of Bank assets, then out of funds deposited in the Bank in response to calls for unreleased subscriptions.
3. The Executive Board is to take any measure that it considers necessary to ensure a proportional distribution of direct credits as well as those that have conditional credits among holders.

Article 54: DISTRIBUTION OF ASSETS

1. In case the activities of the Bank are suspended, no distribution of its assets is made to shareholders by right of their subscription in the registered capital until:
 - a) all commitments to creditors have been liquidated;
 - b) the General Assembly has made the decision to carry out a distribution of assets of the Bank by a majority of two thirds of votes representing three fourth of its capital.
2. Following the distribution of the Bank's assets to shareholders, the duties of the latter are ended.

CHAPTER VII: REVISING THE STATUTES AND ARBITRATION

Article 55: REVISION

1. The dispositions of these statutes may be modified through a decision of the Extraordinary General Assembly by a majority of two-thirds and at the proposal of the Executive Board.
2. Any revision initiative of these statutes may only originate from the shareholders representing 25% of the registered capital.
3. In the period between the sessions of the General Assembly, any revision proposal must be communicated to the Executive Board. If this proposal is approved by the Board, every shareholder is to be invited to provide his written opinion.

Article 56: ARBITRATION

1. Any disputes originating from the interpretation or implementation of these statutes, coming from a shareholder of the Bank or on account of suspending operations between the Bank and a shareholder are to be submitted to the verdict of three arbitrators appointed as follows:
 - a) one from the Bank,
 - b) one from the concerned shareholder,
 - c) one from the two first arbitrators.
2. The last arbitrator has the full power to settle all procedural questions about which the two parties are in disagreement.

CHAPTER VIII: CONCLUDING ARRANGEMENTS

Article 57:

These Statutes – which abrogate all former arrangements to the contrary, modified by the Extraordinary General Assembly of 20 November 2002 – will be published wherever the need may be in French, English, Spanish, with the French text attesting.

GENERAL INTERVENTION FRAMEWORK

(November 2002)

CHAPTER I: GENERAL MATTERS

Article 1^{er}:

This General Intervention Framework completes the CASDB Statutes by determining its general intervention rules.

CHAPTER II: INTERVENTION AREAS OF THE BANK

Article 2:

The Bank aims essentially at contributing to balanced and harmonious development and integrating the economies of the CEMAC States.

The companies or enterprises in which the Bank may take shares or to which it may grant credits or securities are those listed in Article 37 of the Statutes. For this purpose the Bank considers the following as economic integration projects: common-interest national or regional projects involving at least two States, two economic operators who are natives of those States, as well as those that are promoted by the sub-regional or regional organizations in which at least two CEMAC States are participating.

These general principles will be subject to application regulations adopted by the Chairman of the Bank.

Article 3:

The Bank's interventions must be in conformity with the arrangements in Articles 40 and 41 of the Statutes.

However, when it is a question of national projects, the Bank must first finance:

- a) investments of companies and industrial enterprises;
- b) agricultural investments that assist in training and are complementary;
- c) infrastructure investments (transportation, roads, energy, railroads, port facilities, water resources, etc.) that are part of a coordinated plan of CEMAC States;
- d) investments relating to projects and industries planned in lines a, d and e of Article 37 of the Statutes;
- e) investments concerning real estate programs;
- f) information and communication technologies.

In any case, the Bank wishes to make sure that there is risk sharing with local banks and other financing bodies in its operations.

Article 4:

Investments in which the Bank is participating are aimed at:

- building or modernizing development infrastructures;
- creating, acquiring, modernizing or diversifying the means of production;
- Rehabilitating, restructuring or privatizing production enterprises.

However, in its interventions the Bank will be particularly concerned with environmental protection and preserving ecosystems.

Article 5:

For small and medium-size production or service enterprises, the Bank's interventions may be carried out either by direct assistance or through the intermediary of national financial institutions.

Article 6:

The Bank will intervene in financing infrastructures and educational and sanitary equipment, to the extent that these generate added value and justify satisfactory financial viability and profitability.

Financing investments that have already been carried out and financing credit repayments are prohibited.

Article 7:

1. The Bank may finance studies related to programs and projects it is aware of when these studies are needed to facilitate carrying out those programs and projects. It will finance feasibility studies only for programs and projects that have already been identified as well as preparing implementation files, excluding all other preliminary project studies;

However, the fact of accepting to participate in financing a study is not equivalent to a commitment to finance the project relating to it.

2. The Bank sets up a special fund for financing studies (Fund for Financing Studies). If the financing is accepted by the Bank, the cost of studies is incorporated into the overall amount of the loan or the share. They are then recuperated and invested according to specifically defined conditions for each type of obligation into the Fund for Financing Studies.
3. The Bank will primarily devote the fund for financing studies to regional projects and those that assist in mitigating the developmental disparities that exist between member countries.

CHAPTER III: FINANCING GUIDELINES

Article 8:

One of the Bank's main objectives is to mobilize internal resources for development and attract foreign capital toward CEMAC countries. The Bank is committed to seeking out more favorable conditions, particularly for financing infrastructures and rural development.

More particularly, as concerns basic rural development, the Bank is setting up a Special Fund for Basic Rural Development (*FSDRB*) that brings together all the resources that have been assigned to this sector. A Management Committee is responsible for conceiving the Bank's basic rural development policy that will be submitted for approval to the Executive Board, and implementing a specially adapted management and monitoring procedure for the Fund.

Article 9:

In general, the Bank is looking exclusively for medium and long term resources – preferably long-term ones with low interest rates. It is turning mostly to special resources and grants.

Using short-term resources is only authorized for temporary uses.

Article 10:

The Bank constitutes a special fund for interest subsidies on its loans so as to promote:

1. rural development investments or infrastructures; and
2. industrial projects being set up in landlocked countries.

This fund is supplied through:

- deductions on profits of the Bank, applying the dispositions of Article 47/3 of the Statutes;
- assignment of a portion of BEAC profits;
- Other contributions, endowments, assistance and subsidies.

Article 11:

The Bank may constitute a guarantee fund for endorsements or securities that it grants for the correct termination of assistance agreed to by other credit bodies or by suppliers. The risks incurred for these operations will be covered by a maximum of 50% of their total amount. The obligations by endorsement may not be more than 10 times the amount of sums listed in this fund.

The endowment of this fund may not exceed 10% of Bank ownership. When this ceiling is reached, or when the Bank experiences the need, it must promote the creation of an investment guarantee structure.

Article 12:

The Bank may acquire shares within the limits beyond those defined by Article 39 of the Statutes and up to the level of 25% of registered capital for CEMAC financial institutions or if it profits from endowments specifically assigned for this purpose.

It must retrocede the share deeds it holds to States, companies or to individuals who are nationals of these States.

For this purpose, it will set up and communicate a transfer plan for its shares each year. The transfer price will be equal to the book price of the share at the moment of transfer or the market price.

The share deeds once transferred will only be transferable to physical persons and legal entities originating in CEMAC States and to the States themselves.

CHAPTER IV: RESOURCE UTILIZATION

Article 13:

The Bank may not intervene in a project or program for more than 75% of the costs of the projected investment.

The ceiling for Bank obligations in a project may not exceed 10% of its permanent resources.

The minimum of interventions per direct obligations is set at 200 million FCFA, except for files presented by national relays – in the context of the Special Fund for Basic Rural Development.

Bank financing for non-eligible uses by its direct intervention is ensured through credit lines allocated to national financial as well as micro-credit institutions.

Article 14:

Setting up a minimum of 25% auto-financing is the precondition to granting a loan or security by the Bank

Article 15:

The Bank must make sure that sufficient equilibrium is maintained between the expiration of its bonds and those of its commitments. The life of credits will be set according to its ability to repay the loans.

The interest rates that the Bank applies to its various commitment categories should allow it to release – compared to the cost of resources that are assigned to it – a sufficient profit margin to ensure its normal operations and an adequate payment for its shareholders.

Article 16:

The total subscribed borrowing, drafts and commitments issued by the Bank may not exceed three times the amount of its ownership.

CHAPTER V: INTERVENTION TERMS AND CONDITIONS

Article 17:

Bank interventions – in the form of loans, securities, commitments, endorsements or interest subsidies – may only be applied to projects that present proven financial and economic profitability.

Considering this profitability obligation, Bank assistance to financing Basic Rural Development (DRB) that present particular risks are governed by Act #13/89-UDEAC-462 which created the Special Fund for Basic Rural Development, without going so far as to question the general intervention rules of the Bank.

Article 18:

The Bank is directly informed of any request for financing by project promoters, who must respond to all requests of the Bank and provide it with the documents required to evaluate the validity of the project to be financed.

Article 19:

The Bank must take all the appropriate guarantees to ensure the correct termination of its operations. In the case of regional projects, the solidarity guarantee of concerned States may be required according to the nature and importance of projects, or by default those which show solidarity with a financial institution whose creditworthiness has been established.

In the case of a loan requested by a public enterprise or a mixed economy company, the Bank may obtain the guarantee from the State that these bodies depend on, or the guarantee of an accepted financial institution or other appropriate securities.

In the case of a loan granted to a private enterprise, the Bank may obtain the guarantee from an accepted financial institution, the surety from the main shareholders, the guarantee from the State where it is established and/or the real securities.

CHAPTER VI: RELATIONSHIPS WITH FINANCIAL INSTITUTIONS

Article 20:

The Bank is to cooperate closely with national financial institutions so as to ensure that projects will be identified, prepared, evaluated, financed, carried out and monitored.

As much as possible, the Bank will have its operations concerning small and medium-size businesses and their shares pass through these institutions.

The defining criteria for *PMEs* will be decided upon by the intervention procedures of the Bank.

Article 21:

As a complement to its budgetary resources, the Bank may appeal to bilateral or multilateral help so as to obtain technical and financial assistance.

CHAPTER VII: CONTRIBUTION TO AFRICAN ECONOMIC INTEGRATION

Article 22:

The Bank may provide its assistance in developing and implementing economic programs aimed at the integrated economic development of Africa.

CHAPTER VIII: REGISTRATION AND PUBLICATION

Article 23:

This General Intervention Framework – adopted by the Extraordinary General Assembly on 20 November 2002 – will be published wherever it is needed in French, English and Spanish, with the French text serving as proof.

SPECIAL FUND FOR BASIC RURAL DEVELOPMENT (FSDRB)

ECONOMIC AND CUSTOMS UNION

ACT # 13 /89-UDEAC-462

OF CENTRAL AFRICA

Establishing the Special Fund for Basic Rural
Development (FSDRB)

COUNCIL OF HEADS OF STATE

COUNCIL OF HEADS OF STATE

OF THE CENTRAL AFRICAN ECONOMIC AND CUSTOMS UNION

Given the Treaty establishing the Central African Economic and Customs Union, signed on 8 December 1964 in Brazzaville as well as the subsequent modifying texts;

Given the Act #4/65-UDEAC-42 dated 14 December 1965 by the Council of Heads of State setting the conditions and implementation period for the Acts and Decisions of the Council of Heads of State and the Managing Committee, modified by subsequent texts;

Given the Agreement founding a Central African States Development Bank;

Given the Act #4/75-UDEAC-79 bearing the statement of CASDB general policy

Given the Act # 15 /85-UDEAC-461 dated 18 December 1985 founding the Conference of Ministers in charge of Agriculture, Animal Husbandry, Forestry, Hunting and Fishery Resources, modified by subsequent texts;

Considering the opinion of the Conference of Ministers in charge of Agriculture, Animal Husbandry, Forestry, Hunting and Fishery Resources presented in its meeting held in Bangui in October 1989;

In its session of 13 December 1989

ADOPTES

The act whose contents follow:

Article 1:

In application of the dispositions of Article 8 of the Statement of General Policy of the CASDB, a Special Fund for Basic Rural Development (FSDRB) is established.

Article 2:

The Special Fund for Basic Rural Development is responsible for the anticipatory management of the CASDB operations in the sector under consideration in which it exclusively intervenes. For this purpose, it develops the financing policy for the Bank's Basic Rural Development that it submits to the Executive Board for approval. It then carries out its implementation and monitoring.

It explains its activities to the General Assembly and the Council of Heads of State.

INTERVENTION SCOPE OF THE FUND

Article 3:

The beneficiaries of the Fund depend on the following sectors of activity:

- support for organizing, structuring and animating the rural world;
- production of maritime equipment (exclusively investment expenses) such as those concerning village or pastoral hydraulics;
- creating and developing rural activities that generate added value in the sectors of agriculture, animal breeding, fisheries as well as that of handicrafts through producing, packing, transforming or marketing;
- Creating and developing *PEAs*.

FUND INTERVENTION FORMS

Article 4:

The Fund intervenes in the form of:

- loans,
- setting up credit lines,
- equity participation,

Or any other form that is appropriate to Basic Rural Development.

FUND RESOURCES

Article 5:

The Fund has assigned resources at its disposal that may be composed of:

- an initial endowment, whose amount is set by the Council of Heads of State;
- annual endowments whose amount is set by the Council of Heads of State;
- annual endowment owned by the CASDB;
- grants;
- long-term, low interest-rate borrowing contracted by the CASDB in behalf of the Fund from foreign countries or national, multinational or international institutions;
- exceptionally and under the conditions defined in Article 7 of this Act, loans subscribed to at market rates;
- interest and loan recovery;
- financial yields from investing its liquid assets;
- advantages (particularly in the form of advances and discounts) granted by the BEAC through the CASDB.

INTERVENTION CONDITIONS

Article 6:

Because of the profitability of the intended sector, the resources must be collected under the mildest conditions possible.

The CASDB margin is calculated so as to allow a correct payment for its services. In case the credits transit through a national relay, the latter must also commit itself to limiting its margin, which will be specified in the loan agreement.

The Fund provides its assistance to States in the context of sliding long-term programming developed jointly.

In this context, subject to the guarantee of the concerned State, the Fund may provide its assistance directly to a decentralized community, a public legal entity (public institution, State enterprise) or to an enterprise in which the concerned State has a financial share (mixed economy company).

Likewise, it profits a private legal entity (enterprise, NGO-type organization) when the concerned State signs a contract with it related to setting up a *DRE* project. It is subject to separate and distinct books in the accounts of the private legal entity that has contracted it.

The Fund may provide its assistance to small rural farmers through national relays: *INFD* or by default an accepted commercial bank or project.

The granted loans are guaranteed by the concerned State or by decentralized communities where operations are set up. In the latter case, the concerned State is committed to see to it that unpaid amounts by farmers are written as obligatory expenses in community budgets and take responsibility for those who in turn begin to default on their payments.

THE MANAGEMENT COMMITTEE

Article 7:

The Special Fund for Basic Rural Development is operated by a Management Committee.

Composition

Article 8:

The Management Committee for the Special Fund for Basic Rural Development is presided over by the Chairman of the CASDB, which is also composed of:

- the Vice-Chairman,
- the Director of Studies,
- the Director of Operations,
- the Administrative and Finance Director
- The Director of Legal Affairs.

It may request the assistance – in an advisory role – of any other competent persons.

Attributions

Article 9:

Three-year sliding forecasts are set up from information provided by competent managers.

Every year the management committee submits to the Executive Board for its approval up to date forecasts on credit volumes to be set up – depending on the needs collected from States and the volume of resources which it may have at its disposal. It also submits intervention rates in line with the cost of resources, the Bank's profit margin, and even if necessary the exchange risk coverage as well as the potential for subsidies.

At least once a quarter, the Management Committee comes together to examine the implementation of forecasts (status of resources and uses). If divergences are noted, the committee is to decide on corrective measures to be taken that will be submitted for approval to the Executive Board – if they relate to their competence.

Within the CASDB, the Management Committee is the only competent body as relates to allocating loans for financing Basic Rural Development.

It monitors the preliminary investigation for loans files and approves them before they are presented to the Executive Board.

It arbitrates the assignment of resources while credits are being set up to draw nearer to the estimated rate through mixing.

It prepares the detailed annual report of activities which is submitted – after approval by the Executive Board – to the CASDB General Assembly as well as the Council of Heads of State. A memorandum will be drawn up for the Conference of Ministers of Agriculture, Animal Breeding, Forestry, Hunting and Fishery Resources.

FUND OPERATIONS

Article 10:

Fund operations are provided by the CASDB according to its usual procedures.

So as to ensure continuous monitoring for Fund activities and coordinate the work of each department, a Permanent Secretariat has been established for the Special Fund for Basic Rural Development.

Accounting procedures of the Bank are to be arranged so as to allow analytical monitoring of all operations of the Fund – particularly those related to resources and uses.

SUBSIDIES

Article 11:

Although the Special Fund for Basic Rural Development has the duty to seek out resources that are free of charge or obtainable at low interest rates to finance Basic Rural Development operations, the priorities requested by the Council of Heads of State may lead it to complement the said resources through borrowing carried out under less favorable conditions. In this case, a subsidy should be set up to reduce loan rates for borrowers.

Financing the subsidy may be provided by the States of the Union, the BEAC, the CASDB or any other donor – by abounding a specific fund that has been set up for that purpose.

Article 12:

This Act will be recorded, published in the Official Record of the Union and communicated wherever needs be.

Signed in Bangui on 13 December 1989

THE PRESIDENT

André KOLINGBA
General of the Army