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ECONOMIC COMMISSION FOR AFRICA

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Engineering Design and Manufacturing

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CRITERIA FOR ASSESSING CONTRIBUTIONS BY MEMBER STATES

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1. Whatever other sources of financing may materialize, it must be stressed that the African Governments must accept fundamental responsibility for financing the activities of the Centre. It is expected, therefore, that the member States of the Centre will come to an agreement concerning the sharing of expenses by working out a formula to govern the regular contributions each Government would make. This practice of sharing expenses is familiar to African countries which are members of the United Nations, OAU, ADB and many other organizations which are financially supported by participating Governments.

Responsibilities of the host country

2. In considering the provision of funds, especially capital funds, for the Centre it should also be expected that the location of the Centre will have significant impact on the budget, in the sense that the host country must be prepared to assume much greater responsibility. The host country must regard the Centre, not as a gift, but as a mark of trust and responsibility towards the other member States. Thus enough material and financial support must be forthcoming from the Government of the host country to enable the Centre to, at least, get started on schedule.

3. It is of immediate importance that a decision should be taken on the provision of funds for the regular budget of the Centre for the first two years, estimates for which are given in this report.

Alternative formulae for assessing contributions

4. OAU formula: The secretariat is proposing that the Executive Board should adopt, possibly on a provisional basis, the scale of assessment approved by the OAU Assembly of Heads of State and Government in 1977 (See attachment) for contributions by member States of the Centre towards its regular budget. However, each country's percentage contribution within the OAU scheme, will have to be recalculated in order to bring out the corresponding percentage contribution applicable to the Centre's membership composition and size. This difficulty with this formula is that it may exaggerate the assessment for some members of the Centre. A basis for determining contributions different from the OAU scheme would therefore be desirable in the long-term, given also the different structures and functions of the two organizations.

5. Guaranteed minimum contributions: In the light of the points discussed above, the ECA secretariat wish to propose that the budget of the Centre be drawn upon the basis of guaranteed minimum contributions by member States which would ensure that the performance of the Centre would live up to the expectation of it. It is thus advisable that each member State should make a practical financial commitment and willingly pledge its guaranteed minimum contribution in advance. As membership expands the burden of the budget on the founding members will accordingly be reduced pari passu.

6. Contributions on basis of equal shares: Unlike such organizations as the UN or the OAU, the Engineering Design Centre is intended to operate primarily as a service institution whose benefits must be distributed to members, not according to country size, but according to requirements which, in Africa, do not differ greatly from country to country. Thus, depending on the size of membership in the Centre, contributions to the latter's regular budget could be provided on basis of distributing shares

of equal value to each member State <sup>1/</sup>. This would constitute the guaranteed minimum contribution referred to above, in terms of a fixed regular sum.

7. Furthermore, the Centre could, in addition, be authorized to ask the members to take more voluntary shares, even though this would not entitle a country to extra voting rights in the Council. If the amount contributed cannot be spent in the first year, it could go into the following year expenditure. At least the formulated proposed here could be applied in such a way as to ensure that the Centre will continuously have the money to perform all its functions as expected of it.

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<sup>1/</sup> For a model scheme, let us assume there are ten (10) member States. Taking into account the Centre's estimated regular budget for the first two years of US\$(1,219,828 + 2,245,536) = US\$3,526,364, and assuming that whatever is given by UNDP, UNIDO, etc. is put into capital fund, each member State could then be allocated an equal share of about US\$350,000 worth during that period.

Proposed scale of contributions to the OAU  
budget for financial year 1977/78 and subsequent years

C o u n t r y	Total GDP in (thousands of US dollars)	Population in mid-1975 (thousands)	Per capita GDP (US dollars)	Proposed Contribution (per cent)
Algeria	6,267,162	15,590	402	6.15
Angola	1,552,229	5,750	270	2.36
Benin	210,162	3,110	68	0.54
Botswana	281,833	690	408	1.96
Burundi	314,846	3,760	84	0.61
Cameroon	1,542,928	6,970	193	1.86
Cape Verde	28,920	302	96	0.54
Central African Empire	233,014	1,980	118	0.69
Chad	327,050	4,030	81	0.61
Comoros	39,971	310	129	0.50
Congo	342,660	1,349	254	1.35
Egypt	9,098,484	37,230	244	7.57
Ethiopia	2,155,016	27,950	77	2.00
Equatorial Guinea	69,621	310	225	1.01
Gabon	749,055	519	1,443	6.29
Gambia	66,503	516	129	0.61
Ghana	2,674,667	9,870	271	3.24
Guinea	387,571	4,420	88	0.68
Guinea Bissau	107,446	530	203	0.95
Ivory Coast	2,217,745	6,740	329	3.13
Kenya	2,084,126	13,400	156	2.28
Lesotho	88,425	1,040	85	0.54
Liberia	516,343	1,567	330	1.81
Libyan Arab Jemahiriya	6,178,538	2,440	2,532	10.00
Madagascar	917,243	7,520	122	1.23
Malawi	510,904	5,040	101	0.83
Mali	327,143	5,700	57	0.54
Mauritania	235,415	1,320	178	0.94
Mauritius	278,170	885	314	1.55
Morocco	4,200,302	11,250	243	4.30
Mozambique	1,541,124	9,060	170	1.92
Niger	416,629	4,600	91	0.72
Nigeria	9,663,892	62,930	154	7.63
Rwanda	159,167	4,200	38	0.50
Sao Tome and Principe	23,508	79	298	1.29
Senegal	590,143	4,985	118	0.96
Seychelles	21,693	60	362	1.55
Sierra Leone	588,210	2,750	214	1.37
Somalia	320,454	3,170	101	0.69
Sudan	1,826,456	17,760	103	1.85
Swaziland	206,626	490	422	1.96

C o u n t r y	Total GDP in (thousands of US dollars)	Population in mid-1975 (thousands)	Per capita GDP (US dollars)	Proposed Contribution (per cent)
Togo	213,647	2,220	96	0.58
Tunisia	2,284,864	5,582	409	3.53
Uganda	1,033,117	11,550	89	1.18
Upper Volta	357,759	6,030	59	0.54
United Republic of Tanzania	1,550,631	15,160	102	1.64
Zaire	2,268,602	24,900	91	2.15
Zambia	1,982,562	4,900	405	3.27
<b>T o t a l</b>	<b>68,852,576</b>	<b>362,514</b>	<b>12,552</b>	<b>100.00</b>

Source: "Report of the Administrative Secretary-General on the review of the OAU scale of assessment" (OAU document CM/780 (XXVIII) Rev.1).

Note: Minimum and maximum contributions of 0.5 per cent and 10 per cent, respectively, have been laid down. The Comoros and Rwanda were assigned the minimum, and the Libyan Arab Jamahiriya, the maximum contributions, with the balance being distributed among the remaining States.