

49066



ECONOMIC COMMISSION FOR AFRICA

Third Conference of Chief Executives of
ECA-sponsored Institutions

29 November - 2 December 1982
Addis Ababa, Ethiopia

ECO/IGO/III/5

ESTABLISHMENT AND ADMINISTRATION OF THE BUFFER FUND FOR
ECA-SPONSORED REGIONAL AND SUBREGIONAL INSTITUTIONS

1. Establishment of the Buffer Fund

The Second Conference of Chief Executives formally established the Buffer Fund to advance moneys to ECA-sponsored regional and subregional institutions to tide them over temporary periods of financial difficulty. The Chief Executives further decided that their institutions should set the example in self-reliance by making initial contributions to the Buffer Fund which in turn, would also induce governments and donor organizations to contribute to the fund. In its resolution 451(XVII), the 8th meeting of the ECA Conference of Ministers expressed its appreciation with regard to the establishment of the Buffer Fund, noted that, in the spirit of self reliance, the ECA-sponsored regional and subregional institutions themselves were to make initial contributions to the Buffer Fund, and made an appeal to all African governments and institutions to make pledges during the fourth and subsequent Pledging Conferences of African Plenipotentiaries and Institutions for the purposes of augmenting the Buffer Fund.

2. Name

The name of this fund shall be the Buffer Fund for the ECA-sponsored institutions hereinafter referred to as BUFESI.

3. Objective

The objective of the Bufesi shall be to advance operational funds to member institutions facing temporary financial difficulties.

4. Membership

Membership shall be opened to all ECA-sponsored institutions.

5. Contributions to the Fund

The Bufesi shall receive contributions starting 1982 from all member institutions as well as voluntary contributions from the United Nations system as well as bilateral and private donors.

Contributions to be made by member institutions shall not be less than US\$15,000.00 for each member institution for each year 1982 and 1983. The Conference of Chief Executives of ECA-sponsored institutions may decide on the replenishment of the minimum BUFESI from time to time.

In addition ECA is requested to mobilize external financial contributions.

All contributions to the Bufesi shall be made in any convertible currency.

6. Administration of the Bufesi

The interim administration of the Bufesi is entrusted to ECA for an initial period of one year after which the conference of Chief Executives of ECA-sponsored institutions shall consider entrusting its permanent management to a financial institution.

6. Borrowing by members

No advances shall be granted before the state is approved by the Conference of the Chief Executives and until such a time the Bufesi has reached a level of US\$600,000.00.

8. Rules for operation of the Bufesi

A Committee composed by ADB, AACB and ECA is established with the following terms of reference:

A) Prepare detailed rules and procedures for operation and management of the BUFESI

1. Acceptance of contributions and pledges

2. Administration of the Fund

- Collection, custody and investment of membership and voluntary contributions

- Preparation of cost plan including lending policies, interest rate, etc.

- Spending authority, drawing rights and withdraw ceiling

- Implementation control

- Reporting and evaluation

3. Audit

4. Closure of the Bufesi

B) ECA will be the convenor of the Committee.

C) Circulate to the institutions the draft status latest by September 1983 which will be debated upon during the fourth conference of Chief Executives of ECA-sponsored institutions

D) ECA/ADB and AACB should nominate the staff responsible for this Committee. The Committee should meet by May 1983 at ECA Headquarters to draft the documents.