Folder Title: Banque Nationale de Developpement Economique [BNDE] Project (02) - Morocco - Loan 0447 - P005352 - Negotiations 01

Folder ID: 1697555

Project ID: P005352

Dates: 5/28/1965 - 5/5/1966

Fonds: Records of the Middle East and North Africa Regional Vice Presidency

ISAD Reference Code: WB IBRD/IDA MNA

Digitized: 11/29/2017

This file is closed as of May 5,1966- the date of the Loan approval.

For further correspondence see MOROCCO 447 MOR Administration.

FORM No. 26
(6.65)

BNDZ
2

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~~JHW~~
Files

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

MAY 5 1966

INCOMING CABLE

DATE AND TIME OF CABLE: MAY 5, 1966 0920

LOG NO.: RC22 - MAY 5

TO: EL EMARY INTBAFRAD

FROM: RABAT

ROUTING	
ACTION COPY:	MR. EL EMARY
INFORMATION COPY:	MR. WILLIAMS
DECODED BY:	

A. G. El Emary

TEXT:

REFERENCE CABLE 10267 VOUS FAIT CONNAITRE DATE FINALE

DEBLOCAGE PRES ETAT 15 SEPTEMBRE 1966 HAUTE CONSIDERATION

BENKIRAN BADEMAROC

cc - a

MP

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

ORIGINAL

Le 4 mai 1966

Monsieur A. Tadlaoui
Ambassade du Maroc
1601 - 21st St., N.W.
Washington, D.C.

Cher Monsieur,

Je vous prie de bien vouloir trouver ci-jointe la version finale légèrement modifiée du communiqué de presse que la Banque compte émettre dès l'approbation du prêt à la BNDE. Comme vous le savez, le Conseil d'Administration qui doit examiner ce prêt est prévu pour demain, jeudi 5 mai.

Je vous prie d'agréer, cher Monsieur, l'expression de mes sentiments les meilleurs.

Munir P. Benjenk
Chef de Division
Département Afrique

Pièce jointe

MPBenjenk:nl

cc: Messrs. Jones
Povey
Sekse
Kreuter
Rutland/Metherate
Garrana/Lundberg

BNDE 2

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

CONFIDENTIAL

FOR EXECUTIVE DIRECTORS' MEETING

For consideration on May 5, 1966.

FROM: The Secretary

R66-54-L/1

May 4, 1966

PROPOSED LOAN - MOROCCO

With reference to the President's Report and Recommendation (R66-54) on a proposed loan to the Banque Nationale pour le Développement Economique (BNDE) in Morocco to be considered by the Executive Directors at a meeting to be held on Thursday, May 5, 1966, there is attached the relative Statutory Committee Report.

Distribution:

Executive Directors and Alternates
President
President's Council
Executive Vice President, IFC
Department Heads, Bank and IFC

STATUTORY COMMITTEE REPORT

To: The President, International Bank for Reconstruction and Development

Report of Committee under Section 4(iii) of Article III of the Articles of Agreement on the Proposed Loan (Second BNDE Project) to Banque Nationale pour le Developpement Economique to be guaranteed by the Kingdom of Morocco.

The undersigned Committee constituted under Section 7 of Article V of the Articles of Agreement of International Bank for Reconstruction and Development (the Bank) hereby submits its report pursuant to Section 4(iii) of Article III of said Articles in respect of the proposal that the Bank grant to Banque Nationale pour le Developpement Economique a loan in an amount in various currencies equivalent to U. S. $17,500,000, which loan is to be guaranteed by the Kingdom of Morocco. The purpose of said loan is to assist the Borrower in providing credits and other productive investments for specific investment projects in Morocco.

1. The Committee has carefully studied the merits of the proposal to grant such a loan, and of the purposes to which the proceeds of the loan are to be applied.

2. The Committee is of the opinion that the project toward the financing of which the proceeds of such loan are to be applied comes within the purposes of the Bank as set forth in Article I of said Articles of Agreement, and that said project is designed to promote the development of the productive facilities and resources of the Kingdom of Morocco and is in the interests of the Kingdom of Morocco and of the members of the Bank as a whole.

3. Accordingly, the Committee finds that said project merits financial assistance from the Bank, and hereby recommends said project for such assistance.

COMMITTEE

/s/ S. R. Cope
Deputy Chairman of the Loan Committee

/s/ Abdeslam Tadlaoui
Expert selected by Governor for Morocco

/s/ A. G. El Emary
Director, Africa Department

/s/ Ellsworth E. Clark
Deputy General Counsel

/s/ William Diamond
Staff member designated by
Executive Vice President of IFC

/s/ Robert W Cavanaugh
Treasurer

Dated at Washington, D. C.
April 27, 1966

MOI 31UDR
2

Form No. 27
(7-61)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

OUTGOING WIRE

TO: BENKIRANE
BADEMAROC
RABAT

COUNTRY: (MOROCCO)

DATE: MAY 4, 1966

CLASS OF SERVICE: URGENT FULL RATE

HT

TEXT:
Cable No.:

REMERCIEMENTS VOTRE CABLE 27 AVRIL CONCERNANT NOUVEAU PRET GOUVERNEMENT STOP DATE FINALE POUR DEBLOCAGE RECUE COMME 15 MARS 1966 REPETONS 1966 STOP PRESUMONS ERREUR STOP PRIERE NOUS CABLER URGEMMENT DATE CORRECTE STOP AMITIES

EL EMARY

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME A. G. El Emary

DEPT. Africa

SIGNATURE
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

MPBenjenk:nl

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SIGNATURE

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NAME A. G. EL EMARY

MESSAGE AUTHORIZED BY:

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COMMUNICATIONS

MAY 4 11 18 AM 1966

MAY 4 11 39 AM 1966

cc: Kistler
Sekse
Tovey
Sekse

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EL EMARY

STOP AMITIES

STOP PRESUMONS ERREUR STOP PRIERE NOUS CABLER INCIDEMMENT DATE CORRECTE

STOP DATE FINALE POUR DEBLOCAGE RECUE COMME 15 MARS 1966 REFERONS 1966

REMERCIEMENTS VOTRE CABLE 53 VARIE CONCERNANT NOUVEAU PRET GOUVERNEMENT

Cable No.:
TEXT:

COUNTRY: (MOROCCO)

RABAT

RADEMARAC

TO: BENKIRANE

SERVICE: URGENT FULL RATE

CLASS OF

DATE: MAY 4, 1966

OUTGOING WIRE

INTERNATIONAL DEVELOPMENT ASSOCIATION	RECONSTRUCTION AND DEVELOPMENT INTERNATIONAL BANK FOR	INTERNATIONAL FINANCE CORPORATION

Form No. 53 (1-61)

Files MOR 2372

FORM No. 26
(6.65)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

INCOMING CABLE

DATE AND TIME OF CABLE: MAY 2, 1966 1200

LOG NO.: RC41 - MAY 2

TO: EL EMARY INTBAFRAD

FROM: RABAT

ROUTING

ACTION COPY: MR. EL EMARY

INFORMATION COPY: MR. WILLIAMS

DECODED BY:

A. G. El Emary

TEXT:

REFERENCE VOTRE CABLE 8510 NOTRE LETTRE ET NOTRE COMPLEMENTAIRE TRANSMISE 23 FEVRIER 66 A MONSIEUR WILLIAMS ONT FOURNI EXPLICATIONS DEMANDEES SUR DIVERS ASPECT PROJET SUITE LETTRE B.I.R.D. CONSEIL B.N.D.E. 7 MARS A AGREER UNANIMITE PROJET APRES EXAMEN DETAILLE EXCEPTION MONSIEUR BEEVOR QUI A RESERVE REPONSE. VOUS PRIE BIEN VOULOIR CABLER VOTRE POSITION DEBLOQUAGE CREDIT PREVU JUILLET

AMITIES

BENKIRAN BADEMAROC

MP

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ORIGINAL

FORM No. 26
(6-65)

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BADR 2

JHW

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

1966 MAY 2

INCOMING CABLE

DATE AND TIME OF CABLE: MAY 2, 1966 1500

LOG NO.: RC 46 - MAY 2

TO: EL EMARY INTBAFRAD

FROM: RABAT

TEXT:

ROUTING	
ACTION COPY:	MR. EL EMARY
INFORMATION COPY:	MR. WILLIAMS
DECODED BY:	

A. G. El Emary

4/29

REMERCIEMENTS VOTRE CABLE 8507 AU SUJET SIGNATURE PRET B.N.D.E. COMME PRECEDANT PRET PRESIDENT LYAZIDI SERA PRESENT SIGNATURE ACCORD. PRIERE CABLEZ DECISION CONSEIL POUR PREPARATION VOYAGE AMERIQUE DU PRESIDENT HAUTE CONSIDERATION

BENKIRANE BADEMAROC

cc: given A

NA

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

ORIGINAL

Form No. 27
(7-61)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

MO
BUDE 2

OUTGOING WIRE

TO: BENKIRANE
BADEMAROC
RABAT

COUNTRY: (MOROCCO)

TEXT:
Cable No.:

DATE: APRIL 29, 1966

CLASS OF SERVICE: NLT

2 T T

REUNION CONSEIL ADMINISTRATION FIXEE CINQ MAI STOP SI CONSEIL APPROUVE PRET VOUS ENVERRONS IMMEDIATEMENT TELEGRAMME PROPOSANT DATE SIGNATURE POUR PREMIERS JOURS SEMAINE SUIVANTE STOP PRIERE NOUS CABLER SI MONSIEUR LYAZIDI OU VOUS-MEME SEREZ PRESENTS SIGNATURE OU SI COMPTEZ DELEGUER SIGNATAIRE STOP SALUTATIONS DISTINGUEES

EL EMARY

OCR
5/2

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MESSAGE AUTHORIZED BY:

NAME A. G. El Emary

DEPT. Africa

SIGNATURE _____
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

MPBenjenk:nl

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DATE 4.29.66
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MESSAGE AUTHORIZED BY:

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DEPT. MIFTCA

SIGNATURE

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INTERNATIONAL DEVELOPMENT ASSOCIATION	RECONSTRUCTION AND DEVELOPMENT INTERNATIONAL BANK FOR	CORPORATION INTERNATIONAL FINANCE

Form No. 55 (1-61)

DATE: APRIL 29, 1966

CLASS OF SERVICE: NLT

TO: BENKIRANE
BADEMARCC
RABAT

COUNTRY: (MOROCCO)

TEXT:

Cable No.:

REGION CONSEIL ADMINISTRATION FIXEE CINQ MAI STOP SI CONSEIL APPROUVE
PREM VOUS ENVERRONS IMMEDIATEMENT TELEGRAMME PROPOSANT DATE SIGNATURE POUR
PREMIERS TOURS SEMAINE SUIVANTE STOP PRIERE NOUS CABLER SI MONSIEUR LAZRAKI OU
VOUS-MEME SEREZ PRESENTS SIGNATURE OU SI COMPLET DELEGUER SIGNATURE STOP

SALUTATIONS DISTINGUEES

EL EMARY

HO BWBE 2

NON-OFFICIAL TRANSLATION

OUTGOING WIRE

BENKIRANE

BADEMAROC

RABAT

(MOROCCO)

APRIL 29, 1966

NLT

MEETING BOARD OF DIRECTORS SCHEDULED MAY 5 STOP IF BOARD APPROVES LOAN WE SHALL SEND YOU IMMEDIATELY CABLE SUGGESTING DATE SIGNATURE FOR EARLY PART FOLLOWING WEEK STOP PLEASE CABLE US WHETHER MR. LYAZIDI OR YOURSELF WILL BE PRESENT SIGNATURE OR WHETHER YOU INTEND TO APPOINT SIGNATORY STOP YOURS SINCERELY

EL EMARY

A. G. El Emary

Africa

cc: Messrs. Jones
Povey
Sekse
Kreuter
Rutland/Metherate
Garrana/Lundberg

MPBenjenk/RAssa:lm/nl

FORM NO. 26
(6-65)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

BNDE 2
Files 237

INCOMING CABLE

DATE AND TIME OF CABLE: APRIL 27, 1966 1825

LOG NO.: RC7 - APR 28

TO: EL EMARY INTBAFRAD

FROM: RABAT

ROUTING

ACTION COPY: MR. EL EMARY

INFORMATION COPY: MR. WILLIAMS

DECODED BY:

TEXT: 4/26

CORRECTED COPY

A. G. El Emary

REMERCIEMENTS CABLE 8502 ET 10209. MINISTERE FINANCE A TRANSMIT TOUT DOCUMENTS DEMANDES. CONCERNANT INCIDENCE APPLICATION CONVENTION NO 5 SUR RENTABILITE VOUS FAIS SAVOIR

PRIMO DEBLOQUAGE DIX MILLIONS PAR TRANCHE JUSQU'A 15 SEPTEMBRE 1966 SOMMES INFORMES PROCHAIN DEBLOQUAGE 2,5 MILLION DIRHAMS FIN COURANT

SECONDO SUIVANT ETUDE REMISE A MONSIEUR DIAMOND AU MOIS JANVIER PREVISION POUR 1966 BENEFICE APRES IMPOTS 1,3 MILLIONS DHS. SUIVANT CONVENTION SIGNE 1,2 MILLIONS DE DIRHAMS SOIT LEGERE DIMINUTION 8 POUR CENT SI TOUTES PRECISION SE CONFIRMENT. PAS DE CHANGEMENT POUR ANNEE SUIVANTE.

VOUS PRIE CABLEZ DATE SIGNATURE CONTRAT HAUTES CONSIDERATIONS

BENKIRANE BADEMAROC

MP

May 4

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COMMUNICATIONS

MAY 5 10 46 AM 1966

MOBNDZ
2

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

CONFIDENTIAL

FOR EXECUTIVE DIRECTORS' MEETING

For consideration on May 5, 1966.

FROM: The Secretary

R66-54-L

April 27, 1966

PROPOSED LOAN - MOROCCO

In connection with the President's Report and Recommendation (R66-54) on a proposed loan to the Banque Nationale pour le Développement Economique (BNDE) in Morocco to be considered by the Executive Directons on Thursday, May 5, 1966, one copy of each of the legal documents is attached:

1. Draft Loan Agreement
2. Draft Guarantee Agreement
3. Statutory Committee Report*

*To be distributed.

Distribution:

Executive Directors and Alternates
President
President's Council
Executive Vice President, IFC
Department Heads, Bank and IFC

MO BNDE 2.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

CONFIDENTIAL

FOR EXECUTIVE DIRECTORS' MEETING

For consideration on May 5, 1966.

FROM: The Secretary

R66-54

April 27, 1966

PROPOSED LOAN - MOROCCO

1. The attached President's Report and Recommendation (P-481) on a proposed loan to the Banque Nationale pour le Développement Economique (BNDE) in Morocco will be considered by the Executive Directors at a meeting to be held on Thursday, May 5, 1966.

2. Attached to the President's Report and Recommendation is a report entitled "Re-Appraisal of the Banque Nationale pour le Développement Economique (BNDE)" (DB-27b) dated April 26, 1966.

3. A report entitled "Recent Economic Developments in Morocco" (AF-36) dated September 24, 1965 was circulated on September 27, 1965 (IDA/R65-16).

4. A draft Loan Agreement, draft Guarantee Agreement and the Statutory Committee Report are being circulated as report R66-54-L.

Distribution:

Executive Directors and Alternates
President
President's Council
Executive Vice President, IFC
Department Heads, Bank and IFC

BOOK 2

IDA IBRD IFC

FORM NO. 92 (10-61)

CORRESPONDENCE RECORD FORM

FROM

Ministere des Finances
Rabat, Morocco

DATED April 26, 1966

SUBJECT

Letter re: the authority given the Moroccan Ambassador to Washington, to sign in behalf of the Moroccon Government, the Contract of Guarantee. Addressed to IBRD

REFERRED TO Mr. Benjenk

DATE RECEIVED May 2, 1966 jgv

HOT BNDE 2

Form No. 27
(7-61)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

OUTGOING WIRE

TO: SON EXCELLENCE
MAMOUN TAHIRI
MINISTRE DES FINANCES
RABAT

COUNTRY: MOROCCO

TEXT:
Cable No.:

DATE: APRIL 26, 1966

CLASS OF SERVICE: FULL RATE

ITT

VOUS REMERCIE VOTRE TELEGRAMME 25 AVRIL STOP VOUS PRIE CABLER URGEMMENT AMBASSADE DU MAROC DESIGNANT FONCTIONNAIRE AMBASSADE COMME MEMBRE COMITE STATUTAIRE SELON ANNEXE 'A' NOTRE NOTE 28 FEVRIER REMISE A BENKIRANE STOP VOUS RAPPELLE AUSSI NECESSITE DELEGUER PLEINS POUVOIRS AMBASSADEUR POUR SIGNATURE CONTRAT DE GARANTIE STOP HAUTE CONSIDERATION

EL EMARY

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME A. G. El Emary

DEPT. Africa

SIGNATURE (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

MPBenjenk:nl

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NON-OFFICIAL TRANSLATION

OUTGOING WIRE

HIS EXCELLENCY

MAMOUN TAHIRI

MINISTER OF FINANCE

RABAT

MOROCCO

APRIL 26, 1966

FULL RATE

I THANK YOU YOUR CABLE APRIL 25 STOP KINDLY CABLE URGENTLY MOROCCAN EMBASSY APPOINTING EMBASSY OFFICIAL AS MEMBER STATUTORY COMMITTEE IN ACCORDANCE APPENDIX "A" OUR NOTE FEBRUARY 28 DELIVERED TO BENKIRANE STOP WE ALSO REMIND YOU NECESSITY TO GRANT FULL POWERS AMBASSADOR FOR SIGNATURE GUARANTEE AGREEMENT STOP SINCERELY

EL EMARY

A. G. El Emary

Africa

cc: Messrs. Jones
Povey
Sekse
Kreuter
Rutland/Metherate
Garrana/Lundberg

MPBenjenk/RAssa;lm/nl

BUDE 2

Form No. 27
(7-61)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

OUTGOING WIRE

TO: BENKIRANE
BADEMAROC
RABAT

DATE: APRIL 26, 1966

CLASS OF SERVICE: FULL RATE

COUNTRY: (MOROCCO_

TEXT:
Cable No.:

AVONS CABLE AUJOURD'HUI MINISTRE TAHIRI TEXTE SUIVANT CITATION VOUS REMERCIE VOTRE TELEGRAMME 25 AVRIL STOP VOUS PRIE CABLER URGEMMENT AMBASSADE DU MAROC DESIGNANT FONCTIONNAIRE AMBASSADE COMME MEMBRE COMITE STATUTAIRE SELON ANNEXE 'A' NOTRE NOTE 28 FEVRIER REMISE A BENKIRANE STOP VOUS RAPPELLE AUSSI NECESSITE DELEGUER PLEINS POUVOIRS AMBASSADEUR POUR SIGNATURE CONTRAT DE GARANTIE STOP HAUTE CONSIDERATION FIN DE CITATION STOP SALUTATIONS

EL EMARY

4/27

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME A. G. El Emary

DEPT. Africa

SIGNATURE _____
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MPBenjenk:nl

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DEPT. VALTOR

APR 26 6 10 PM 1966

NAME

MESSAGE AUTHORIZED BY:

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Torrey

Belcher

Kirkland/Moffitt/Stone

Gertsman/Lundquist

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CORPORATION INTERNATIONAL FINANCE	RECONSTRUCTION AND DEVELOPMENT INTERNATIONAL BANK FOR	ASSOCIATION INTERNATIONAL DEVELOPMENT

Form No. 11 (Rev.)

DATE: APRIL 25, 1966

CLASS OF SERVICE: FULL RATE

TO: RENKINANE

RABENARAC

RABAT

COUNTRY: (MOROCCO

TEXT:

Copy No.:

VOUS CARTE VALIDUM, NOT RENKINANE APRES TEXTE SUIVANT CITATION VOUS RENVOYONS ACORD ENTENDANAME SE VANIT STOP VOUS PRIE CARTEN DOCUMENT MARRSADE DU MANOC DESTINATAT RONCTIONNAIRE MARRSADE CONTE MEMBRE COMITE STATUTAIRE SELON ANNEXE (A) NOTRE NOTE SO TEANTEN REMISE A RENKINANE STOP ACORD RATHERTE VASSI NECESSITE DETENUES MEMBRE PONVOIRS VARRSADEN PONR SIGNATURE CONTRAT DE GARANTIE STOP HAUTE CONSIDERATION ETN DE CITATION

STOP SALUTATIONS

ET TEANTEN

MOL BNDR
2

non-OFFICIAL TRANSLATION

OUTGOING WIRE

BENKIRANE

BADEMAROC

RABAT

MOROCCO

APRIL 26, 1966

FULL RATE

WE HAVE TODAY CABLED MINISTER TAHIRI FOLLOWING TEXT QUOTE WE THANK YOU YOUR CABLE APRIL 25 STOP PLEASE CABLE URGENTLY MOROCCAN EMBASSY APPOINTING EMBASSY OFFICIAL AS MEMBER STATUTORY COMMITTEE IN ACCORDANCE TO APPENDIX "A" OUR NOTE FEBRUARY 28 DELIVERED TO BENKIRANE STOP WE ALSO REMIND YOU NECESSITY TO GRANT FULL POWERS AMBASSADOR FOR SIGNATURE GUARANTEE AGREEMENT STOP SINCERELY END QUOTE STOP REGARDS

EL EMARY

A. G. El Emary

Africa

cc: Messrs. Jones
Povey
Sekse
Kreuter
Rutland/Metherate
Garrana/Lundberg

MPBenjenk/RAssa:lm/nl

Form No. 27
(7-61)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

OUTGOING WIRE

TO: BENKIRANE
BADEMAROC
RABAT

COUNTRY: (MOROCCO)

TEXT:
Cable No.:

DATE: APRIL 25, 1966

CLASS OF SERVICE: NLT

REMERCIEMENTS VOTRE LETTRE 13 AVRIL AVEC PHOTOCOPIE CONVENTION NUMERO CINQ DATEE 31 MARS ENTRE GOUVERNEMENT ET BNDE STOP NOTONS QUE REDUCTION INTERET PAS RETROACTIVE ET QUE DEBLOCAGE PRET SERA PAR TRANCHES SUCCESSIVES AU LIEU DISPONIBILITE IMMEDIATE PREVUE PENDANT NOS ENTRETIENS STOP PRIERE NOUS CABLER DES PRECISIONS SUR CE DERNIER POINT PERMETTANT EVALUATION EFFET RENTABILITE BNDE STOP HAUTE CONSIDERATION

EL EMARY

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME A. G. El Emary

DEPT. Africa

SIGNATURE
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

ESekse/MPBenjenk:scc/nl

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Clearance/Authorization

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

SIGNATURE

DEPT. FILES

NAME A. O. EL TAYEB

MESSAGE AUTHORIZED BY:

Checked for Dispatch:

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Initial/Expires

Paper

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cc: Secretary General

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APR 25 6 13 PM 1966

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INTERNATIONAL FINANCE CORPORATION	RECONSTRUCTION AND DEVELOPMENT INTERNATIONAL BANK FOR	INTERNATIONAL DEVELOPMENT ASSOCIATION

Form No. 22 (2-64)

DATE: APRIL 25, 1966

CLASS OF SERVICE: NLT

TO: MONTEVIDEO

ADDRESSED

NAMAT

COUNTRY: (MOROCCO)

TEXT:

Copies No:

MAKING GIND DATED 21 MARS MAKE CONFIDENTIAL EL BIDE TACH MOTORS

GOUR MEMORIEN KNEMEN EAS MEMORCHIAE EL GOR DEBTOCOUE MEM SEMA

EAS ANTHONIE SECONDSYAEE UA KIEN DERSONNELLE INSEDIVIE BETAIE

MENDAN HUS EMMENTENES TACH MAIRE HOUS CARTES DES MEDICIONS SEN

OU DEMIEN BOUNE ANNEXTENAT EAVITAVION MEMEL EMMAVAIILE BIDE TACH

NOTE CONSIDERATION

EN EMMAX

ENCEMCIEMENTS AGNEE ETTEMEE IS VANIT VANC PROTOCOUIE CONMENTION

BNDE
2

NON-OFFICIAL TRANSLATION

BENKIRANE

BADEMAROC

RABAT

(MOROCCO)

APRIL 25, 1966

NLT

GRATEFUL YOUR LETTER APRIL 13 AND PHOTOCOPY CONVENTION NUMBER FIVE DATED MARCH 31 BETWEEN GOVERNMENT AND BNDE STOP WE TAKE NOTICE THAT REDUCTION INTEREST RATE NOT RETROACTIVE AND THAT LOAN WILL BE RELEASED BY SUCCESSIVE PORTIONS INSTEAD OF IMMEDIATE AVAILABILITY AS ENVISAGED DURING OUR TALKS STOP PLEASE CABLE DETAILS ABOUT LATTER POINT TO PERMIT APPRAISAL OF EFFECT UPON BNDE'S PROFITABILITY STOP REGARDS

EL EMARY

FORM No. 26
(6.65)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

HOL
BNE
VX 389
VX index

INCOMING CABLE

DATE AND TIME OF CABLE: APRIL 25, 1966 1700

LOG NO.: RCL - APR 26

TO: EL EMARY INTBAFRAD

FROM: RABAT

ROUTING

ACTION COPY: MR. EL EMARY

INFORMATION COPY: MR. WILLIAMS

DECODED BY:

TEXT:

SUITE VOTRE APPEL CE JOUR AI PLAISIR VOUS CONFIRMER

PREMIEREMENT ACCORD GOUVERNEMENT INTERPRETATION PRESIDENT WOODS DE L'ENSEMBLE ECHANGE CORRESPONDANCES RELATIVES PROCEDURE DESIGNATION DIRECTEUR GENERAL B.N.D.E. LETTRE CONFIRMATION SUIT

DEUXIEMEMENT D'ACCORD DOUBLE MISSION 28 AVRIL POUR C.N.C.A. SIDISLIMANE ET 9 MAI RAPPORT SYNTHESE PROCHAINE REUNION GROUPE CONSULTATIF

TROISIEMEMENT DERNIER ETAT DETTE PUBLIQUE DEJA ADRESSE LE 19 AVRIL.

UN AUTRE CABLE RELATIF AUTRES AFFAIRES SUIS VIFS REMERCIEMENTS VOTRE INTERET HAUTES CONSIDERATIONS

MAMOUN TAHIRI

MP

4/26.

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

DUPLICATE

231

BNDE 2

FORM No. 60
(2.65)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

CONFIDENTIAL

LOAN COMMITTEE

April 21, 1966

MEMORANDUM TO THE LOAN COMMITTEE

Morocco - Bank Loan to the Banque Nationale pour le Développement Economique (BNDE)

Attached for information is a memorandum from the Director of the Africa Department to the Chairman of the Loan Committee, dated April 18, 1966, transmitting for approval the draft Report and Recommendation of the President on a proposed loan of $17.5 million to the Banque Nationale pour le Développement Economique (BNDE).

John M. Malone
Secretary
Loan Committee

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF AREA DEPARTMENTS
DIRECTOR, PROJECTS DEPARTMENT
GENERAL COUNSEL
DIRECTOR, ECONOMICS DEPARTMENT
TREASURER
DIRECTOR, DEVELOPMENT SERVICES DEPARTMENT

Copies for Information to:

President
Vice President
Economic Adviser to the President
Secretary
Director of Information
Director, Economic Development Institute
Director, European Office
Special Advisers to the President
Special Representative for UN Organizations
Executive Vice President (IFC)

OFFICE MEMORANDUM

To Mr. J. Burke Knapp April 18, 1966

From A. G. El Emary

Subject MOROCCO - Loan of $17.5 million to the Banque Nationale pour le Développement Economique (BNDE)

1. In connection with this project, I am sending you the following documents:

The draft President's Report and Recommendation to the Executive Directors proposing to make a $17.5 million loan to the Banque Nationale pour le Développement Economique (BNDE) in Morocco to be used by BNDE for making loans to, and other investments in, private industrial and other productive enterprises in Morocco;

the draft Loan Agreement, the draft Guarantee Agreement and supplementary letters;

the draft Appraisal Report (No. DB-27a).

A memorandum on "Recent Economic Developments in Morocco" (AF-36) was prepared in September 1965 in connection with the Moroccan Education Project 79-MOR. In the period since the issuance of that memorandum there has been no significant departure from the trends discussed in it.

2. Since the Loan Committee considered the project on February 18, 1966 [a] the amount of the loan has, with your agreement, been increased from $15 million to $17.5 million to take account of increases in the business of BNDE which can be expected in 1966 and 1967.

3. During the negotiations with Mr. Benkirane, Director General of BNDE, the following points were discussed and agreed upon:

(a) In order to reinforce the management BNDE will employ a suitable adviser and a Deputy Managing Director. At the suggestion of IFC, an experienced investment banker who may be willing to accept the function of adviser is at present visiting Morocco to discuss the matter.

(b) In the future, BNDE will follow a more flexible reserve policy than in the past.

---

[a] See document: LC/O/66-10, dated February 14, 1966

(c) BNDE's Board will henceforth meet more frequently than in the past and the procedure of consultation by mail on projects will be reduced as much as possible.

(d) In accordance with the Bank's policy all equity investments proposed by BNDE to be financed from the proposed loan will require prior Bank approval. Under the first loan agreement the free limit of $150,000 applied to loan and equity investments alike.

(e) Only such expenditures as are made by the investment enterprise 150 days or less prior to the date of crediting by the Bank of the relevant portion of the loan will be eligible for withdrawal.

4. After the loan negotiations, BNDE signed an agreement with the Moroccan Government for a long-term loan of DH 10 million at 2% p.a. surbordinated to conventional debt and thus adding to BNDE's borrowing base. Under the same agreement the Government agreed to reduce the interest rate for the first subordinated loan of DH 20 million from 4% to 2% p.a.

5. In a recent exchange of letters between the Moroccan Minister of Finance, Mr. Tahiri, and Mr. Woods, certain modalities were agreed upon with respect to the nomination, appointment and terms of office of the Director General of BNDE. We are still awaiting confirmation from Mr. Tahiri to a letter and cable sent by Mr. Woods with respect to the understanding reached and the documents will not be distributed to the Executive Directors until such information arrives.

6. The appraisal report has been redrafted to take into account the points mentioned in the present memorandum.

7. This memorandum and the papers mentioned herein have been cleared with the Working Party.

8. I would appreciate your giving your comments on these papers to Mr. Benjenk (ext. 3571) by 10:00 a.m., Tuesday, April 26.

Attachments

cc: Mr. G. D. Woods
Mr. S. R. Cope
Loan Committee (without attachments)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

CONFIDENTIAL

SecM66-127

FROM: The Secretary

April 20, 1966

STATUS OF NEGOTIATIONS - MOROCCO

1.	NEGOTIATIONS:	Nearly completed; approval of the draft loan documents by the Government of Morocco is awaited.
2.	BORROWER:	Banque Nationale pour le Développement Economique (BNDE), a development finance company in Morocco.
3.	GUARANTOR:	Kingdom of Morocco.
4.	AMOUNT:	Bank loan in various currencies equivalent to US$17.5 million.
5.	INTEREST:	To be charged on each portion of the loan at the Bank's current rate when it is credited.
6.	COMMITMENT CHARGE:	3/8 of 1% per annum on the undisbursed portions of amounts credited to the loan account.
7.	AMORTIZATION:	The initial amortization schedule provides for amortization over 15 years in 30 semi-annual payments beginning January 1, 1969 and ending July 1, 1983, subject to change to conform substantially with the aggregate of the amortization schedules for the projects for which loan funds are disbursed.
8.	PURPOSE:	To be used by BNDE for making loans to, and other investments in, private industrial and other productive enterprises in Morocco to cover the foreign exchange costs of specific projects.
9.	CONSIDERATION BY EXECUTIVE DIRECTORS:	Early May 1966.

Distribution:

Executive Directors and Alternates
President
President's Council
Executive Vice President, IFC
Department Heads (Bank and IFC)

M. BNDE 2

Form No. 26
(6.65)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

INCOMING CABLE

DATE AND TIME OF CABLE: APRIL 19, 1966 1200

LOG NO.: RC 18 - APRIL 19

TO: EL EMARY INTRAFRAD

FROM: RABAT

ROUTING	
ACTION COPY:	MR. EL EMARY
INFORMATION COPY:	MR. WILLIAMS
DECODED BY:	

TEXT:

4/18

VOUS REMERCIE CABLE 1006 SUJET REUNION CONSEIL POUR CONTRAT PRET B.N.D.E ET DOCUMENTS NECESSAIRES. VOUS TRANSMETS CE JOUR PAR AVION EXPRESS POUR B.N.D.E DOCUMENTS DEMANDES. AI DEMANDE MINISTRE FINANCES VOUS TRANSMETTRE DOCUMENTS GOUVERNEMENTAUX ET DELEGATION DE POUVOIR HAUTES CONSIDERATIONS

BENKIRAN RABEMAROC

AB

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

DUPLICATE

BNDE 2
NO

RABAT, LE 19 AVRIL 1966

البنك الوطني للإنماء
BNDE
BANQUE NATIONALE POUR LE DEVELOPPEMENT ECONOMIQUE
CAPITAL 30 MILLIONS DE DIRHAMS
BOITE POSTALE 407 : RABAT - TEL. 264.41-42 & 43 ADRESSE TÉLÉGRAPHIQUE BADEMAROC

M. EL EMARY
Directeur du Département Afrique
B.I.R.D.
WASHINGTON

DG/HL n° 153

SPECIAL DELIVERY

DIRECTION GÉNÉRALE

WK
file
A

4/22

Cher Monsieur EL EMARY,

J'accuse réception de votre câble ainsi rédigé :

"Espérons pouvoir présenter prêt BNDE Conseil administration première "semaine Mai si recevons prochains jours primo documents gouvernemen- "taux et délégations de pouvoir mentionnés notre correspondance avec "Monsieur TAHIRI ainsi que dans notre du 28 Février secundo date et "copie conforme agrément entre BNDE Gouvernement concernant nouveau "prêt 10 millions dirhams stop - haute considération (EL EMARY).

Je vous transmets ci-joint , au titre de la BNDE :

- l'extrait des délibérations du Conseil du 7 Mars relatif à la délégation de pouvoir pour la signature du contrat de prêt entre la BIRD et la BNDE, en deux exemplaires ;
- la consultation juridique sur le contrat de prêt entre la BIRD et la BNDE attestée par M. Jacques JOUANNET, Docteur en droit, Chef du Service Contentieux de la Banque du Maroc ;
- un exemplaire de la Convention n°5 signée entre le Gouvernement du Royaume du Maroc et la BNDE, relative à la diminution du taux d'intérêt du quasi-capital et au prêt à long terme de 10 millions de Dirhams.

./.

cc: Messrs. JONES
POVEY
SEKSE/Houston
Africa "A" (WK)
Original to Operational Files 4/5
Attachments to Mr. JONES

Mr 5/3

Je demande ce jour à;Monsieur le Ministre des Finances, comme je vous l'ai indiqué par câble, de vous transmettre d'urgence les documents de sa compétence.

Je vous remercie des dispositions que vous avez bien voulu prendre afin de présenter au Conseil d'Administration, dès la première semaine du mois de Mai, le projet de contrat entre la BIRD et la BNDE.

Je vous prie de croire, Monsieur EL EMARY, à l'expression de ma haute considération. -

Le Directeur Général

Mohamed BENKIRANE.

B. N. D. E.

Rabat, le 7 Mars 1966

Conseil d'Administration du 7 Mars 1966 - Point n°7 a et b.

Extrait du procès-verbal des délibérations du Conseil d'Administration de la Banque Nationale pour le Développement Economique en date du 7 Mars 1966

Le 7 Mars 1966 à 11 h. le Conseil d'Administration de la Banque Nationale pour le Développement Economique s'est réuni au siège de la Banque à Rabat, sous la présidence de M. Ahmed LYAZIDI, Président.

Après avoir constaté que le Conseil peut valablement délibérer conformément aux dispositions de l'article 25, paragraphe 4 des statuts, le Président et le Directeur Général informent le Conseil des résultats des négociations avec la Banque Internationale pour la Reconstruction et le Développement, qui se sont déroulés à Washington du 21 Février au 3 Mars 1966, au sujet de l'obtention d'une deuxième ligne de crédit.

Conformément aux dispositions des articles 25, 26, 27 et 28 des statuts, le Conseil adopte les résolutions suivantes :

1ère résolution :
Après échange de vue le Conseil approuve à l'unanimité l'exposé de son Directeur Général au sujet des négociations menées en son nom avec la Banque Internationale pour la Reconstruction et le Développement en vue de l'obtention d'une deuxième ligne de crédit.

2ème résolution :
Le Conseil d'Administration approuve l'octroi par la Banque Internationale pour la Reconstruction et le Développement à la Banque Nationale pour le Développement Economique du prêt en monnaies diverses équivalent à DIX SEPT MILLIONS CINQ CENT MILLE dollars ($ 17.500.000) et donne tous pouvoirs à son Président Monsieur Ahmed LYAZIDI et à Monsieur Mohamed BENKIRANE, Administrateur-Directeur Général, les deux pouvant agir ensemble ou séparément pour conclure et signer tous contrats, conventions, protocoles ou lettres annexes y afférant dans la forme négociée, faire généralement tout ce qui est nécessaire à l'objet visé ci-dessus, accomplir toute formalité et déléguer ensemble ou séparément les mêmes pouvoirs à tout mandataire.-

Un Administrateur — **Le Président du Conseil d'Administration**

Abdelkader Benslimane
Ahmed Lyazidi

M. Abdelkader BENSLIMANE. — **Signé : Ahmed LYAZIDI.**

9 MARS 1966

Signé : Abdelhamid BALGHRI

M BNDE

2

Form No. 27
(7-61)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

OUTGOING WIRE

TO: BENKIRANE
BADEMAROC
RABAT

COUNTRY: (MOROCCO)

TEXT:
Cable No.:

DATE: April 18, 1966

CLASS OF SERVICE: LT

APT

ESPERONS POUVOIR PRESENTER PRET BNDE CONSEIL ADMINISTRATION PREMIERE SEMAINE MAI SI RECEVONS PROCHAINS JOURS PRIMO DOCUMENTS GOUVERNEMENTAUX ET DELEGATIONS DE POUVOIR MENTIONNES NOTRE CORRESPONDANCE AVEC MONSIEUR TAHIRI AINSI QUE DANS NOTRE NOTE DU 28 FEVRIER

SECUNDO DATE ET COPIE CONFORME AGREMENT ENTRE BNDE GOUVERNEMENT CONCERNANT NOUVEAU PRET 10 MILLIONS DIRHAMS STOP HAUTE CONSIDERATION

EL EMARY

Ock 4/19

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME Munir P. Benjenk

DEPT. Africa A

SIGNATURE _____
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

MPBenjenk:nl

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Messrs. Skillings
T. Jones
Povey
Sekse

For Use by Archives Division

Checked for Dispatch: _____

(IMPORTANT: See secretarial guide for preparing form)

ORIGINAL (File copy)

Checked for dispatch

DISPATCHED

GENERAL FILES
COMMUNICATIONS

APR 18 6 15 PM 1966

For use by cipher division

MESSAGE AUTHORIZED BY:

NAME A. G. EL MANSOURI

DEPT. VISTOS A

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO AUTHENTICATE MESSAGE)

CLEARANCES AND COPY DISTRIBUTION:

MESSRS. SKILLINGS
T. JONES
FORBES
BEKKER

NOT TO BE TRANSMITTED

EL MANSOURI

CONFIDENTIAL MONTANT PRET 10 MILLIONS DIRHAMS STOP HAUTE CONSIDERATION

SECURITE DATE EL COLIE CONFORME VOKENEAL ENTRE BIDE GOUVERNEMENT

MAHMOUD VISAT QUE DANS NOTRE TELEXE DU 58 EFFECTUER

EN DEVISES DE POUVOIR MENTIONNER NOTRE CORRESPONDANCE VOUS MONSIEUR

SENATEUR MAI SI RECEVOIR MACHINE TOUTE INFO DOCUMENTS GOUVERNEMENTAUX

PERSONNE POUVOIR PRESENTER PRET BIDE CONSEIL ADMINISTRATION PREMIERE

Cable No:

TEXT:

COUNTRY: (MOROCCO)

RABAT

CASABLANCA

TO: BRAZZAVILLE

DATE: APRIL 18, 1966

CLASS OF SERVICE: FT

FT

OUTGOING WIRE

INTERNATIONAL DEVELOPMENT ASSOCIATION	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	INTERNATIONAL FINANCE CORPORATION

Form No. 22
(1-61)

M. BUDE
2

Form No. 27
(7-61)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

OUTGOING WIRE

TO: SON EXCELLENCE
MAMOUN TAHIRI

MINISTRE DES FINANCES

RABAT

COUNTRY: MOROCCO

DATE: April 18, 1966

CLASS OF SERVICE: NLT

2 T T

TEXT:
Cable No.:

ESPERONS POUVOIR PRESENTER PRET BNDE CONSEIL ADMINISTRATION PREMIERE SEMAINE MAI SI RECEVONS PROCHAINS JOURS DOCUMENTS SUIVANTS

PRIMO DOCUMENTATION JURIDIQUE ET DELEGATIONS MENTIONNEES PREMIERE PAGE NOTRE NOTE 28 FEVRIER REMISE MONSIEUR BENKIRANE

SECUNDO LETTRE CONCERNANT DETTE PUBLIQUE DEMANDEE NOTRE TELEGRAMME 14 AVRIL

TERTIO CONFIRMATION DEMANDEE LETTRE WOODS 9 MARS ET CABLE 1 AVRIL STOP

HAUTE CONSIDERATION

EL EMARY

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME Munir P. Benjenk

DEPT. Africa A

SIGNATURE _____
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

MPBenjenk:nl

ORIGINAL (File Copy)
(IMPORTANT: See Secretaries Guide for preparing form)

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T. Jones
Povey
Sekse

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APR 18 6 15 PM 1966

For use by Archives Division

INTERNATIONAL

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO AUTHORIZE TRANSMISSION)

SIGNATURE

DEPT: FINANCE

NAME: A. G. M. MARTIN

MESSAGE AUTHORIZED BY:

Roles
Forey
T. Jones
Messrs. Gnittiness

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NOT TO BE TRANSMITTED

EN EMBAR

MAYLE CONSIDERATION

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VARIF

SECUNDO FELLSE CONCENTRAL DELLE PORTIONE DEMANDEE NOLME LETTERAMME IL

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PRIMO DOCUMENTATION JURIDIQUE EL DETERMINATIONS MENTIONNEES PRENDRE PLACE

SEMAINE MAI SI NECESSAIRE PROCHAINE TOUTES DOCUMENTS ORIGINALES

RESPONSE POUVOIR PERSONNEL PRET BANK CONSEIL ADMINISTRATION PRENDRE

Cable No:

TEXT:

COUNTRY: MOROCCO

MINISTERE DES FINANCES

RABAT

TO: SON EXCELLENCE

MOHAMED LAHDAI

DATE: APRIL 18, 1966

CLASS OF SERVICE: NFL

OUTGOING WIRE

INTERNATIONAL DEVELOPMENT ASSOCIATION	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	INTERNATIONAL FINANCE CORPORATION

Form No. 34 (1-61)

BNDE 2

IDA | IBRD | IFC

FORM NO. 92 (10-61)

CORRESPONDENCE RECORD FORM

FROM	DATED
BNDE Rabat, Morocco	April 18, 1966

SUBJECT

Letter re: negotiations in 12th line of Credit of BNDE.

Addressed and

REFERRED TO	DATE RECEIVED
Mr. El Emary	April 18, 1966 jgv

BNDE 2nd

Mr. William Diamond April 13, 1966

Einar Sekse

BNDE - Second Loan: Submission of Projects

The recent exchange of cables and letters between Mr. Benkirane and the Bank essentially boils down to the following:

Benkirane appears to be concerned about two things:

(a) that BNDE should be able to utilize to the fullest extent the 150 days proposed in Section 3.02 of the draft loan agreement;

(b) that, in doing so, the Bank's commitment charge will not start before BNDE is in a position to charge its borrowers for the fee (in fact, for the double of the Bank's; BNDE's commitment charge being 3/4% p.a.).

The problem he apparently saw, was this:

BNDE needs a provision in its (sub-loan) contract saying that only expenditures made later than 150 days prior to date n (Bank's date of crediting) will be financed by BNDE. Therefore, BNDE needs to know the Bank's date of credit before it can sign a contract with its borrower. However, BNDE's contract does not become effective - and, by implication, BNDE cannot start charging the commitment fee - until it has been registered and the necessary guarantees obtained. This being so, the Bank's commitment charge would start before BNDE's can.

What Benkirane has overlooked is that, when a project has been approved by the Bank (when necessary), the date of credit is entirely at BNDE's command. [Section 2.02(a) "Following approval by the Bank.... there shall be credited at the request of the Borrower... provided .... there shall have been no substantial change in the Investment Project so approved."] BNDE can choose any future date it wants for insertion in the sub-loan contract, and can cable the Bank instructions some days in advance to credit the loan account on that specific date.

This procedure, we feel, would, in fact, "encourage the Borrower to submit projects for approval at the earliest possible stage." Having obtained early approval, BNDE will have all the time it needs to draw up the loan contract and have it made effective before eventually submitting the request for credit to the Bank, and it will be able to effectively control that such credit is being made early enough for the 150 days rule to embrace all foreign exchange expenditures that BNDE wants to finance.

ESekse:amm

البنك الوطني للانماء الاقتصادي
BNDE
BANQUE NATIONALE POUR LE DEVELOPPEMENT ECONOMIQUE
CAPITAL 30 MILLIONS DE DIRHAMS
BOITE POSTALE 407 - RABAT - TÉL. 264.41.42
& 43 ADRESSE TÉLÉGRAPHIQUE BADEMAROC

RABAT, LE 13 AVRIL 1966

DG/HL n° 136

DIRECTION GÉNÉRALE

SPECIAL DELIVERY

Monsieur EL EMARY
Directeur du Département "Afrique"

B.I.R.D. - WASHINGTON

A. G. El Emary

Cher Monsieur EL EMARY,

Vous voudrez bien trouver ci-joint la convention n° 5 signée entre le Gouvernement du Royaume du Maroc et la Banque Nationale pour le Développement Economique, portant sur l'avance de 10 millions de Dirhams qui sera consentie par l'Etat marocain à la B.N.D.E. et sur la réduction du taux d'intérêt du quasi-capital de 4 % à 2 %.

Il ne nous a pas été possible d'obtenir que le bénéfice de la réduction du taux d'intérêt puisse jouer en faveur de la B.N.D.E. à partir du 1er Janvier.

Je profite de cette occasion pour vous demander de bien vouloir nous préciser la date de signature du contrat de prêt portant sur le deuxième prêt de la Banque à la B.N.D.E.

Je vous prie de croire, Cher Monsieur EL EMARY, à l'assurance de ma considération distinguée. -

Le Directeur Général

Mohamed BENKIRANE.

APR 1 - 1966

CONVENTION N°5

Entre le Gouvernement du Royaume du Maroc

et

la Banque Nationale pour le Développement Economique.

Entre les soussignés :

- le Gouvernement du Royaume du Maroc ; stipulant au nom de l'Etat et représenté par Monsieur Mamoun TAHIRI, Ministre des Finances, et

- la Banque Nationale pour le Développement Economique, Société Anonyme au capital de 30 millions de dirhams, ci-après dénommée la B.N.D.E. ayant son siège social à Rabat et représentée par Monsieur Ahmed LYAZIDI son Président, dûment autorisé par le Conseil d'Administration.

VU la convention passée le 30.7.1959 entre le Gouvernement du Royaume du Maroc et la B.N.D.E. approuvée par Dahir n° 1-59-294 du 18 Rebia II 1379 (21-10-1959) et notamment son article 1er,

VU la convention n° 4 passée entre le Royaume du Maroc et la B.N.D.E en date du 31.8.1962

IL EST CONVENU CE QUI SUIT

Article 1er. - Le taux d'intérêt prévu à l'article 2 de la convention n° 4 en date du 31 Août 1962 est ramené de 4 % à 2 % à compter du 1er.4.1966.

Article 2. - En application de l'article 1er de la convention du 30 juillet 1959, l'Etat consent, à compter du 1.4.1966 à la B.N.D.E., qui accepte, un prêt à long terme de 10 millions de dirhams.

Le montant de ce prêt sera versé à compter du 1er Avril 1966 par tranches successives.

Article 3. - Le prêt portera intérêt au taux de 2 % l'an.

Article 4. - Le prêt sera remboursable en quinze annuités constantes du 15.9.1982 au 15 septembre 1996.

Article 5. - Le règlement des intérêts dus au titre du prêt visé à l'article 1 er de la convention n°4 en date du 31 Août 1962 ainsi que le règlement des intérêts dus au titre du prêt visé à l'article 2 de la présente convention seront effectués le 31 décembre de chaque année.

Article 6. - Les conditions de l'article 4 de la convention n°4 du 31 Août 1962 sont applicables au prêt consenti dans les conditions prévues aux articles 2, 3 et 4 ci-dessus.

Fait en deux exemplaires originaux
RABAT, le 31 Mars 1966

Monsieur Ahmed LYAZIDI
Président du Conseil d'Administration
de la B.N.D.E.

Monsieur Mamoun TAHIRI
Ministre des Finances

BNDE 2

RABAT, LE 8 AVRIL 1966

البنك الوطني للانماء الاقتصادي

BANQUE NATIONALE POUR LE DEVELOPPEMENT ECONOMIQUE

CAPITAL 30 MILLIONS DE DIRHAMS
BOITE POSTALE 407 - RABAT - TÉL. 264.41.42 & 43 ADRESSE TÉLÉGRAPHIQUE BADEMAROC

Banque Internationale pour la
Reconstruction et le Développement
1818 H Street N.W.

WASHINGTON D.C. 20 433

N° DG-115

A l'attention de M. EL EMARY.

A
A. G. El Emary

4-13

Messieurs,

J'ai l'honneur d'accuser réception et de vous confirmer les télégrammes ci-après relatifs au contenu du projet de contrat de prêt de $ E.U. 17 500 000.

Votre télégramme du 25 Mars 1966 :

ME REFERE VOTRE LETTRE 9 MARS AU SUJET DIVERSES SECTIONS CONTRAT PRET STOP PRIMO-SECTION 2.04 - PERIODE FRANCHE 60 JOURS NON CONSENTIE DANS PREMIER CONTRAT DE PRET ET APPLICATION SECTION 2.02 REGLEMENT DE PRETS FORMELLEMENT ELIMINEE PAR ANNEXE 1 (A) DE CE CONTRAT STOP SECTION 2.04 NOUVEAU CONTRAT DE PRET CALQUE SUR PREMIER CONTRAT - EN CONSEQUENCE PERIODE FRANCHE 60 JOURS NE S APPLIQUE PAS SECUNDO - SECTION 3.02 - PREFERONS MAINTENIR DELAI 150 JOURS STOP TOUTEFOIS SECTION 3.02 LIGNE 4 MENTIONNE " SAUF ACCORD CONTRAIRE ENTRE BANQUE ET EMPRUNTEUR " INDIQUANT AINSI POSSIBILITE OBTENIR ACCORD BANQUE POUR DELAI PLUS LONG DANS CAS EXCEPTIONNEL TERTIO - SECTION 2.07 - SOMMES D ACCORD POUR 15 JANVIER ET 15 JUILLET STOP SECTION 2.08 - DATES DEVRAIENT ETRE EGALEMENT 15 JANVIER ET 15 JUILLET STOP ME REFERANT PROJET NOUVEAU CONTRAT DE PRET PROPOSE NOUVELLES MODIFICATIONS SUIVANTES - SECTION 2.09 WAA 135 - PROPOSONS LEGERE MODIFICATION TEXTE 2.09 QUI JOUERA EN FAVEUR DE LA BNDE EN PREVOYANT QUE TOUT REMBOURSEMENT PAR ANTICIPATION A LA BANQUE S APPLIQUERA A LA PORTION DU TABLEAU D AMORTISSEMENT QUI REFLETE LE PRET FAIT A UNE ENTREPRISE D INVESTISSEMENT OU A L INVESTISSEMENT EFFECTUE PAR L EMPRUNTEUR ET POUR LESQUELS UN REMBOURSEMENT PAR ANTICIPATION A LA BNDE A ETE EFFECTUE - STOP - SECTION 5.05 (E) LIGNE 7 LIRE DES PRETS D UN TOTAL DE 30 MILLIONS -STOP- SECTION 5.11 (A) LIRE EMPRUNTEUR NE PROPOSERA A SON ASSEMBLEE GENERALE AUCUNE MODIFICATION DE SES STATUTS -STOP- ANNEXE 1- TABLEAU D AMORTISSEMENT - PROPOSONS PREMIER JANVIER 1969 COMME PREMIERE DATE D ECHEANCE ET PREMIER JUILLET 1983 COMME DERNIERE ECHEANCE -STOP- ANNEXE 2(9) PARAGRAPHE INCLU PAR ERREUR ET PAR CONSEQUENT ANNULE - STOP - AIMERIONS SAVOIR SI CONVENTION GOUVERNEMENT NUMERO CINQ SIGNEE ET DATE DE SIGNATURE - PRIERE ENVOYER COPIE CONFORME PAR AVION-STOP- LETTRE SUIT DONNANT DETAILS SUR MODIFICATIONS CI-DESSUS MAIS ESPERONS POURREZ DONNER VOTRE ACCORD PAR TELEGRAMME POUR NOUS PERMETTRE PRESENTER PRET CONSEIL BANQUE SUR BASE CONTRAT DE PRET AINSI MODIFIE - SALUTATIONS - EL EMARY =

./.

Notre réponse du 30 Mars 1966 :

VOTRE CABLE 25 MARS PRIMO SECTION 2.04 D ACCORD AVEC VOUS MAIS ATTIRONS VOTRE ATTENTION SUR SITUATION DE FAIT SUIVANTE STOP. NOS PRETS SUPERIEURS A DH 750 000 NE PEUVENT ETRE CONSENTIS QU APRES ACCORD NOTRE CONSEIL VOTRE APPROBATION ET CREDIT EN COMPTE PRET SECTION 2.02 STOP - DATE VOTRE CREDIT DETERMINE BASE POUR CALCUL DES 150 JOURS SECTION 3.02 STOP - NOS CONTRATS DOIVENT PRECISER CETTE DATE LIMITE DES 150 JOURS POUR SELECTION DES DEPENSES EFFECTUEES PAR ENTREPRISES INVESTISSEMENT STOP - SI CELA N EST PAS RISQUONS NE PAS ABOUTIR A RESULTAT CONCRET DANS POLITIQUE MENEE POUR QUE INVESTISSEURS SOUMETTENT LEURS PROJETS AVANT DE LES AVOIR DEJA ENTAMES EN REALISATION STOP - C EST POURQUOI NOUS DEMANDONS VOUS EXAMINER MEME REDUIT A 30 JOURS BENEFICE SECTION 2.02 REGLEMENT DE PRETS QUE VOUS VENEZ D ANNULER STOP - AUTRES POINTS VOTRE CABLE ACCORD STOP - CONVENTION NUMERO CINQ SIGNEE VOUS ENVERRONS COPIE CONFORME - CONSIDERATIONS - BENKIRANE

Votre télégramme du 5 Avril 1966 :

REFERENCE VOTRE CABLE 30 MARS - SECTION 3.02 PREVOIT BANQUE CREDITERA VOTRE COMPTE A VOTRE DEMANDE - STOP - PAR CONSEQUENT POUVEZ INCLURE APRES APPROBATION BANQUE ET AVANT DEMANDE CREDIT TOUTE DATE QUI VOUS CONVIENT DANS CONTRATS DE PRET AVEC VOS EMPRUNTEURS - STOP - DELAI = PAGE 2/42 = QUI VOUS EST NECESSAIRE POUR ENREGISTRER CONTRATS ET AUTRES FORMALITES POURRA COURIR ENTRE DATE APPROBATION BANQUE ET VOTRE CONSEIL ET DATE FIXEE PAR VOUS POUR CREDITER COMPTE - STOP - ESTIMONS CETTE SOLUTION DE NATURE A RESOUDRE VOTRE PROBLEME = EL EMARY - INTBAFRAD =

J'ai pris bonne note des modifications et précisions apportées ; je les verse au dossier du contrat.

Avec mes remerciements anticipés, je vous prie d'agréer, Messieurs, l'assurance de ma considération très distinguée.

Le Directeur Général,

Mohamed BENKIRANE

P63 | MOr BNDE
8 AVRIL 1966 2
MO 309
Tourisme

البنك الوطني للإنماء
BNDE
BANQUE NATIONALE POUR LE DEVELOPPEMENT ECONOMIQUE
CAPITAL 30 MILLIONS DE DIRHAMS
BOITE POSTALE 407 - RABAT - TEL. 264.41.42
& 43 ADRESSE TÉLÉGRAPHIQUE BADEMAROC

RABAT, LE 04 AVRIL 1966

Monsieur EL EMARY
Directeur du Département "Afrique"
B. I. R. D.
WASHINGTON

A. G. El Emary
A
19/4

14/19 DG/HL n° 127

DIRECTION GÉNÉRALE

Cher Monsieur EL EMARY,

Lors des négociations au sujet de la deuxième ligne de crédit de la B. N. D. E. qui se sont déroulées du 21 Février au 3 Mars 1966 à Washington, nous avons examiné le projet de protocole relatif aux dispositions proposées entre la B. N. D. E. et la C. P. I. M. en vue du financement de projets dans le secteur touristique. Vous avez bien voulu, d'une part, nous demander d'insérer dans le protocole conjoint avec la C. P. I. M. un paragraphe spécifiant les recours de la B. N. D. E. au cas où les projets ne seraient pas examinés de manière satisfaisante afin que ces recours soient conformes, dans tous les points essentiels à ceux qui seront convenus dans l'accord de prêt entre la Banque et la B. N. D. E.

D'autre part, vous avez également demandé à la B. N. D. E d'examiner à nouveau la possibilité d'obtenir certaines garanties en ce qui la concerne relativement à ces projets. Vous avez enfin décidé qu'en cas d'accord définitif sur ces divers points, la B. I. R. D. pourrai faire des exceptions appropriées aux dispositions de l'accord de prêt en ce qui concerne les projets financés con jointement avec la C. P. I. M

J'ai l'honneur de vous faire savoir que la C. P. I. M. a accepté d'insérer, après le 1er alinéa de l'article 10 les dispositions suivantes qui reprennent celles de l'article 5. 03 du projet de convention de prêt entre la B. I. R. D. et la B. N. D. E.

Article 10 -

a) De manière générale, la CPIM exercera ses droits à l'égard de chaque projet d'investissement financé au moyen des fonds empruntés de manière à sauvegarder les intérêts de la BNDE et de la CPIM.

./.

b) Tout crédit accordé par la CPIM à une entreprise d'investissement ou tout autre investissement effectué par la CPIM dans une telle entreprise pour un projet d'investissement financé au moyen des fonds empruntés, sera accordé ou effectué à des conditions permettant à la CPIM d'obtenir, par accord écrit de ladite entreprise d'investissement ou par toute autre voie juridique appropriée des droits suffisants pour sauvegarder les intérêts de la CPIM et de la BNDE ou de toute personne désignée par elle, y compris le droit d'exiger que ladite entreprise d'investissement réalise et gère le projet d'investissement avec la diligence appropriée et l'efficacité voulue et conformément à des normes techniques et financières saines, y compris la tenue de registres appropriés ; le droit d'exiger que les biens financés au moyen des fonds empruntés soient utilisés exclusivement pour la réalisation dudit projet d'investissement ; le droit de la BNDE ou de toute personne désignée par elle et de la CPIM d'inspecter lesdits biens et les emplacements, travaux et constructions compris dans ledit projet d'investissement, la manière dont il est géré et tous registres et documents pertinents ; le droit d'exiger que ladite entreprise d'investissement contracte et conserve toute assurance contre tels risques et pour tels montants qui seraient nécessaires pour se conformer à des pratiques commerciales saines et que, sauf accord contraire de la BNDE les assurances se rapportant à des risques maritimes ou de transit concernant les biens financés au moyen des fonds empruntés soient payables en dollars ou dans la monnaie dans laquelle;le paiement des biens ainsi assurés doit être effectué ; et le droit d'obtenir toutes informations que la BNDE ou toute personne désignée par elle, et la CPIM pourront raisonnablement demander au sujet de ce qui précède et des opérations et de la condition financière de ladite entreprise d'investissement. Lesdits droits comprendront une disposition appropriée aux termes de laquelle, au cas où ladite entreprise d'investissement ne respecterait pas les conditions dudit crédit ou de tout autre investissement, la CPIM pourra suspendre ou mettre fin au droit pour cette entreprise d'utiliser les fonds empruntés.

D'autre part, il ne nous a pas été possible d'obtenir d'autres garanties que celles prévues dans le projet de protocole d'accord et le Ministre des Finances, résumant les divers entretiens menés au sujet de ces garanties, vient de me transmettre sa réponse que vous voudrez bien trouver ci-joint.

Je vous prie de bien vouloir me faire connaître la position de la Banque à cet égard afin de me permettre de poursuivre l'examen des dossiers hôteliers actuellement à notre disposition.

./.

Vous voudriez bien également nous faire connaître les exceptions appropriées aux dispositions de l'accord de prêt que vous voudriez bien prendre en ce qui concerne les projets qui seront financés conjointement avec la CPIM notamment en ce qui concerne le pourcentage des biens importés achetés en varc localement, les détails entre les dépenses exécutées par l'entreprise et le crédit en compte à la B. I. R. D. (sect. 3. O2), la procédure relative aux justificatifs (conformément à notre lettre du 17. 2. 1966).

Je vous serais reconnaissant de bien vouloir nous transmettre votre position sur les divers sujets évoqués, étant actuellement saisi de plusieurs demandes de la CPIM pour lesquelles une réponse rapide et définitive s'impose à notre égard.

Comme convenu entre nous lors de mon dernier séjour à Washington, je vous transmets ci-joint, à titre d'exemple, un premier dossier hôtelier étudié suivant les normes habituelles de la B. N. D. E., pouvant etre proposé en cas d'accord, à l'agrément de notre Conseil.

Veuillez agréer, Cher Monsieur EL EMARY, l'expression de ma considération distinguée. -

Le Directeur Général

Mohamed BENKIRANE.

ROYAUME DU MAROC

MINISTÈRE DES FINANCES

LE MINISTRE

N° 221

RABAT, LE 29 MARS 1966

N° E.N.D.E. 96/419 D. 29.3.66

LE MINISTRE DES FINANCES

à Monsieur le PRESIDENT de la BANQUE NATIONALE pour le DEVELOPPEMENT ECONOMIQUE

- RABAT -

N° 1377

B.N.D.E. MAR 1966 RABAT

Monsieur le Président,

J'ai pris connaissance avec beaucoup d'intérêt des P.V et compte-rendu des discussions que votre Directeur Général a eues récemment avec les responsables de la S.F.I. et de la B.I.R.D. à l'occasion du renouvellement de la ligne de crédit.

J'ai pris bonne note, en particulier, des dispositions favorables de la Banque Mondiale à l'endroit des opérations d'équipement touristique à financer par le Groupe C.P.I.M.-B.N.D.E.,

Les représentants de la Banque ayant demandé à la B.N.D.E. "d'examiner à nouveau la possibilité d'obtenir certaine garantie en ce qui la concerne relativement à ces projets", vous avez étudié longuement cette question avec mes services. A la suite de quoi, il a paru nettement que le mécanisme même d'intervention de la B.N.D.E., tels qu'il a été arrêté, la met en présence de la seule C.P.I.M. responsable des avances B.N.D.E., et donc à l'abri de tout risque que la surface financière de la C.P.I.M. ne suffirait pas à couvrir.

Vous avez noté en effet, que la C.P.I.M., outre son capital propre et ses réserves, jouit de privilèges spéciaux que lui confère la loi. Tout crédit nouveau consenti par elle, donne lieu à prise d'hypothèque et garantie d'état, ce qui élargit constamment et d'une manière corrélative la surface financière qu'elle doit avoir [illegible]

Je vous serais obligé de faire part de ces conclusions à la S. F. I. et à la B. I. R. D. pour permettre la mise en oeuvre immédiate des procédures arrêtées d'un commun accord et dont dépend largement la réalisation des objectifs nationaux fixés par le Plan.

Veuillez agréer, Monsieur le Président, mes salutations distinguées.

Le Ministre des Finances,

Signé : Mamoun TAHIRI

BNDE 2.

SPECIAL DELIVERY

April 7, 1966

Mr. Mohamed Benkirane
Banque Nationale pour le
Développement Economique
Boîte postale 407
Rabat, MOROCCO

Dear Mr. Benkirane:

We refer to our cable dated March 25, 1966 concerning various changes in the Draft Loan Agreement between BNDE and the Bank. These changes which you approved in your cable dated March 30, have been reproduced in a revised Draft Loan Agreement dated April 4, 1966 which we enclose. Changes have been made in the following sections.

Section 2.09. Section 2.09 was amended to provide that any repayment made under that section would be applied to that portion of the amortisation schedule reflecting the credit or investment in respect of which the prepayment is made instead of to the last maturity of the amortization schedule.

Section 5.05(e). A change has been introduced to take into account the fact that Conventions 4 ans 5 included in the Government Agreement mention the existence of two loans totalling DH 30 million and not just one loan of DH 30 million, as previously indicated in our Draft Loan Agreement. Then the revised text should be read: "loans totalling DH 30 million".

Section 5.11(a). The original draft mentioned that "the Borrower shall not (a) amend its Statutes..." The revised fraft is as follows: "The Borrower shall not (a) propose to its General Assembly any amendment of its Statutes". The reason for this change is that legally, the Borrower, i.e. BNDE cannot amend its Statutes by himself and can only propose an amendment to the General Assembly of BNDE to that effect.

Schedule 1. Amortisation schedule. We replaced the first date of payment due of July 1, 1968 by the date of January 1, 1969, and the last date for payment became July 1, 1983 instead of January 1, 1983. The last repayment date of January 1, 1983 did not provide for the possibility of a 15-year loan being submitted on July 1, 1968 (Section 3.03(b) of the Draft Loan Agreement).

Schedule 2(9). This paragraph was included by mistake and has been cancelled.

In your cable dated March 30 you requested us to give you the benefit of Section 2.02 of the Loan Regulations dealing with commitment charges. As explained to you in our cable dated March 25, Section 2.02 of the Loan Regulations has been deleted, as had been the case for the first Loan Agreement with BNDE in 1962. Only Section 2.04 of the Draft Loan Agreement would be applicable. The reason for deletion of Section 2.02 is that the latter is only applicable to loans for which the Bank's commitment charge would commence immediately on signing of the Loan Agreement between the Bank and the Borrower for the entire amount of the Loan. Therefore Section 2.02 cannot apply to loans to Development Finance Companies such as BNDE.

However, as explained to you in our cable dated April 5, we think that there is a simple way of solving the problem you raised concerning the registration of contracts for sub loans and recording of liens. Sections 2.02 and 3.02 of the Draft Loan Agreement provide that following "approval" by the Bank of any Investment Project, there shall be "credited" at the request of the Borrower such portion of the Loan as the Bank shall have approved. Consequently as soon as you have received Bank's approval and before sending your request for crediting to the Bank, you can include in your loan contracts any date which happens to be convenient to you. Then the time period necessary for the registration of contracts can elapse between the date of approval by the Bank and by the Board of BNDE and the date you decide upon for the crediting of your account. We think that your problem can be practically solved by following such a procedure.

I trust the above comments will clarify the matter. Now that these few outstanding questions have been cleared, we hope to present the Loan to our Executive Directors in the second half of this month.

Sincerely yours,

A. G. El Emary
Director
Africa Department

Attachment.

BDecaux:nl

cc: Messrs. T. Jones
Povey
Sekse
Rutland/Metherate
Garrana/Lundberg

TRADUCTION NON-OFFICIELLE

Le 7 avril 1966

Monsieur Mohamed Benkirane
Banque Nationale pour le
Développement Economique
Boîte postale 407
Rabat, MAROC.

Monsieur,

Nous avons l'honneur de nous référer à notre télégramme du 25 mars 1966 concernant les diverses modifications apportées au projet d'accord de prêt entre la BNDE et la Banque. Ces modifications que vous avez bien voulu approuver par votre télégramme du 30 mars ont été incorporées à un projet d'accord de prêt révisé en date du 4 avril 1966 que nous vous remettons en annexe. Les modifications ont été apportées aux sections suivantes:

Section 2.09. La Section 2.09 a été modifiée afin de disposer que tout remboursement effectué aux termes de cette section sera imputé à la fraction du tableau d'amortissement visant le crédit ou l'investissement à l'égard duquel le paiement anticipé est effectué au lieu de la dernière échéance du tableau d'amortissement.

Section 5.05(e) Une modification a été introduite pour tenir compte du fait que les Conventions No 4 et No 5 figurant dans l'Accord gouvernemental font mention de deux prêts formant un total de 30 millions de DH et qu'il ne s'agit pas d'un prêt unique du même montant, comme le laissait précédemment entendre notre premier projet d'accord de prêt. Par conséquent, le passage révisé est rédigé comme suit: "prêts d'un total de 30 millions de Dirhams".

Section 5.11(a). Le projet primitif mentionnait que "l'Emprunteur ne modifiera pas ses statuts..." Le projet révisé est ainsi modifié: "L'Emprunteur ne proposera à son assemblée générale aucune modification de ses statuts". Ce changement est motivé par le fait que, légalement, l'Emprunteur, c'est-à-dire la BNDE, ne peut modifier ses statuts lui-même et ne peut que proposer une modification à cet effet à l'assemblée générale de la BNDE.

Annexe 1 - Tableau d'amortissement. Nous avons subtitué la date du 1er janvier 1969 à la première date d'échéance du 1er juillet 1968, et la dernière échéance tombe le 1er juillet 1983 au lieu du 1er janvier 1983. En effet, la dernière date d'échéance du 1er janvier 1983 ne permettait pas qu'un prêt de 15 ans soit présenté le 1er juillet 1968 (Section 3.03(b) du projet d'accord de prêt).

Annexe 2(9). Ce paragraphe ayant été inséré par erreur, il a été supprimé.

Dans votre télégramme du 30 mars vous nous aviez demandé de vous faire bénéficier des dispositions de la Section 2.02 du Règlement de Prêts concernant les commissions d'ouverture de crédit. Comme nous vous l'avons indiqué dans notre télégramme du 25 mars, la Section 2.02 du Règlement de Prêts a été supprimée, comme pour le premier Accord de prêt avec la BNDE en 1962. Seule la Section 2.04 du projet d'accord de ptêt sera applicable en la matière. La suppression de la Section 2.02 s'explique par le fait que ses dispositions ne sont applicables qu'aux prêts pour lesquels la commission d'ouverture de crédit de la Banque serait calculée immédiatement à la signature de l'Accord de prêt entre la Banque et l'Emprunteur pour la totalité du montant du prêt. La Section 2.02 ne peut donc pas s'appliquer aux prêts des sociétés financières de développement comme la BNDE.

Cependant, comme nous vous l'avons indiqué dans notre télégramme du 5 avril, nous croyons qu'il existe un moyen simple de résoudre le problème que vous soulevez au sujet de l'enregistrement des contrats relatifs aux prêts subsidiaires et aux inscriptions des sûretés réelles. Les Sections 2.02 et 3.02 du projet d'Accord de prêt prévoient qu'à la suite de "l'approbation" par la Banque de tout projet d'investissement, le compte de prêt sera "crédité" à la demande de l'Emprunteur de la fraction du Prêt que la Banque aura approuvée. Par conséquent, dès que vous aurez obtenu cette approbation, et avant même d'envoyer votre demande de crédit à la Banque, vous pourrez faire figurer toute date qui vous conviendra dans vos contrats de prêt. Dès lors, le délai nécessaire à l'enregistrement des contrats peut s'écouler entre la date à laquelle la Banque et le Conseil d'administration de la BNDE donneront leur approbation et la date que vous fixerez pour créditer votre compte. Nous croyons que cette procédure vous permettra de résoudre pratiquement votre problème.

J'espère que les observations ci-dessus apportent des précisions sur cette affaire. Maintenant que ces quelques questions en suspend ont été tirées au clair, nous espérons soumettre le prêt à nos administrateurs dans la deuxième quinzaine de ce mois.

Veuillez agréer, Monsieur, l'assurance de ma considération distinguée.

A. G. El Emary
Directeur
Département Afrique

Annexe

BDecaux/RAssa:nl

cc: MM. T. Jones
Povey
Sekse
Rutland/Metherate
Garrana/Lundberg

Form No. 27
(7-61)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

MOR BADZ 2

OUTGOING WIRE

TO: BENKIRANE
BADEMAROC
RABAT

COUNTRY: (MOROCCO)

DATE: APRIL 5, 1966

CLASS OF SERVICE: NLT

HH

TEXT:
Cable No.:

REFERENCE VOTRE CABLE 30 MARS - SECTION 3.02 PREVOIT BANQUE CREDITERA VOTRE COMPTE A VOTRE DEMANDE - STOP - PAR CONSEQUENT POUVEZ INCLURE APRES APPROBATION BANQUE ET AVANT DEMANDE CREDIT TOUTE DATE QUI VOUS CONVIENT DANS CONTRATS DE PRET AVEC VOS EMPRUNTEURS - STOP - DELAI QUI VOUS EST NECESSAIRE POUR ENREGISTRER CONTRATS ET AUTRES FORMALITES POURRA COURIR ENTRE DATE APPROBATION BANQUE ET VOTRE CONSEIL ET DATE FIXEE PAR VOUS POUR CREDITER COMPTE - STOP - ESTIMONS CETTE SOLUTION DE NATURE A RESOUDRE VOTRE PROBLEME

EL EMARY
INTBAFRAD

OK après 8 CTE

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME A. G. El Emary

DEPT. Africa

SIGNATURE
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

BDecaux/gb

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

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Jones
cc: Mr. Sekse

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APR 5 6 16 PM 1966

14

BNDE
2

Working Party April 1, 1966

Munir P. Benjenk

BNDE (Second Loan) Section 2.04 Draft Loan Agreement

We have received from BNDE a letter dated March 9, 1966 and a cable dated March 10, 1966 on the above subject.

In his letter, Mr. Benkirane had requested us not to delete from the Loan Agreement Section 2.02 of the Loan Regulations. This Section relates to the Commitment Charge which is payable on the unwithdrawn amount of the Loan. Such a commitment charge accrues "from a date 60 days after the date of the Loan Agreement to the respective dates on which amounts shall be withdrawn by the Borrower from the Loan Account or shall be cancelled". The reason given by BNDE for asking to keep Section 2.02 in the Loan Agreement was that the loan contracts between BNDE and its borrowers have to be registered and liens recorded before any disbursements can be made by BNDE. Mr. Benkirane's preliminary estimate was that 60 days would be required to finalize these various procedures.

In a cable to BNDE dated March 25, 1966, the Bank took the position that in the Draft Loan Agreement, Section 2.02 of the Loan Regulations had been deleted as had been the case for the first Loan Agreement with BNDE in 1962. Only Section 2.04 of the Draft Loan Agreement would be applicable. The reason for deletion of section 2.02 is that the latter is only applicable to loans for which the Bank's commitment charge would commence immediately on signing of the Loan Agreement between the Bank and the Borrower for the entire amount of the loan. We felt that Section 2.02 could not apply to loans to Development Finance Companies.

In his cable dated March 30, Mr. Benkirane agreed in principle with the above but made the following remarks. According to Section 3.02 of the Draft Loan Agreement, no withdrawals shall be made on account of expenditures made by any Investment Enterprise more than 150 days prior to the date on which the Bank shall have credited the Loan Account. Consequently loan contracts between BNDE and its borrowers must specify the date on which the Bank has credited BNDE's loan account since the 150 day period starts from such a date. It would be only by indicating this date in the contract that BNDE could determine for which expenditures for any Investment Project, withdrawals could be made by borrowers. Mr. Benkirane's point is then that he will have to wait until the Bank credits BNDE's Loan Account to be able to sign loan contracts in which reference will be made to the date of crediting by the Bank. After signing the loan contract, BNDE will have to register the latter and the liens which would take at least 30 days. It is only then that BNDE would be able to make disbursement for any given project. However according to Section 2.04 of the Draft Loan Agreement, BNDE would have to pay a commitment charge to the Bank from the date on which amounts shall be credited to the Loan Account to the date on which they are withdrawn from the Loan Account. Then BNDE would have to pay a commitment charge to

the Bank before BNDE is in a position to make any disbursement since the above mentioned registration procedures of the Loan contract would not be completed. This is why BNDE is asking us to agree to a "grace period" of 30 days for the payment of the commitment charge.

I feel we should reject any proposal which would have the effect of extending the 150 day period on which we agreed during negotiations with BNDE. This would be the only way of eliminating refinancing practices which have occured in the past. At the same time, it is understandable that loan contracts between BNDE and the sub-borrower may have to refer to the 150 day period so as to limit the sub-borrowers to submitting withdrawal applications only for expenditures incurred within the 150 day period before the Bank has credited the Loan Account. By including the 150 day clause in Loan Contracts, BNDE would meet the Bank's essential prupose, which is to avoid systematic refinancing.

It may therefore be appropriate to allow BNDE a 30 day delay for the payment of the commitment charge on individual sub-loans. This short delay would enable BNDE to complete the various formalities necessary before BNDE can start disbursing. At the same time the 150 day limit being specifically included in the loan contracts between BNDE and its borrowers, would not in any way be jeopardized.

Could we have your comments, please?

BD
EDecaux:nl

cc. to Messrs. Povey (2)
Sykes
Jones

MOTBNDR
2

IDA | IBRD | IFC

FORM NO. 92
(10-61)

CORRESPONDENCE RECORD FORM

FROM	DATED
Embassy of Morocco Washington, D.C.	------

SUBJECT

SPECIAL DELIVERY
Copies of telegrams in French re: the designation of Monsieur Tadlaoui to sign in behalf of Moroccan Government in second line of credit, for Morocco. Addressed to IBRD, Mr. Benjenk

REFERRED TO	DATE RECEIVED
Mr. Benkenk	April 28, 1966 jgv

BNDE 2

FORM No. 26
(6-65)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

INCOMING CABLE

DATE AND TIME OF CABLE: MARCH 30, 1966 1030

LOG NO.: WU 11 - MARCH 20

TO: EL EMARY INTBAFRAD

FROM: RABAT

ROUTING

ACTION COPY: MR. EL EMARY

INFORMATION COPY: MR. WILLIAMS

DECODED BY:

TEXT:

VOTRE CABLE 25 MARS PRIMO SECTION 2.04 D'ACCORD AVEC VOUS MAIS ATTIRONS VOTRE ATTENTION SUR SITUATION DE FAIT SUIVANTE. NOS PRETS SUPERIEURS A DIRHAM 750000 NE PEUVENT ETRE CONSENTIS QU'APRES ACCORD NOTRE CONSEIL VOTRE APPROBATION ET CREDIT EN COMPTE PRETS SECTION 2.02. DATE VOTRE CREDIT DETERMINE BASE POUR CALCUL DES 150 JOURS SECTION 3.02. NOS CONTRATS DOIVENT PRECISER CETTE DATE LIMITE DES 150 JOURS POUR SELECTION DES DEPENSES EFFECTUEES PAR ENTREPRISE INVESTISSEMENT. SI CELA N'EST PAS RISQUANTE NE PAS ABOUTIR A RESULTAT CONGRESS DANS POLITIQUE MEME POUR QUE AVESTISSEURS SOUMETTENT LEUR PROJET AVANT DE LES AVOIR DEJA ENTAMES EN REALIATION. C'EST POURQUOI NOUS DEMANDONS VOUS EXAMINER MEME REDUIT A 30 JOURS BENEFICE SECTION 2.02 REGEMENT DE PRETS QUE VOUS VENEZ D'ANNULER. AUTRES POINTS VOTRE CABLE ACCORD. CONVENTION NUMERO CINQ SIEMEE VOUS ENVERRONS COPIE CONFORME CONSIDERATIONS

BENKIRAN

AB

OCK 4/5

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

DUPLICATE

BNDE 2

March 28, 1966

Mr. Mohamed Benkirane
National Bank for Economic
Development
P.O. Box 407
Rabat, Morocco

Dear Mr. Benkirane:

It was very kind of you to send me your letter of March 11th regarding your recent visit to Washington in connection with the Bank's second line of credit to the BNDE. We greatly enjoyed having you here and look forward to our continued close association with your institution.

Sincerely yours,

J. Burke Knapp

J. Burke Knapp
Vice President

inc. to files.

JBKnapp:sjj

Form No. 27
(7-61)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

OUTGOING WIRE

TO: BENKIRANE
BADEMAROC
RABAT

DATE: MARCH 25, 1966

CLASS OF SERVICE: NLT

ATT

COUNTRY: MAROC (MOROCCO)

TEXT:
Cable No.:

ME REFERE VOTRE LETTRE 9 MARS AU SUJET DIVERSES SECTIONS CONTRAT PRET STOP

PRIMO - SECTION 2.04 - PERIODE FRANCHE 60 JOURS NON CONSENTIE DANS PREMIER CONTRAT DE PRET ET APPLICATION SECTION 2.02 REGLEMENT DE PRETS FORMELLEMENT ELIMINEE PAR ANNEXE 1 (a) DE CE CONTRAT STOP SECTION 2.04 NOUVEAU CONTRAT DE PRET CALQUEE SUR PREMIER CONTRAT - EN CONSEQUENCE PERIODE FRANCHE 60 JOURS NE S'APPLIQUE PAS

SECUNDO - SECTION 3.02 - PREFERONS MAINTENIR DELAI 150 JOURS STOP TOUTEFOIS SECTION 3.02 LIGNE 4 MENTIONNE "SAUF ACCORD CONTRAIRE ENTRE BANQUE ET EMPRUNTEUR" INDIQUANT AINSI POSSIBILITE OBTENIR ACCORD BANQUE POUR DELAI PLUS LONG DANS CAS EXCEPTIONNEL

TERTIO - SECTION 2.07 - SOMMES D'ACCORD POUR 15 JANVIER ET 15 JUILLET STOP SECTION 2.08 - DATES DEVRAIENT ETRE EGALEMENT 15 JANVIER ET 15 JUILLET STOP ME REFERANT PROJET NOUVEAU CONTRAT DE PRET PROPOSE NOUVELLES MODIFICATIONS SUIVANTES - SECTION 2.09 - PROPOSONS LEGERE MODIFICATION TEXTE 2.09 QUI JOUERA EN FAVEUR DE LA BNDE EN PREVOYANT QUE TOUT REMBOURSEMENT PAR ANTICIPATION A LA BANQUE S'APPLIQUERA A LA PORTION DU TABLEAU D'AMORTISSEMENT QUI REFLETE LE PRET FAIT A UNE ENTREPRISE D'INVESTISSEMENT OU A L'INVESTISSEMENT EFFECTUE PAR L'EMPRUNTEUR

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME

DEPT.

SIGNATURE
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

OCR 3/30

For Use by Archives Division

Checked for Dispatch:

ORIGINAL (File Copy)
(IMPORTANT: See Secretaries Guide for preparing form)

Form No. 27
(7-61)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

OUTGOING WIRE

TO:

DATE:

CLASS OF SERVICE:

COUNTRY:

TEXT:
Cable No.:

ET POUR LESQUELS UN REMBOURSEMENT PAR ANTICIPATION A LA BNDE A ETE EFFECTUE - STOP - SECTION 5.05 (e) LIGNE 7 LIRE DES PRETS D'UN TOTAL DE 30 MILLIONS - STOP -, SECTION 5.11(a) - LIRE EMPRUNTEUR NE PROPOSERA A SON ASSEMBLEE GENERALE AUCUNE MODIFICATION DE SES STATUTS - STOP - ANNEXE 1 - TABLEAU D'AMORTISSEMENT - PROPOSONS PREMIER JANVIER 1969 COMME PREMIERE DATE D'ECHEANCE ET PREMIER JUILLET 1983 COMME DERNIERE ECHEANCE - STOP - ANNEXE 2 (9) - PARAGRAPHE INCLU PAR ERREUR ET PAR CONSEQUENT ANNULE - STOP - AIMERIONS SAVOIR SI CONVENTION GOUVERNEMENT NUMERO CINQ SIGNEE ET DATE DE SIGNATURE - PRIERE ENVOYER COPIE CONFORME PAR AVION - STOP - LETTRE SUIT DONNANT DETAILS SUR MODIFICATIONS CI-DESSUS MAIS ESPERONS POURREZ DONNER VOTRE ACCORD PAR TELEGRAMME POUR NOUS PERMETTRE PRESENTER PRET CONSEIL BANQUE SUR BASE CONTRAT DE PRET AINSI MODIFIE, SALUTATIONS

EL EMARY

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME A. G. El Emary

DEPT. Africa

SIGNATURE _____
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

BDecaux/gb

BD

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. T. Jones
Mr. Povey
Mr. Sekse

For Use by Archives Division

Checked for Dispatch: _____

MOROCCO

Form No. 27
(7-61)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

cc 389

cc 1/33

OUTGOING WIRE

TO: BENKIRANE
BADEMAROC
RABAT

DATE: 18 17 MARS 1966

CLASS OF SERVICE: N.L.

2TT

COUNTRY: MOROCCO

TEXT:
Cable No.:

ME REFERANT VOTRE LETTRE 9 MARS PRIMO D'ACCORD SUR PROJET CONSULTATION SUR CONTRAT PRET SECUNDO CONCERNANT CONSULTATION SUR CONTRAT GARANTIE ETANT DONNE QUE CONSULTATIONS DE LA PART DE L'ETAT POUR PRETS SIDI SLIMANE ET CREDIT AGRICOLE ETAIENT ETABLIES PAR MINISTRE JUSTICE PREFERONS CONTINUER MEME PROCEDURE STOP REGRETS N'AVOIR PAS REMARQUE CECI LORS VOTRE SEJOUR WASHINGTON

JONES
INTBAFRAD

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME TENLEY M. JONES

DEPT. LEGAL DEPARTMENT

SIGNATURE
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch:

DISPATCHED

GENERAL FILES
COMMUNICATIONS

MAR 18 9 45 AM 1966

RECEIVED

GENERAL FILES
COMMUNICATIONS

MAR 18 9 19 AM 1966

FORM No. 89
(2.66)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

ROUTING SLIP

Date
March 15, 1966

OFFICE OF THE PRESIDENT

Name	Room No.
1. Mr. Diamond	
2. Mr. Williams	552
3. Mr. Benjenk	

	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

For information.

G. D. Woods

From

MAR 14 REC'D

RABAT, LE 11 Mars 1966

BNDE البنك الوطني
LE POUR LE
ONOMIQUE
CAPITAL 30 MILLIONS DE DIRHAMS
BOITE POSTALE 407 - RABAT - TEL 264.41.42
&43 ADRESSE TELEGRAPHIQUE BADEMAROC

DG/HL n° 93

DIRECTION GÉNÉRALE

Monsieur G. WOODS

Président de la Banque Internationale
pour la Reconstruction et le
Développement
WASHINGTON -

TRANSLATED
MAR 15 1966
I.B.R.D.

Monsieur le Président,

A mon retour au Maroc et après la réunion du Conseil d'Administration qui a été tenu informé des conclusions satisfaisantes des négociations entre la BNDE et la BIRD au sujet de la 2ème ligne de crédit, il m'est particulièrement agréable de vous dire combien j'ai été sensible aux mots encourageants que vous avez bien voulu m'adresser à l'occasion de nos derniers entretiens en conclusion des négociations que j'ai mené pour la première fois avec la BIRD au sujet des problèmes de la BNDE.

Je voudrais vous dire que la compréhension à laquelle je suis parvenu avec vos collaborateurs au sujet de certains problèmes de la BNDE, est propre à m'aider dans la tâche qui m'est dévolue pour renforcer notre Institution et rendre son rôle et sa position encore plus grands dans le financement du développement au Maroc.

Je vous remercie des aimables paroles que vous avez prononcées tant à l'égard de la BNDE qu'à mon égard et je vous prie de croire, Monsieur le Président, à l'expression de ma très haute considération. -

Le Directeur Général

Mohamed BENKIRANE.

FORM No. 337D
(12-61)

Mrs. Lee

Room 1220

BANQUE NATIONALE POUR LE

DEVELOPPEMENT ECONOMIQUE

DG/HL No. 93

Rabat, March 11, 1966

Mr. George D. Woods,
President,
IBRD,
Washington, D.C.

Dear Sir,

Now that I have returned to Morocco and have attended the meeting of the Board of Directors, which had been kept informed of the satisfactory progress of negotiations on the second line of credit between BNDE and IBRD, it gives me great pleasure to tell you how appreciative I am of the encouraging remarks you made during our last conversations at the conclusion of the first negotiations I have conducted with IBRD on the subject of BNDE's problems.

I should like to say that the basis of understanding I was able to reach with the members of your staff on some of BNDE's problems will be of great assistance to me in the task that has fallen to me -- that of strengthening our Bank and enhancing still further its role and position in development financing in Morocco.

I thank you for your kind words about both the BNDE and myself and wish to remain,

Yours very truly,

(sgd.) Mohamed BENKIRANE,

General Manager.

TRANSLATION SECTION 459/66

Translated From: French: 3/15/66 By: RFW:jn

MO BNDE 5

البنك الوطني
BNDE
BANQUE NATIONALE POUR LE DÉVELOPPEMENT ÉCONOMIQUE
CAPITAL 30 MILLIONS DE DIRHAMS
BOITE POSTALE 407 - RABAT - TÉL. 264.41-42 & 43 ADRESSE TÉLEGRAPHIQUE BADEMAROC

DG/HL n° 94

DIRECTION GÉNÉRALE

RABAT, LE 11 Mars 1966

Monsieur KNAPP
Vice-Président de la Banque
Internationale pour la Reconstruction et le Développement
WASHINGTON -

Monsieur le Président,

A mon retour au Maroc et après la réunion du Conseil d'Administration de la BNDE qui a été tenu informé des entretiens menés par moi-même avec la BIRD au sujet de la 2ème ligne de crédit, il m'est particulièrement agréable de vous remercier des divers entretiens que vous avez bien voulu m'accorder afin de vous exposer la position de la BNDE à l'égard de divers problèmes. Je suis persuadé à la fois de la position éminente de la BNDE dans le développement du Maroc et de la contribution que votre grande Institution pourrait nous apporter pour nous aider à les résoudre.

Je vous remercie de l'accueil si spontané et si aimable que vous avez bien voulu m'accorder.

Veuillez croire, Monsieur le Président, à l'expression de ma très haute considération. -

Le Directeur Général

Mohamed BENKIRANE.

Gdc
Mar 21

BNDE 2

FORM No. 337D
(12-61)

Mrs. Lee
Room 1220

BANQUE NATIONALE POUR LE

DEVELOPPEMENT ECONOMIQUE

DG/HL No. 93

Rabat, March 11, 1966

Mr. George D. Woods,
President,
IBRD,
Washington, D.C.

Dear Sir,

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I should like to say that the basis of understanding I was able to reach with the members of your staff on some of BNDE's problems will be of great assistance to me in the task that has fallen to me -- that of strengthening our Bank and enhancing still further its role and position in development financing in Morocco.

I thank you for your kind words about both the BNDE and myself and wish to remain,

Yours very truly,

(sgd.) Mohamed BENKIRANE,

General Manager.

TRANSLATION SECTION 459/66
Translated From: French: 3/15/66 By:RFW:jn

MOR
2 BNDE

The Treasurer

March 11, 1966

J. H. Williams

Proposed Loan of $17.5 million to Banque Nationale pour le Développement Economique (Morocco)

1.	BORROWER:	Banque Nationale pour le Développement Economique
2.	GUARANTOR:	The Kingdom of Morocco
3.	AMOUNT:	US $17.5 million
4.	PURPOSE:	To be used by BNDE for making loans and other investments in private industrial and other enterprises in Morocco.
5.	DISBURSEMENTS:	$7 million in 1967, $8 million in 1968, $2.5 million in 1969.
6.	SOURCE OF SUPPLY:	France, Germany, Switzerland, U.K., Italy, Belgium
7.	MATURITIES:	See attached amortization schedule which is subject to change to conform substantially with the aggregate of the amortization schedules of the projects for which loan funds are disbursed.
8.	DATE FOR BOARD CONSIDERATION:	End March/early April, 1966.
9.	REMARKS:	Foreign financial institutions holding shares of B.N.D.E.

Belgian
Banque Lambert

French
Caisse de Depots et Consignations
Caisse Centrale de Cooperation Economique
Credit National
Banque de Paris et des Pays-Bas
Caisse Nationale des Marches de l'Etat
Credit Lyonnais
Banque Nationale pour le Commerce et l'Industrie
Comptoir National d'Escompte de Paris

Foreign financial institutions holding shares of B.N.D.E. (Cont.)

German
- Deutsche Bank
- Commerzbank
- Dresdner Bank
- Westfalenbank

Italian
- Banca Commerciale Italiana
- Banca Nazionale del Lavoro
- Istituto Mobiliare Italiano

United States
- Morgan Guaranty International

cc: Office of the President , Vice Presidents
European Office (Mr. de Lesseps)
New York Office

WKödderitzsch/gb

Amortization Schedule

Date Payment Due	Payment of Principal (expressed in dollars)+
July 1, 1968	50,000
January 1, 1969	150,000
July 1, 1969	600,000
January 1, 1970	700,000
July 1, 1970	1,300,000
January 1, 1971	1,400,000
July 1, 1971	1,450,000
January 1, 1972	1,350,000
July 1, 1972	1,250,000
January 1, 1973	1,150,000
July 1, 1973	1,100,000
January 1, 1974	1,000,000
July 1, 1974	975,000
January 1, 1975	925,000
July 1, 1975	750,000
January 1, 1976	550,000
July 1, 1976	360,000
January 1, 1977	340,000
July 1, 1977	320,000
January 1, 1978	280,000
July 1, 1978	260,000
January 1, 1979	240,000
July 1, 1979	215,000
January 1, 1980	185,000
July 1, 1980	160,000
January 1, 1981	140,000
July 1, 1981	110,000
January 1, 1982	90,000
July 1, 1982	70,000
January 1, 1983	30,000

+ To the extent that any portion of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.03), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

IDA | IBRD | IFC

FORM NO. 92 (10-61)

CORRESPONDENCE RECORD FORM

FROM	DATED
Banque Nationale pour le Developpement Economique Rabat, Morocco. Cable 3/25	March 9, 1966
SUBJECT	
Letter enclosing copies of letter regarding IBRD loan to BNDE. Cable 3/18	
REFERRED TO	DATE RECEIVED
Mr. Jones	March 14, 1966 jgv

MOL BNDE
2

le 9 mars 1966

Son Excellence
Mamoun Tahiri
Ministre des Finances
Rabat, Morocco

Monsieur le Ministre,

Comme vous le savez, les négotiations sur un deuxième prêt de la Banque Internationale à la Banque Nationale pour le Développement Economique, représentée par M. Mohamed Benkirane, viennent de se terminer le 3 mars 1966. Elles ont abouti à des projets de contrat de prêt, de contrat de garantie ainsi que de lettres annexes afférents au prêt envisagé.
M. Benkirane, en même temps représentant le Royaume de Maroc, garant du prêt, recevait aussi une note concernant les mesures à prendre de part et d'autre, en vue de la signature et de l'entrée en vigueur des deux contrats.

J'ai l'honneur de vous transmettre, pour observations éventuelles, les textes, en langue anglaise et en langue française, des divers documents mentionnés ci-dessus.

Veuillez agréer, Monsieur le Ministre, l'expression de ma haute considération.

J.H. Williams
Directeur Adjoint
Département Afrique

P.J.

cc: Messrs. Jones
Povey
Sekse

WKödderitzsch/gb

le 9 mars 1966

Son Excellence
Mamoun Tahiri
Ministre des Finances
Rabat, Maroc

Monsieur le Ministre,

Comme vous le savez, les négotiations sur un deuxième prêt de la Banque Internationale à la Banque Nationale pour le Développement Economique, représentée par M. Mohamed Benkirane, viennent de se terminer le 3 mars 1966. Elles ont abouti à des projets de contrat de prêt, de contrat de garantie ainsi que de lettres annexes afférentes au prêt envisagé. M. Benkirane, en même temps représentant le Royaume de Maroc, garant du prêt, recevait aussi une note concernant les mesures à prendre de part et d'autre, en vue de la signature et de l'entrée en vigueur des deux contrats.

J'ai l'honneur de vous transmettre, pour observations éventuelles, les textes, en langue anglaise et en langue française, des divers documents mentionnés ci-dessus.

Veuillez agréer, Monsieur le Ministre, l'expression de ma haute considération.

J.R. Williams
Directeur Adjoint
Département Afrique

P.J.

cc: Messrs. Jones
Povey
Sakse

WKöddertzsch/gb

1966 MAR 10 PM 5:21

COMMUNICATIONS

NO BND (2)

البنك الوطني
BNDE
BANQUE NATIONALE POUR LE DÉVELOPPEMENT ÉCONOMIQUE
CAPITAL 30 MILLIONS DE DIRHAMS
BOITE POSTALE 407 - RABAT - TEL. 264.41-42
& 43 ADRESSE TELEGRAPHIQUE BADEMAROC

RABAT, LE 9 Mars 1966

DG/HL n°

3/15

DIRECTION GÉNÉRALE

Cher Monsieur WILLIAMS,

J'accuse réception de votre lettre en date du 3 Mars 1966 à laquelle est joint le compte-rendu préparé pour résumer quelques-uns des points discutés au cours des négociations qui se sont déroulées à Washington du 21 Février au 3 Mars 1966 au sujet du deuxième prêt de la BIRD à la BNDE. Les points mentionnés dans le compte-rendu sus-visé ont trait à des questions qui ne sont pas expressément mentionnées dans la Convention de Prêt.

Par la présente, j'ai l'honneur de vous faire savoir que le compte-rendu que vous avez bien voulu me transmettre et que vous voudriez bien trouver en langue anglaise et française visé par mes soins, reflète bien les discussions qui ont eu lieu à Washington lors de nos derniers entretiens.

Veuillez agréer, Cher Monsieur WILLIAMS, l'expression de ma considération distinguée.

Le Directeur Général

Mohamed BENKIRANE.

M. J.H. WILLIAMS
Directeur-adjoint du
Département Afrique
BIRD - WASHINGTON

cc for Working Party
Messrs Jones
Povey
Sekse/Morton
Bataillard
Garrana/Lundberg

3-16-66:nl

BNDE
البنك الوطني
BANQUE NATIONALE POUR LE DEVELOPPEMENT ECONOMIQUE
CAPITAL 30 MILLIONS DE DIRHAMS
BOITE POSTALE 407 - RABAT - TEL. 264.41.42 & 43 ADRESSE TELEGRAPHIQUE BADEMAROC

DG/HL n°

DIRECTION GÉNÉRALE

RABAT, LE 9 Mars 1966

Monsieur WILLIAMS
Directeur-Adjoint du Département Afrique
Banque Internationale pour la Reconstruction et le Développement
WASHINGTON

Cher Monsieur WILLIAMS,

Je me réjouis de vous écrire, de retour au Maroc, après avoir passé quelques jours auprès de vous à la suite de nos entretiens au sujet de la deuxième ligne de crédit BIRD.

Comme vous avez bien voulu en convenir, le projet de contrat de prêt a été examiné à la BNDE à mon retour, l'ensemble de ses dispositions recueille notre accord, à l'exception cependant des points suivants pour lesquels vous voudrez bien trouver ci-après nos observations, en vous priant de bien vouloir, en cas d'accord de votre part, nous faire connaître votre position par télégramme.

Section 2.04 : Aux termes de cet article, la période franche de 60 jours consentie dans le premier contrat de prêt - par application de la section 2.02 du Règlement de Prêts - pour le calcul de la commission d'ouverture de crédit est supprimée.

Nous demandons le maintien de cette période franche de 60 jours sur base de ce qui est exposé ci-après (section 3.02).

Section 2.05 : La flexibilité du taux d'intérêt inscrite dans cette section pourrait mettre en cause le service des bonifications servies à la Banque par le Trésor, dans le cas où les variations aboutiraient à un taux d'intérêt appliqué aux utilisateurs effectifs du prêt supérieur à 7 % l'an. C'est un point que nous rappelons à votre particulière attention, car il ne nous est pas possible de préjuger de ce que serait l'attitude du Trésor en pareille occurence. Pour notre part, nous n'avons pas manqué de lui communiquer cette disposition du projet de contrat et, en son temps, l'élévation de 5 1/2 à 6 % l'an du taux d'intérêt appliqué à nos utilisations effectives de crédit en compte chez vous.

./.

Section 3.02 : Aux termes de cet article : sauf accord contraire entre la Banque et l'Emprunteur, aucun retrait ne sera opéré au titre de dépenses effectuées par une entreprise d'investissement pour un tel projet d'investissement, plus de 150 jours avant la date à laquelle la Banque aura crédité le compte de prêt relativement audit projet d'investissement, conformément aux dispositions de la scetion 2.02 du présent Accord.

Nous demandons que le délai de 150 jours soit porté à 180 jours ce qui ne signifie pas pour autant que nous en ferons une règle d'application générale. En cas d'accord de votre part, vous voudriez bien modifier le point 6 de l'aide-mémoire, pour lequel nous vous donnons par lettre séparée, notre approbation.

D'autre part, compte tenu des formalités à accomplir d'une part, de l'entrée effective du prêt en service d'autre part, nous souhaitons voir rétablir la période franche de 60 jours qui est, en fait, celle nécessaire pour l'enregistrement du contrat et l'inscription des sûretés réelles y attachées la règle étant naturellement de soumettre nos déblocages à la constitution préalable de toutes les garanties inscrites dans le contrat de prêt.

En ce qui concerne les autres dispositions du contrat :

Section 2.07 : Nous proposons le paiement semestriel des intérêts et autres commissions aux 15 janvier et 15 juillet de chaque année.

Section 2.08 : Annulations en application de l'article V du Règlement de Prêts et réductions prévues à la section 2.02 (d) du projet de contrat : nous proposons que les paiements exigibles aux termes de cette section, soient effectués le 1er janvier et le 1er juillet de chaque année.

Je profite de cette occasion pour vous remercier de l'accueil que vous avez bien voulu me réserver et de la compréhension que j'ai trouvé auprès de vous dans l'exposé de la situation actuelle et les projets de notre Institution dont le rôle se renforce grâce à votre appui.

Veuillez agréer, Cher Monsieur WILLIAMS, l'expression de ma considération distinguée.

Le Directeur Général

Mohamed BENKI RANE.

cc. for Working Party
Messrs Jones
Povey
Sekse/Morton
Bataillard
Garrana/Lundberg

N02 BNDE
2.

March 3, 1966

Dear Mr. Benkirane:

Please find attached hereto a copy of a note which we have prepared and which summarizes some of the points which have been discussed during the negotiations on the proposed Second Bank Loan to BNDE. These points refer to matters which are not expressly mentioned in the Loan Agreement but which we consider to be important. In view of this, I should be grateful if you would confirm to me that the attached note does indeed reflect the discussions which have taken place.

Yours sincerely,

J.H. Williams
Deputy Director
Africa Department

Enc.

Mr. Mohamed Benkirane
Director General
Banque Nationale pour le
Développement Economique

MPBenjenk/mct

Cleared with and cc: Mr. Sekse
cc: Messrs. Benjenk
Povey
T. Jones

cc: Mr. Tazi

NOTE
on
Points Discussed Between Mr. Benkirane, Director General of BNDE, and the Bank During the Negotiations for the Second Loan to BNDE held Between Monday, February 21, and Thursday, March 3, 1966

In the course of the negotiations which took place in Washington between February 21 and March 3 regarding a second Bank loan to BNDE, the parties discussed and agreed on various subjects relating to the organization, management and policies of BNDE, BNDE's participation with CPIM in the financing of projects in the tourist sector, the Stock Reservation Agreement between the Government of Morocco and IFC, etc. Listed below is the understanding reached on a number of subjects.

At the end of the discussion the Bank representatives informed the Director General of BNDE that they would recommend that a second loan amounting to 17.5 million dollars be put at the disposal of BNDE to cover its estimated needs for the next two years.

1. Meetings of the BNDE Board and Consultation by Correspondence

It was agreed that the Board of BNDE would meet more frequently than had hitherto been the practice and at least four times a year. Projects would be submitted for the Board's consideration at each of these meetings. It was agreed that the practice of consulting Board members on projects by correspondence would be applied only when, in the opinion of BNDE's management, such procedure was necessary for the normal functioning of the institution. The management of BNDE will keep Board members informed about the results of such consultations by circulating copies of all replies to all Directors. The management will also inform the Directors of changes of substance made in the physical planning or financing of projects subsequent to the decision by the Board to participate in the project.

2. BNDE's Management

In view of the recognized need to strengthen the management of BNDE, resulting from the increased workload and the resignation of BNDE's former Adviser, the Director General has requested IFC to find a suitable person who would assist in the management of the institution. IFC is endeavoring to find such a person and hopes to do so without much more delay.

3. Arrangements with CPIM

The draft Protocol relating to the proposed arrangements between BNDE and CPIM for the financing of projects in the tourist sector was reviewed by the representatives of the Bank, who made certain comments. These dealt, inter alia, with the inclusion in the joint Protocol with CPIM of a paragraph specifying BNDE's remedies in case projects are not proceeding satisfactorily, so that these remedies conform in all essentials with those to be agreed on in the Loan Agreement between the Bank and BNDE. The Bank requested BNDE to examine further the possibility of obtaining some security in favor of BNDE for such projects. The Bank would receive a revised draft Protocol from BNDE for further consideration.

It was also agreed that the Bank would be willing to consider making appropriate exceptions to the provisions of the Loan Agreement in respect of projects financed jointly with CPIM, if such projects are to be financed out of the proceeds of the proposed Loan.

4. Reserves Policy

It was agreed that BNDE will continue to build reserves consistent with sound financial practice. In doing so, however, it will not be bound by any specific formula, except as required by law and statutes, but will consider from one year to another the need for the desirability of allocating a certain portion of earnings to provisions and reserves, due consideration being given both to the necessity of creating a cushion against risks and to the necessity of being able to distribute a reasonable dividend to its shareholders. To this end, the Director General of BNDE has agreed to propose to BNDE's Board of Directors that paragraph 10 of its Policy Statement, approved by BNDE's Board on March 29, 1963, be amended along the following lines:

> "BNDE will build reserves consistent with sound financial practice. It will annually appropriate a portion of its income to reserves. Appropriations will be made so as to build up total reserves to a level that is appropriate to the size and quality of BNDE's portfolio of loans and equity investments, while permitting the distribution of an adequate dividend to BNDE's shareholders. The Board of BNDE will review every year the situation in this respect."

5. Stock Reservation Agreement

In the Stock Reservation Agreement signed January 16, 1963, between the Kingdom of Morocco and the International Finance Corporation, both parties agreed to set aside from their holdings of shares in BNDE a certain portion for sale to bona fide private, qualified Moroccan investors. BNDE was appointed as the agent of the parties to work out a Program for the sale of the shares.

During negotiations, it was agreed that BNDE will proceed as soon as possible to a review of the draft Program already proposed by BNDE and commented on by IFC, and will submit to the parties of the Agreement the Program so reviewed for consideration and approval.

6. Submission of Projects for Approval

Section 3.02 of the proposed new Loan Agreement provides that, except as the Bank and Borrower shall otherwise agree, no withdrawals under the Loan shall be made on account of expenditures made by any Investment Enterprise for any Investment Project more than 150 days prior to the date on which the Bank shall have credited the Loan Account under Section 2.02. Noting that BNDE has already approved loans and investments which, if they were approved for financing by the Bank, would more than consume the amount of Loan 329-Mor, it was agreed that, to the extent BNDE submits to the Bank requests for credits to the proposed new Loan Account before any new Loan Agreement has become effective, the Bank will consider the date of receipt of such requests as the date applicable under Section 3.02 of the proposed new Loan Agreement.

7. Prior Approval of Projects Involving Investments in Share Capital

The draft loan contract provides that any project using the proceeds of the loan for investment in share capital will require prior approval from the Bank. This requirement reflects a change in World Bank policy in mid-1965. Since then, investments of any amount in share capital by development finance companies require prior approval for financing from Bank loans. The reason for this change does not lie in any effort to restrict development finance companies from entering into the equity field. To the contrary, they are encouraged to do so within the limits of prudent investment policy. However, the World Bank is especially concerned that its clients be particularly prudent in using borrowed funds for equity investment, and that they be especially careful in the appraisal of such projects, the return from which depends entirely on the profitability of the enterprise which is the ultimate beneficiary of the funds.

8. Proposed Convention No. 5 between the Government and BNDE

The Bank requested the Director General of BNDE to obtain from the Government the approval of the new proposed Convention No. 5 between the Government and BNDE concerning the increase of the long-term Government loan from DH 20 million to DH 30 million and the reduction of the interest rate for the entire loan from 4% to 2%. It is understood that the entire increased portion of the loan will be put at the disposal of BNDE as soon as possible, and that the reduction in the rate of interest will be retroactive to January 1, 1966.

Copies to Messrs. Demuth, Skillings o/r, Kaddeutzsch, Jones 7/3/66

FORM No. 75
(2-60)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE CORPORATION

INTERNATIONAL DEVELOPMENT ASSOCIATION

ROUTING SLIP

Date

NAME	ROOM NO.
Mr. Shettipp MS	
Mr. Williams MAR 4 1966	
Mr. Cavanaugh Mr. Chang	
Central File (Off)	

	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

Mr. Porter
FRP

Encl

From: W. Crimmel

OFFICE MEMORANDUM

TO: Working Party

DATE: March 2, 1966

FROM: Einar Sekse

SUBJECT: MOROCCO: Proposed Second Loan to BNDE

The second part of Section 3.02 of the draft Loan Agreement dated March 1, 1966, provides that -

> "...Except as the Bank and the Borrower shall otherwise agree, no withdrawals shall be made on account of expenditures made by any Investment Enterprise for any such Investment Project more than 150 days prior to the date on which the Bank shall have credited the Loan Account in respect of such Investment Project pursuant to Section 2.02 of this Agreement."

The Working Party agreed to this provision against my objection.

My disagreement has nothing to do with the number of days, but with the fact that the counting backwards in time starts on a date over which BNDE will have no control. In the past, reviewing projects submitted to us by BNDE for approval and credit to the Loan Account have typically taken us two weeks, but in many cases, when special problems were involved, additional information required, etc., up to several months.

It is neither logical nor practical in my view that the time involved in the Bank's internal processing of projects be included in whatever period is agreed upon as the maximum time permitted to elapse after the expenditure by the sub-borrower for any one project and until the Bank becomes involved. It is likely to lead to a number of situations in which the Bank will have exceeded the crucial date and will find itself obliged to make exceptions to the rule. In fact, the exceptions may well become the rule.

If Section 3.02 is maintained in its present form, we will have to agree with BNDE that they should send us projects for approval at least one month before the specified period of time expires. It seems to me much more practical to take this into account in determining what the period should be.

cc: Messrs. Diamond
Benjenk
Povey
T. Jones

BNDE 2nd Loan.

MOR BNDE 2

FORM No. 57 | INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

TO: Mr. J. Burke Knapp

DATE: March 1, 1966

FROM: J. H. Williams

SUBJECT: Morocco: BNDE - Amount of Proposed Second Loan

The negotiations which are now taking place with Mr. Benkirane, Director General of BNDE, have proceded on the basis of a loan of $15 million, which is the amount that the SIC considered justified by the foreseeable volume of business. We agreed that the Bank should not consider a larger figure which could be justifiable only on "public relations" grounds. I did, however, note that we expected Mr. Benkirane to produce more recent estimates of business than those available to the appraisal mission and that if these justified a larger loan, we would refer back to you. New estimates on the expected volume of business have been examined by IFC, who have concluded that BNDE could probably use new foreign exchange resources of, say, $17-19 million in 1966 and 1967. I attach Mr. Sekse's memorandum to Mr. Diamond on the subject. Mr. Diamond is in full agreement.

On the basis of this memorandum, the Working Party recommends that the proposed loan to BNDE be for $17.5 million rather than $15 million, and I agree. Do you?

cc and cleared with: Messrs. Jones
Povey
Sekse

Attachment Sekse's memo to Diamond of 2/28 Subj. Requested new loan

Mr. William Diamond

Februaru 28, 1966

Einar Sekse

MOROCCO: BNDE - Requested New Loan

The mission which reappraised BNDE in November/December last year concluded in its report that BNDE should be able to use effectively new foreign exchange resources of $15 million in the next two years. SIC, considering that report on February 9, concurred with that view, noting that this would require a substantial increase in business compared with the past two years. A larger loan than $15 million, the SIC said, would require additional justification.

During loan negotiations, which were opened on February 21, BNDE's Director General has presented us with new estimates of BNDE's prospective approvals of loans and equity investments in 1966 and 1967, which are substantially higher than those previously available. This new information, a summary of which is given in the attached annex, indicates that there is a very good chance that BNDE could, in fact, effectively use more than $15 million in these two years.

The main reasons leading us to this conclusion are:

1. BNDE has, during the past three months, stepped up considerably its loan and investment activity. While it approved loan and investments, excluding loans and investments to government-controlled enterprises, totalling DH 21 million in 1964 and DH 19 million in 1965, it has, during the past three months alone approved, or is about to approve, direct loans and investments totalling about DH 30 million ($6 million), of which about $5 million cannot be covered from the first Bank loan. Projects under advanced study for possible approval by BNDE in the approximate first half of 1966 could require an additional $5 million of foreign exchange. Total requirements for the first half of 1966 only thus appear to be of the order of magnitude of $10 million.

2. For the second half of 1966 and for 1967, potential business is more difficult to assess. What we have to work on are lists of projects under more or less preliminary investigations which, if they can be implemented, would require about $8 million in the private manufacturing sector and $8-9 million for hotels. Other projects will probably be added later. Assuming that about half of these projects could come to maturity in 1966 and 1967, BNDE would need additional resources of foreign exchange of $7-9 million.

3. Another development is the fact that, in the middle of the month of February, the Central Bank introduced new temporary controls restricting Central Bank credits to commercial banks. These new controls are likely to prevent the commercial banks from making as much medium-term rediscountable credits as they have in the past, and this could in turn lead to more business for BNDE.

On the basis of this new information, BNDE's total requirements of new foreign exchange resources to cover approvals of loans and investments in 1966 and 1967 would appear to be somewhat more than $15 million, say $17-19 million. In order to use effectively an amount of, say, $17.5 million, BNDE's annual approvals of loans and investments would have to be DH 48 million ($9.6 million) rather than DH 43 million (8.6 million) estimated in the appraisal report. Projections for the next two years thus represent a very great increase over the level of operation in the recent past. I believe, however, that there is a very good chance that the forecasts will be realized, because (a) they are based to a large extent on loans and investment applications already processed and ready to be acted on, and (b) the rate of BNDE's activity has stepped up rapidly in the past few months and, (c) the new management has shown unaccustomed vigor in pursuing new business.

The Working Party has considered this matter, and agrees with the above view.

Attachment

cc: Messrs. Benjenk
Povey
T. Jones
Bataillard

ESekse:scc

DRAFT
ESeckse:fg
Feb. 26th, 1966

BNDE - Requirements of Foreign Exchange for Loan and Investment Approvals in 1966-67

1. Projects approved by BNDE up to December 31, 1965, will, if approved by the Bank, consume the entire first Loan of $15 million. The position now is:

	$ '000
Approved by the Bank	14,184
Submitted to Bank for approval, but more information requested (may or may not be approved)	755
	14,939
Approved by BNDE in 1965, not yet submitted to Bank (but intended by BNDE to be submitted)	620
	15,559

	$ '000
2. Already approved by BNDE in 1966	1,440
Sent to BNDE's directors, awaiting approval	3,245
Under study by BNDE, expected by BNDE to be approved in first half of 1966: DH 34,315 - reduced (by us) to DH 27,000, equivalent to	5,315
	10,000

Projects listed by BNDE as likely to be approved 2nd half of 1966 and 1967

	DH 138 million	
Less:		
(a) projects probably in public sector	" 52 "	
	DH 86 million	
(b) 50% discount for feasibility and time (our guess)	" 43 "	
	DH 43 million, equivalent to	8,600

Total estimated foreign exchange requirements 1966/67 18,600

MOROCCO

2

Mr. William Diamond

Februaru 28, 1966

Einar Sekse

MOROCCO: BNDE - Requested New Loan

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Total estimated foreign exchange requirements 1966/67 18,600

البنـك الوطنـي للانمـاء الاقتصادي

BANQUE NATIONALE
POUR LE
DÉVELOPPEMENT ÉCONOMIQUE
CAPITAL DE 30 MILLIONS DE DIRHAMS

C. N. S. S. 66.805
R. C. 16.423 RABAT
ADRESSE TÉLÉG. : BADEMAROC
TÉLÉPHONE : 264 - 41 - 42 - 43

DIRECTION JURIDIQUE ET
DU CONTROLE DES CREDITS

RA/AE
N° 1438/JC

2/25

RABAT, LE 21 FEV. 1966

3, CHARIA TIHAMA (EX-AV. DE GASCOGNE)
BOITE POSTALE 407

BANQUE INTERNATIONALE POUR LA
RECONSTRUCTION ET LE DEVELOPPEMENT
1818 H street N.W.

WASHINGTON D.C. 20 433

A l'attention de M. WILLIAMS

Messieurs,

Nous accusons réception de votre télégramme du 18 Février 1966, que nous avons lu :

8502 WASHINGTON DC FEB 253 26 18 1622 =

HONNEUR INVITER DELEGATION B.N.D.E. POUR NEGOCIATIONS AVEC B.I.R.D. SUR SECOND PRET STOP PROPOSONS PREMIERE REUNION COURANT LUNDI 21 FEVRIER STOP CONSIDERATIONS =WILLIAMS INTBAFRAD.

M. BENKIRANE ayant quitté RABAT à destination de WASHINGTON via PARIS le Vendredi 18 Février, nous supposons qu'il est soit en route vers votre ville, soit déjà arrivé à destination.

A toutes fins utiles, M. BENKIRANE résidera à l'hôtel WINDSOR PARK, 23.00 Connecticut Avenue, WASHINGTON DC

Veuillez agréer, Messieurs, l'expression de nos sentiments distingués.

BANQUE NATIONALE POUR LE
DEVELOPPEMENT ECONOMIQUE,

A. SEFRIOUI

R. Alloo

HOL
BNDE
2.

Form No. 27
(7-61)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

OUTGOING WIRE

TO: BADEMAROC
BENKIRANE

RABAT

DATE: FEBRUARY 18, 1966

CLASS OF SERVICE: FULL RATE

HH

COUNTRY: MOROCCO

TEXT:
Cable No.:

HONNEUR INVITER DELEGATION BNDE POUR NEGOCIATIONS AVEC BIRD SUR SECOND PRET STOP PROPOSONS PREMIERE REUNION COURANT LUNDI 21 FEVRIER STOP CONSIDERATIONS

WILLIAMS
INTBAFRAD

GOK
WTZ 2/21

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME: M. BENJENK ~~W. Küdderitzsch~~

DEPT.: Africa "A"

SIGNATURE: _____
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

WK/fb

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Messrs. Jones
Povey
Sekse

For Use by Archives Division

Checked for Dispatch: FCa

Mor
BNDE
(2)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

CONFIDENTIAL

SecM 66-47

February 18, 1966

FROM: The Secretary

MOROCCO

The Bank is planning to invite the Banque Nationale pour le Developpement Economique (BNDE) to send representatives to Washington to negotiate a proposed second loan of $15 million.

Distribution

Executive Directors and Alternates
President
President's Council
Executive Vice President, IFC
Department Heads, Bank and IFC

MOY BNDE
2nd

Mr. S. Noel McIvor

February 17, 1966

C. W. Wang

Morocco - BNDE (Appraisal Report No. DB-27)

1. You may be interested to note the following:

   (a) BNDE has been able to float three domestic long- and medium-term bond issues, totalling some $5.4 million equivalent. The bonds, covered by Government guarantee, were taken up by commercial banks and insurance companies (para. 28 and 29);

   (b) Exchange risks are assumed by the Government and not by BNDE or its borrowers (para. 56);

   (c) Government ownership of BNDE is 44% (originally 56%) (para. 21);

   (d) BNDE will finance tourist facilities out of the Bank loan funds (para. 91).

2. I have the following comments:

   (a) BNDE's low profitability. This is "mainly a function of low leverage on the share capital, jointly with a moderate interest spread and high administrative expenses. The leverage will improve during the next few years and this, together with an expected relative decrease in expenses...will make the 2% spread look somewhat less unattractive. Projected profits, however, will still be moderate..." (para. 99). Hence, the report recommends that BNDE should explore what can be done to improve its return, "including the possibility of increasing its lending rate" (para. 110). But BNDE's lending rate is limited to 7% by agreement with the Government (para. 57). Since no DFC's would not like to charge what the market can bear, it seems that the problem is the Government. In these circumstances, I wonder whether the Bank should not take up this question of BNDE's lending rate with the Government;

   (b) Amortization. The report recommends that "the amortization schedule for the loan should be a composite of the repayment schedules which BNDE works out with its borrowers, with a preliminary amortization schedule included in the loan agreement and adjusted from time to time" (para. 115). The purpose of such amortization schedules is mainly to protect DFC's from exchange risks. Since neither BNDE nor its borrowers bear such risks, there is no reason whatever for applying such a schedule for this loan. I therefore feel that the proposed loan should have a fixed amortization schedule not subject to revision from time to time;

(c) Interest rate. The report makes no recommendation regarding whether the interest rate should be fixed or flexible. I guess the author of the report is probably at a loss to make a recommendation since there is some confusion about the Bank/IFC policy on this question. I feel that this question should perhaps be raised in the Area memo to obtain some guidance from the Loan Committee.

CWWang:bl

NOT BNDE
2nd

February 16, 1966

Mr. J. G. Beevor
International Finance
Corporation
15th Floor, New Zealand House
Haymarket, London S.W. 1
England

Dear Jack:

Although I have been back from my African tour for about two weeks, I have not yet been able to catch quite up with all that has been going on here meanwhile. I have, however, read your various letters on Morocco, Nigeria and Turkey. They are very informative and useful. Thank you very much.

BNDE Corr

This letter is addressed particularly to yours of February 3 about BNDE in which you mention a number of various issues. I will have to come back on your other letter of the same date, in which you deal with the Director-General situation and the question of training of BNDE staff.

1. Director-General - procedure for future appointments - Mr. Woods and Mr. Tahiri have engaged in discussions - via Mr. Tazi - about the government's wishes in this respect. I hope that we shall be able to let you know more about this before you go to Morocco for BNDE's Board meeting.

2. Promotion Center - As you will have noticed from my notes on BNDE dated January 24, I endorse Sekse's views that there is a place for a general information center for investors in Morocco, but that this place is not within BNDE. We will follow this up with Benkirane when he comes here for negotiations later this month, and will keep you informed.

3. Fonds Public de Developpement - As I cabled you on February 8, I was given the letter from the Minister of Finance in strict confidence. I have no idea what the significance of the letter is, but hope that Benkirane can explain the matter to us when he comes here.

4. Hotel financing - We have not yet completed our study of the draft Protocol between BNDE and CPIM. A preliminary review indicates that it would, by and large, be acceptable.

5. Projects - We have strong doubts about SOMADIM (corn processing), as you will see from Sekse's letter of February 11. ORBONOR is under study, and I hope we shall be able to advise you about this project in good time before the Board meeting.

6. Loan negotiations - We sent the appraisal report to the Bank Loan Committee on February 14 - a copy being mailed to you - recommending a second loan of $15 million. We are still expecting to start loan negotiations on February 21.

We will keep you informed about all these matters as they develop. Before you go to the Board meeting, presumably in early March, you will as usual receive a comprehensive brief.

Sincerely yours,

William Diamond
Director
Development Finance Companies

cc: Messrs. von Hoffmann
El Emary
Benjenk

ESekse:scc

Form No. 60
(2.65)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

MOR BNDE

CONFIDENTIAL

LOAN COMMITTEE

February 16, 1966

MEMORANDUM TO THE LOAN COMMITTEE

Morocco - Proposed Second Loan to the Banque Nationale pour le Developpement Economique (BNDE)

1. The Committee is requested to consider, without meeting, the attached memorandum of February 14, 1966 from the Africa Department, entitled "Morocco - Proposed Second Loan to the Banque Nationale pour le Developpement Economique (BNDE) a Development Finance Company" (LC/O/66-10).

2. Comments, if any, should be sent to reach Mr. Benjenk (ext. 3571) by noon on Friday, February 18.

3. It is planned then, if the Committee approves, to inform the Government that the Bank is prepared to begin negotiations for the proposed loan.

Henry G. Hilken
Secretary
Loan Committee

DISTRIBUTION:

CHAIRMAN
DIRECTORS OF AREA DEPARTMENTS
DIRECTOR, PROJECTS DEPARTMENT
GENERAL COUNSEL
DIRECTOR, ECONOMICS DEPARTMENT
TREASURER
DIRECTOR, DEVELOPMENT SERVICES DEPARTMENT

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Vice President
Economic Adviser to the President
Secretary
Director of Information
Director, Economic Development Institute
Director, European Office
Special Advisers to the President
Special Representative for UN Organizations
Executive Vice President (IFC)

CONFIDENTIAL

LC/O/66-10

February 14, 1966

LOAN COMMITTEE

Memorandum from Africa Department

Morocco - Proposed Second Loan to the Banque Nationale pour le Développement Economique (BNDE) a Development Finance Company

1. The Bank made a loan of $15 million to the Banque Nationale pour le Développement Economique (BNDE) on December 21, 1962, and IFC made a $1.5 million investment in BNDE's capital stock on January 16, 1963. BNDE has now approved loans and other investments that will utilize the full amount of the 1962 loan. An appraisal mission visited BNDE in November-December 1965 in connection with BNDE's request for a second Bank loan. An Appraisal Report (DB-27) for this proposed loan is attached, as well as a summary of the meeting of the Staff Investment Committee of IFC in connection with this report.

2. This would be the fourth Bank loan to Morocco. In addition to the first BNDE operation, the Bank participates in the financing of the Sidi Slimane agricultural development project (1964; $17.5 million) and in the medium and long term agricultural credit program of the Caisse Nationale de Crédit Agricole (1965; $10 million). Thus, Bank lending in Morocco to date totals $42.5 million.

3. IDA, in 1965, made a credit of $11 million for the construction and equipment of comprehensive secondary schools.

4. A memorandum on "The Economic Position and Prospects of Morocco," dated August 6, 1965, was discussed by the Economic Committee on August 10, 1965. The Economic Committee concluded that Morocco was creditworthy for additional Bank lending. In the meantime, no changes have occurred which would affect this conclusion.

5. The Appraisal Report concludes that BNDE could effectively use additional foreign exchange resources of $15 million in the next two years and recommends a second Bank loan of that amount. The terms and conditions of the Bank's loan should be those customary in loans to development finance companies. The Report also calls attention (paragraph 113) to the need for reinforcing BNDE's management. IFC has for some time been seeking a suitable person to assist the Managing

Director of BNDE. In view of the importance attached to this appointment, IFC proposes that such a person should be appointed before the loan is presented to the Board.

6. I concur with the recommendations in the Appraisal Report, and, if the Committee agrees, propose to invite Moroccan negotiators to Washington immediately.

J. H. Williams
Deputy Director

Record Removal Notice

The World Bank Group Archives & Records Management

File Title	Barcode No.
Banque Nationale de Developpement Economique [BNDE] Project (02) - Morocco - Loan 0447 - P005352 - Negotiations 01	1697555

Document Date	Document Type
10 February, 1966	Report

Correspondents / Participants

Subject / Title

Minutes of Staff Investment Committee Meeting at 11:00 a.m. on Wednesday, February 9, 1966, in Room 946

Exception(s)

Information Provided by Member Countries or Third Parties in Confidence

Additional Comments

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.

Withdrawn by	Date
Chandra Kumar	24-Mar-15

Record Removal Notice

The World Bank Group
Archives
& Records Management

File Title	Barcode No.
Banque Nationale de Developpement Economique [BNDE] Project (02) - Morocco - Loan 0447 - P005352 - Negotiations 01	1697555

Document Date	Document Type
02 February, 1966	Attachment

Correspondents / Participants

Subject / Title

Notice of Meeting

A meeting of the Staff Investment Committee will be held at 11:00 a.m. on Wednesday, February 9, 1966, in Room 946

Exception(s)

Information Provided by Member Countries or Third Parties in Confidence

Additional Comments

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.

Withdrawn by	Date
Chandra Kumar	24-Mar-15

INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

SIC/O/66-10
February 2, 1966

To: Staff Investment Committee

From: Einar Sekse

Subject: MOROCCO - Proposed Second Loan to the Banque Nationale pour le Developpement Economique (BNDE)

1. After a reorganization of BNDE's capital structure, the Bank agreed to lend $15 million to BNDE on December 21, 1962, and IFC signed an investment agreement for DH 7.5 million on January 16, 1963. The Bank loan has now been fully committed by BNDE, who has requested a second loan. A reappraisal mission visited Morocco for three weeks in November-December 1965. Attached is the draft report of that mission.

2. In 1964, when we made an end-use review of BNDE, our main concern related to its profitability. That concern has now been mitigated, if not entirely removed. The main reason for this is that BNDE's quasi-equity will soon be brought up from two-thirds to equal size with its share capital, and the cost of it will be reduced from 4% to 2%. This being so, BNDE's net return on its net worth is likely to increase from about 5% in 1965 to more than 8% in 1969, and there should be good prospects that at least 4% dividends can be distributed on the share capital in 1967 and 1968, and 5% or more thereafter. Thus, while profits are likely to continue on a modest level for the next few years, further immediate improvement of the situation could perhaps be dismissed as a sine qua non for new loan negotiations. On the other hand, BNDE should certainly be continuing to seek new improvements in this respect, be it through the acquisition of more quasi-equity, the increase of the lending rate, more emphasis on the return from equity investments, and/or restricting operating expenses as much as possible.

3. It is suggested that -

(a) BNDE is a suitable recipient for a new Bank loan;

(b) it can be expected to make new loans and investments at an annual rate of about DH 40-45 million over the next three or four years; it can effectively use additional foreign exchange resources of $15 million in 1966 and 1967;

(c) BNDE should modify its reserve policy so as to allow more flexibility in the allocations to the general loan reserve.

The SIC is requested to express its views on these points.

ESekse:spm

THIS FILE IS CLOSED AS OF

DECEMBER 1965.

FOR FURTHER CORRESPONDENCE SEE:

1966 - 1968.

RECORDS MANAGEMENT SECTION
February 1969

MOR BDBZ #2

September 16, 1965

Dear Mr. Benkirane:

In connection with BNDE's request for a second loan from the World Bank, I wrote to Mr. Bengeloun on July 21 and suggested that some of our people visit Rabat in October to make a reappraisal of BNDE. I also attached a questionnaire and a number of forms regarding the kind of information we would like to have in advance of the mission.

We have not yet received a reply to this letter, nor have we received any of the information requested. I wonder, therefore, whether the letter may possibly have gone astray. In case it did, I am attaching a duplicate of the letter and its attachments. I am enquiring about this because we hope to receive the complete set of information here as soon as possible, in order to give the members of the mission sufficient time to study the material in advance of their departure. We can discuss the exact timing of the mission, as well as other matters of mutual interest, during your forthcoming visit to Washington.

With best regards,

Sincerely yours,

William Diamond
Director
Development Finance Companies

Enclosures

Mr. Mohamed Benkirane
Directeur Général
Banque Nationale pour le
Développement Economique
Boîte Postale 407
Rabat, Maroc

ESekse:NHHanh:RFSkillings:ac.
cc: Messrs. Benjenk, T.Jones, Povey, Bataillard, Garrana/Lundberg, Hanh.

copy 329 MOR BNDE 2nd

July 21, 1965

Mr. M. A. Bengeloun
Director General
Banque Nationale pour le
Developpement Economique
Boite Postale 407
Rabat, Morocco

See MOR 329

Dear Mr. Bengeloun:

Thank you very much for your letter dated June 21.

As I said in my letter of June 16, we were naturally happy to learn of the dividend which BNDE's General Assembly decided upon. It is, as you say, a first step, but an important step, towards the day when we can begin to sell our shares (the Government's and IFC's) to private Moroccan investors. Incidentally, I look forward to your reaction to the other questions I raised in my letter of June 16.

We will, of course, be happy to consider receiving another trainee from BNDE, either late this year or early in 1966. As soon as you have decided on a particular candidate, please send us his curriculum vitae. I am pleased that in selecting candidates, you will give particular attention to their command of English, so that they will be able to profit fully from their opportunity.

We are gratified to note that BNDE will soon have fully utilized the first World Bank loan and that BNDE will have to replenish its foreign exchange resources. This development is a tribute to the work of BNDE under your leadership.

As you rightly say, the first step towards consideration of a second Bank loan is a mission to reappraise BNDE's performance, position and prospects. You suggest a mission in the second half of August so that negotiations can take place at the time of our Annual Meeting. I regret very much that commitments of staff already made will not allow us to send a mission in August; I should like to suggest, as an alternative, that some of our people visit Rabat in October, after our Annual Meeting. Please let me know if this will be convenient.

To facilitate the work of the mission, the staff has prepared as usual a questionnaire (supplemented by a number of forms) listing the

information it needs in advance of its visit. We would be grateful if you would complete it as soon as possible, and not later than September 15. As you will see, it is a very extensive questionnaire which, fully completed, would give a detailed story of BNDE's activities and performance, as well as its prospects. It might, I imagine, be as helpful to you as it would be to us.

With best regards,

Yours sincerely,

William Diamond
Director
Development Finance Companies

Enclosures

NHHanh/WDiamond:amm

cc: Messrs. Benjenk, T. Jones, Povey, Bataillard, Garrana/Lundberg, Circ. (2)

Cleared with and cc: Messrs. Benjenk, T. Jones, Povey
cc: Messrs. Bataillard, Garrana/Lundberg, Circ. (2)

Information required for reappraisal of
BANQUE NATIONALE POUR LE DEVELOPPEMENT ECONOMIQUE (BNDE)
MOROCCO

I. Shareholders, Shares

1. List of shareholders as of June 30, 1965, in attached Form 1.

2. (a) List of share transfers which took place in the time between the old and the new list.
   (b) Price at which shares have been traded.

II. Organization

1. List (Form 2) of members of BNDE's Board of Directors on June 30, 1965.

2. List of members of Comité Consultatif.

3. (a) Organization chart (Form 3) as of June 30, 1965.
   (b) Note explaining changes made.

4. (a) List of professional staff members who have left BNDE since May 31, 1964.
   (b) List of new professional staff engaged, with brief curriculum vitae and work assignment information.

III. Policies, Procedures

1. Description of changes made in operational policies, procedures or internal regulations since May 31, 1964; copies of all new guidelines or instructions issued since then.

IV. Operations

1. Summary of direct loan activity, in attached Form 4.

2. Summary of medium-term rediscountable credits, in attached Form 5.

3. Analysis of loans approved, in attached Forms 6 and 7.

4. Summary of underwriting (if any) and equity investments, in attached Form 8.

5. List of equity investments made, sold and held, in attached Form 9.

6. Summary of activity other than loans and investments (except promotional activity) in attached Form 10. Further details about such activity could be given on a separate paper.

7. Summary of estimated cost and financing of projects for which loans and equity investments have been approved, in Form 11.

8. Summary of sources from which BNDE has financed its disbursements of direct loans and equity investments, in attached Form 12.

9. Summary memorandum of BNDE's activities and achievements in the field of promotion since its start, mentioning, inter alia, studies made, projects actually brought into being, projects pending or now under study, their chances of implementation and how they could be financed.

V. Portfolio

1. Summary of repayments, arrearages and defaults on direct loans, in attached Form 13.

2. Classification of direct loan portfolio according to security as of June 30, 1965, in attached Form 14.

3. Brief notes on each company in which BNDE presently holds shares, giving information about type of activity and ownership, and an evaluation of the present operational and financial situation of the company, its prospects and problems (if any).

VI. Financial Record and Position

1. Balance sheet, income statement and allocation of income statement as of June 30, 1965 in form comparable with annual reports.

2. Specification of the following balance sheet items as of June 30, 1965.

- Special deposits
- Sundry current liabilities and provisions
- "Bons de Caisse"
- Other bond issues

as to: names of creditors, term, interest rates, repayment schedule, etc.

3. Description of taxation, exemption, compulsory appropriations such as FNI, applicable to BNDE and note of changes since May 1964.

4. Statement of resources available to BNDE as of June 30, 1965, specifying terms and conditions.

5. Statement of BNDE's liquidity position as of June 30, 1965, in form normally used by BNDE.

VII. Projections

1. List of projects under advanced study, under preliminary study or expected to be submitted to BNDE, in attached Form 15.

2. Estimate of cost and financing of projects expected to require direct loans or equity investments from BNDE for approval 1965-1969, in attached Form 16.

3. Projections of directoloan operations 1965-1969, in attached Form 17.

4. Projected cash flow for second half of 1965, 1966, 1967, 1968 and 1969 in form used in Form 18.

5. Projected balance sheet, income statements and allocation of income statements for same period as 4 above in form comparable to past reports.

6. Projected breakdown of operating expenses for same period as 4 above.

7. Summary of assumptions used in preparing projections (basis for estimating investments, approval, commitment and disbursement rate, division between foreign exchange and dirham operations, interest and commission rates, administrative expenses, recoveries of loans, etc.).

VIII. Economic Contribution

1. Brief summary of various economic effects of BNDE's activity, to the extent information is available.

Form No. 26
(2-62)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

2nd BNDE
Copy BNDE Gen
only - 329 MOR

INCOMING WIRE

DATE OF WIRE: JULY 21, 1965 1538

LOG NO.: BG 16

TO: GORENWIN

FROM: LONDON

ROUTING	
ACTION COPY:	MR. BOHEN MR. DIAMOND
INFORMATION COPY:	
DECODED BY:	

TEXT: NUMBER 356 FOR BOHEN DIAMOND

FOLLOWING IS NOTE MENTIONED PARA 5 NIXIT JULY 20 JUNE BNDE WHICH SHOULD REACH YOU THURSDAY

"PRIMO FIRST CONCERN OF BANK IPC IS TO MAINTAIN AND IMPROVE RELATIONS WITH GOVERNMENT SO THAT FUTURE PROGRAMME LOANS BNDE MAY BE DEVELOPED ON MUTUAL SATISFACTORY BASIS

SECUNDO FUNDAMENTAL TO SUCH PROGRAMME IS MUTUAL CONFIDENCE AND OBSERVANCE EXISTING AGREEMENTS AND UNDERSTANDINGS

TERTIO THIS INCLUDES FIRST SECTION ARTICLE FIVE LOAN AGREEMENT DECEMBER 21 1962 AND PROPER FUNCTIONING OF BNDE IN ACCORDANCE WITH STATUTES AND CONCLUDED AGREEMENTS ESPECIALLY REGARDING RESPONSIBILITIES OF CHAIRMAN AND DIRECTORS AND MANAGEMENT AS ORGANS RESPONSIBLE FOR CONDUCTING BUSINESS IN ACCORDANCE WITH STATUTES RELEVANT AGREEMENTS AND UNDERSTANDINGS

QUARTO FULLY RECOGNIZE RIGHT OF ALL GOVERNMENTS TO REMAND SERVICES OF EXPERIENCED AND QUALIFIED PERSONS FOR IMPORTANT GOVERNMENT SERVICE EVEN AT RISK OF ENDANGERING SERIOUSLY EFFICIENCY OF INSTITUTION WHERE THEY ARE SERVING BUT WOULD STRESS POSSIBILITY THAT REMOVAL OF ANY SUCH PERSON MAY PREJUDICE EFFICIENCY OF INSTITUTION

QUINTO BELIEVE BNDE DEVELOPING SATISFACTORILY AS INSTITUTION DESERVING PROGRESSIVE FUTURE LOANS UNDER PRESENT EXPERIENCED MANAGEMENT BUT CANNOT FEEL SAME CONFIDENCE FOR FUTURE IF PRESENT MANAGEMENT REPLACED BY SUCCESSOR OF UNDOUBTED ABILITY BUT LACKING PREVIOUS EXPERIENCE IN MANAGEMENT DEVELOPMENT

DUPLICATE

Form No. 26
(2-62)

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

INCOMING WIRE

DATE OF WIRE: JULY 21, 1965 1530

LOG NO.: NG 16

TO: CORNFIN

FROM: LONDON

ROUTING	
ACTION COPY:	MR. ROSEN MR. BLANCHARD
INFORMATION COPY:	
DECODED BY:	

TEXT:

PAGE TWO

FINANCE INSTITUTION."

NATURALLY OUR PROSPECTS OF HELPING GOVERNMENT TO REFRAIN FROM COURSE OF ACTION WHICH MAY HAVE SERIOUS ADVERSE CONSEQUENCES FOR BRIG WOULD BE GREATLY IMPROVED IF PRESIDENT INTERVIEWED WOULD SEND MESSAGE ON THESE LINES TO FINANCE MINISTER FOR CONSIDERATION BY HEAD OF STATE BEFORE BRIGGEST BOARD MEETING HERE IS HELD. MEANWHILE LETTER TO YOU OF 9 JULY REGISTERS DEEP DISSATISFACTION AT GOVERNMENT HANDLING OF THIS MATTER AND QUESTIONS SINCERITY OF MOTIVE. BELIEVE IN THESE CIRCUMSTANCES WE SHOULD DO EVERYTHING REASONABLY POSSIBLE TO ADVISE GOVERNMENT RECONSIDER PROPOSAL.

BEVOR

AB

DUPLICATE

En second lieu, l'ouverture de négociations pour la conclusion d'une seconde ligne de crédit. Votre lettre m'est parvenue au moment où je comptais moi-même vous faire part de l'état d'avancement de notre engagement souscrit ou à souscrire sur la ligne de crédit actuelle. Le tableau ci-joint, établi au 14 juin, indique que le montant déjà engagé auprès de la B.I.R.D. approche de 7 millions de dollars; si on y inclus les projets soumis (et dont quelques-uns ont été agréés depuis le 14 juin), on arrive à un montant supérieur à 9 millions de dollars; en tenant compte enfin des projets en cours d'approbation à la B.N.D.E. et qui seront ultérieurement soumis à la B.I.R.D., on dépasse le montant de 15 millions de dollars. Parmi ces derniers dossiers figure, pour 4 millions de dollars, la Sucrerie du Tadla dont le principe a fait l'objet d'un accord de la part de Washington.

Il résulte de cette analyse que les engagements de la B.N.D.E. conduiront à l'épuisement de la ligne de crédit d'ici le début de l'automne prochain.

Dans ces conditions, il me semble souhaitable que les prochaines négociations puissent se dérouler à une date relativement rapprochée (par exemple avant la réunion annuelle de fin septembre à Washington ou après la Conférence des Banques de développement à la mi octobre). La mission que vous comptez nous envoyer pour établir un rapport à jour sur la B.N.D.E. pourrait venir à Rabat dans la deuxième quinzaine d'août ou au début de septembre selon la date qui sera arrêtée pour les négociations.

Form No. 59
(2-55)

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: June 21,1965

TO: Mr. Diamond

FROM: Mr. Bengeloun
B.N.D.E.

FILED UNDER: Morocco - Loan 329/Inv 56

SUMMARY:

Acknowledging letter June 11,1965 re various matters.

EXCERPT:

B. N. D. E.

AB/RT. n° 21

Rabat, le 18 Juin 1965

NOTE SUR L'ETAT D'AVANCEMENT AU 14 JUIN 1965
DE L'UTILISATION DE LA LIGNE DE CREDIT DE 15 MILLIONS DE
DOLLARS OUVERTE A LA B. N. D. E. DANS LES LIVRES DE LA BIRD

- - -

		U. S. Dollars
1) -	Droit de tirage déjà exercé	4.752.921,03
2) -	Droit de tirage à exercer (dossiers déjà agréés par B. I. R. D.)	2.161.493,42
3) -	Montant engagé sur la ligne de crédit	6.914.414,45
4) -	Droit de tirage à exercer (dossiers agréés par B. N. D. E., en cours d'agrément par B. I. R. D.)	2.280.000,--
		9.194.414,45
5) -	Droit de tirage à exercer (dossiers en cours d'agrément par B. N. D. E. à faire ensuite agréer par B. I. R. D.)	6.611.400,-- (1)
	Total	15.805.814,45
6) -	Prévisions d'agrément par B. N. D. E. d'ici fin septembre 1965	2.260.000,--

(1) - y compris Sucrerie du Tadla approuvé en principe par B. I. R. D.

Morr - DB 2nd

FORM NO. 59
(2-55)

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: June 18,1965

TO: Mr. Bengeloun
B.N.D.E.
Rabst

FROM: Mr. Williams

FILED UNDER: Morocco - Loan 329/Inv 56

SUMMARY:

Line of credit likely to be completely drawn soon. Thought should be given for a possible second line of credit.

Mr. D B 2nd

FORM NO. 59
(2-55)

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: June 11,1965

TO: Mr. Bengeloum

FROM: Mr. Diamond

FILED UNDER: Morocco - Loan 329/Inv 56

SUMMARY:

Discussion with Mr. Beevor re needs of B.N.D.E for a second loan.

Mor 329 Bank

Copy Mor 329

Mr. M. P. Benjenk

May 28, 1965

A. Volait

MOROCCO - Second Bank Loan to BNDE

An amount of $7.1 million has already been credited to the Loan Account under the first $15 million 329 MOR Loan for 42 projects. We have under consideration a proposed loan for Cartons et Papiers amounting to about $1 million equivalent. During the last two weeks we have received from BNDE requests for crediting the Loan Account for the following projects:

(1) MANUDRA
(2) COMAMUSSY
(3) FILROC
(4) LINADET
(5) MAROC-LEASING

The above five projects are in addition to the small project concerning WITAG. These seven pending projects amount to a total of $2.5 million equivalent.

If all these seven projects were agreed to, the Loan Account would thus be credited with the equivalent of $9.25 million equivalent. In addition, if in the following weeks we were to receive and quickly approve the Tadla Sugar Factory project, the total amount credited to the Loan Account would total $14.25 million out of a loan of $15 million.

Under the circumstances, I wonder whether the proper time has not arrived to consider when and under what condition a second Bank loan could be extended to BNDE.

Copy to Messrs. J.H. Williams
Skillings
E. Clark

AVolait:cc