

No. 854

**SWITZERLAND
and
AFRICAN DEVELOPMENT FUND**

**Agreement establishing the Swiss Special Fund for Africa
(with exchange of letters). Signed at Berne on 17 Sep-
tember 1974**

Authentic texts: French and English.

Filed and recorded at the request of Switzerland on 12 August 1980.

**SUISSE
et
FONDS AFRICAIN DE DÉVELOPPEMENT**

**Accord créant le Fonds spécial suisse pour l'Afrique (avec
échange de lettres). Signé à Berne le 17 septembre 1974**

Textes authentiques : français et anglais.

Classé et inscrit au répertoire à la demande de la Suisse le 12 août 1980.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE SWISS CONFEDERATION AND THE AFRICAN DEVELOPMENT FUND ESTABLISHING THE SWISS SPECIAL FUND FOR AFRICA

The Government of the Swiss Confederation (hereinafter called the Confederation) and the African Development Fund (hereinafter called ADF),

Desiring to co-operate in promoting the economic and social development of Africa,

Have agreed as follows:

Article 1. ESTABLISHMENT OF THE SWISS SPECIAL FUND FOR AFRICA

The present Agreement hereby establishes, within ADF, the Swiss Special Fund for Africa (hereinafter called the Swiss Fund), the resources of which shall be constituted in accordance with article 3 of this Agreement.

Article 2. PURPOSE OF THE SWISS FUND

The Swiss Fund shall be used to provide loans on concessional terms to any government or entity of developing countries which are members of the African Development Bank, in order to assist in the financing of projects designed to promote the economic and social development of the least favoured of such countries.

Article 3. RESOURCES OF THE SWISS FUND

a) The Confederation shall place at the disposal of the Swiss Fund, on the terms and conditions hereinafter set forth, the sum of twelve (12) million Swiss francs (hereinafter called the Contribution).

b) All amounts received by the Swiss Fund in repayment of portions of loans or other reimbursable assistance financed from the Contribution, together with all income accruing from the Contribution, other than the service charge referred to in article 6, shall form part of the resources of the Swiss Fund and shall be available for further use in accordance with the provisions of this Agreement.

Article 4. DESIGNATION OF ADF AS ADMINISTRATOR

ADF is designated Administrator of the Swiss Fund, which it shall administer in accordance with the provisions of this Agreement.

Article 5. PAYMENT PROCEDURES

a) The Contribution shall be made available to ADF in two instalments. The first such instalment, in the amount of five (5) million Swiss francs, shall become due within thirty days after the entry into force of this Agreement. The second instalment, in the amount of seven (7) million Swiss francs, shall become due on March 31, 1976.

¹ Came into force on 3 October 1975, the date on which the Parties notified each other of the completion of their constitutional requirements, in accordance with article 18.

b) The instalments mentioned in sub-paragraph (a) above shall be paid in cash by deposit in a special account denominated "African Development Fund—Swiss Special Fund for Africa" which shall be non-interest bearing and shall be opened with the Swiss National Bank, provided that when the Contribution in Swiss francs is used for payments to countries other than Switzerland, the Swiss francs shall be converted into other currencies with the Swiss National Bank, unless the latter agrees to proceed otherwise.

Article 6. USE OF THE SWISS FUND

a) ADF may utilize the Swiss Fund for any of the operations referred to in article 2 of this Agreement to finance the costs thereof (including foreign exchange costs and local expenditures), in accordance with the general principles and procedures laid down by ADF for its loans, provided that the Swiss Fund may not be used to finance non-reimbursable assistance.

b) Without limiting the generality of sub-paragraph (a) above, the Swiss Fund may be used to finance:

- (i) The cost of procurement in the territories of State Participants of ADF or members of the African Development Bank, of goods and services produced in such territories;
- (ii) The payment of local costs in the borrowing country;
- (iii) Administrative expenses charged by ADF to its borrowers at the rate of 0.75 per cent per annum on the amounts of loans disbursed or outstanding as remuneration for services it renders pursuant to this Agreement.

c) Loans made from the Swiss Fund shall be denominated in Units of Account as defined in the Agreement Establishing ADF.

Article 7. RESPONSIBILITY FOR THE SELECTION OF PROJECTS

ADF shall assume responsibility for the selection, appraisal and approval of projects suitable for financing and, subject to the provisions of this Agreement, shall determine the terms and conditions for loans. To this end, it shall apply its general policy and procedures and it shall use the staff and services available to it. ADF shall, however, consult the Confederation at an early stage in the selection of projects with a view to obtaining its approval for the use of the Swiss Fund for a particular project. ADF shall provide the Confederation with all such information and documentation as the latter may reasonably request.

Article 8. SEPARATION OF ASSETS AND ACCOUNTS

The assets and accounts of the Swiss Fund shall be kept separate and apart from all other ADF resources and accounts and shall be designated separately in an appropriate manner.

Article 9. ADF RECORDS

a) With respect to the resources provided under this Agreement, ADF shall maintain separate records and accounts to be available to the Confederation for examination and shall in any event submit to the Confederation an annual comprehensive report on the operations of the Swiss Fund, the status and progress of each loan made with funds provided under this Agreement.