

CONVENTION ESTABLISHING THE
SOLIDARITY FUND FOR ECONOMIC AND SOCIAL DEVELOPMENT
IN NON-ALIGNED COUNTRIES

The Governments on whose behalf this Convention is signed.

Conscious of the importance of the role of economic and social development in the consolidation of the independence of non-aligned countries and in strengthening solidarity and mutual assistance among them;

Realizing that concerted action for the building up of their productive resources, for the promotion of the flow of investments and assistance among them, and, in general, for the expansion of their economic relations, constitutes a decisive factor in the achievement of their objectives;

Aware of the pressing need for investment and the part it plays in the field of economic and social progress, together with the importance of cooperation among member countries for this purpose;

Bearing in mind the special needs of the least developed countries among them which suffer from lack of resources and from limitations imposed by geographical location;

Appreciating the importance of fostering inter-regional, regional and sub-regional cooperation among them;

Convinced that the establishment of a financial institution serving those ends is an important step towards the construction of an institutional network designed to advance the cause of non-alignment, to consolidate and strengthen their national independence, and to further cooperation and mutual assistance between them;

And Acting upon the Resolution of the Fourth Conference of Heads of States and Governments of Non-Aligned Countries held in Algiers in the period 5-8 September, 1973;

Have agreed to the following :

Chapter I

General Provisions

Article (1) : Establishment of the Fund

The Solidarity Fund for Economic and Social Development in Non-Aligned Countries (hereinafter called "the Fund") is hereby established and shall function in accordance with the provisions of this Convention.

Article (2) : Seat

The seat of the Fund shall be in Kuwait. Such agencies, offices or representatives of the Fund as the Board of Directors considers necessary may be established in member or non-member countries.

Article (3) : Legal Status

(i) The Fund shall possess an international legal personality and shall enjoy administrative and financial independence.

(ii) The Fund shall be governed by the provisions of this Convention and by relevant recognized principles of International Law.

Article (4) : Objective and Functions

(i) The objective of the Fund is to further cooperation and mutual assistance between its member countries in order to accelerate their economic and social development.

(ii) In fulfilling this objective the Fund shall have the following functions :

- a) Participating in development activities in non-aligned countries, in particular, through the financing of economic and social development programmes and projects;
- b) Promoting investment in non-aligned countries in cooperation with similar organizations;
- c) Providing technical assistance and services in various fields of economic and social development.

Article (5) : Membership

(i) The countries signatory to this Convention shall be the original founding members of the Fund.

(ii) Any other non-aligned country may accede to the membership of the Fund subject to a favourable decision taken by a simple majority vote of the Board of Governors.

(iii) No member shall be liable by reason of his membership for acts or obligations of the Fund. Liability of the members in their capacity as shareholders shall be limited to the amount, if any, unpaid of the portion of capital subscribed.

Chapter II

Financial Resources

Article (6) : Resources of the Fund

The resources of the Fund shall consist of :

(i) The subscribed capital composed initially of equal subscriptions by members;

- (ii) Additional voluntary subscriptions by members;
- (iii) Other resources received by the Fund from members or non-members;
- (iv) Funds derived from operations or otherwise accruing to the Fund.

Article (7) : Subscribed Capital

(i) The capital initially issued shall be allocated on equal basis among members of the Fund. Each member shall subscribe in five hundred shares, each share having a nominal value of one thousand units of SRDRs.

(ii) Payment of the shares subscribed initially by the founding members of the Fund shall be made in four equal and consecutive annual installments, the first being due 90 calendar days from the entry into force of this Convention or, when applicable, from the date of deposit of the instrument of ratification by the member concerned.

(iii) The Board of Directors shall determine in all other cases the dates and conditions of payment of subscriptions made to the capital of the Fund.

(iv) The installments due on the shares subscribed shall be payable in freely convertible currencies on the basis of the exchange rate linking such currencies to SDRs units on the day of payment.

(v) Payment of the first installment of subscriptions of the founding members shall be made to the account of the Fund with such bank or other agency as the Board of Governors shall determine in its first meeting. The Board of Directors shall specify the manner and procedure for effecting subsequent payments.

(vi) Shares subscribed shall not be transferable except to the Fund in accordance with the provisions of Article 47(ii).

Article (8) : Alteration of Capital

(i) The Fund may increase or decrease its initial share capital, issue shares for subscription, cancel any shares not subscribed, consolidate or divide shares, and otherwise alter its capital by a resolution taken by the Board of Governors as provided for in Chapter IV of this Convention.

(ii) No member shall be obliged to subscribe additional amounts in the case of general or individual increases in the Fund's capital.

Article (9) : Periodic Review of Capital

The Board of Directors shall at intervals of not less than five years review the capital stock of the Fund, appraise its appropriateness in relation to the volume of operations and the needs of recipient countries, and submit its views and recommendations thereon to the annual meeting of the Board of Governors.

Article (10) : Additional Subscriptions

1. The Board of Governors shall lay down appropriate conditions and procedures for additional subscriptions to be provided by members of the Fund on a voluntary basis.

2. Additional subscriptions shall in each case be subject to the authorization of the Board of Governors.

3. Additional subscriptions may be effected in any free convertible currency and/or in such other currencies of contributing members as the Board of Directors may accept.

4. Additional subscriptions shall form part of the capital of the Fund and shall entitle each contributing member to the number of shares corresponding with the amount of its subscription. Such shares shall not however entitle their bearer to any additional voting rights in the Board of Governors.

Article (11) : Borrowing

(i) The Fund shall endeavour, when in position to commence such type of operations, to raise additional finance for its activities through borrowing funds, obtaining credit, and issuing securities in national or international capital markets.

(ii) The Fund shall, to the extent required by applicable local laws, obtain the prior approval of any country in whose territory additional finance is being sought.

(iii) The Fund shall maintain an appropriate balance between its capital resources and its total indebtedness in order to preserve the soundness of the Fund's financial position and its ability to meet its obligations.

Chapter III

Operations

Article (12) : Operating Principles

The Fund shall conduct its operations in accordance with the following principles:

(a) The Fund shall aim at conducting its operations in a manner which serves the interests of all its member countries while paying due regard to the needs of the least developed countries

among its members, including land-locked countries and countries suffering from natural disasters.

(b) The Fund shall adopt the recognized principles of development finance on concessionary terms without adversely affecting the soundness of its financial position.

(c) The Fund may complement other available sources of finance to the best interest of its member countries but shall not assist any undertaking able to obtain elsewhere adequate financing and facilities on terms and conditions that the Fund considers reasonable, taking into account all pertinent factors.

(d) Finance shall be provided in terms appropriate to the nature of each operation and to the circumstances of the recipient country. In defining such terms in relation to its activities in the less-developed among its member countries, the Fund shall give due consideration to the situation prevailing in these countries and to their need for softer terms financing.

(e) In providing finance the Fund shall pay due regard to the prospects that the recipient and its guarantor, if any, will be in a position to meet their obligations, but no member country shall be generally excluded from the operations of the Fund merely on the basis of its weak financial position.

(f) Necessary measures shall be taken to ensure that the proceeds of any financing made are used only for the purposes for which it was granted and with due attention to considerations of economy and efficiency.

(g) The proceeds of any financing provided by the Fund shall be used only for procurement in member countries of goods and services produced in such countries to the extent that such goods

and services may be procured therein on reasonable terms. Exceptions to this principle may be made in any case in which the Board of Directors determine to allow procurement in a non-member country in special circumstances making such procurement appropriate either in relations to a specific project or in the light of the financial policy of the Fund.

(h) The Fund shall seek and obtain the prior approval of the Government of each member of the operations of the Fund in the territory subject to its jurisdiction.

Article (13) : Eligible Recipients

Subject to the conditions stipulated in this Convention, the recipients eligible for assistance provided by the Fund shall be :

(a) Governments of member countries as well as any agency, instrumentality or political subdivision thereof.

(b) Public or private entities, institutions or enterprises operating in the territory of member countries and subject to a majority ownership and control of national of such countries.

(c) Inter-regional, regional or sub-regional joint organizations established by member countries for the purpose of serving economic and social development in non-aligned countries.

Article (14) : Nature of Assistance

(i) The Fund shall carry out its operations in such sectors and in such forms as the Board of Directors may deem appropriate for the furtherance of the purpose of the Fund.

(ii) The Fund shall be guided in its operations by the policies and plans of its beneficiaries and shall pay due attention to the priorities adopted by each member country.

(iii) Assistance shall be given in particular in the following forms :

- (a) Loans to national, sub-regional, regional, or inter-regional development finance institutions for the purpose of establishing, expanding and modernizing productive enterprises or for the purpose of financing development programmes.
- (b) Direct loans for financing economic and social programmes or projects, including in particular joint projects between member countries.
- (c) Loans to finance the transfer of modern technology protected by patents, licensing agreements and similar arrangements.
- (d) Technical and financial assistance for the identification of sound investment opportunities, for the preparation of the corresponding projects, the framing of their financial plans and the promotion of their financing and execution.
- (e) Technical and financial assistance for the promotion of exports.

Article (15) : Special Accounts

(i) The Fund may accept to be entrusted with the administration of resources which are designed to serve the purposes and come within the functions of the Fund.

(ii) Special accounts shall be opened for such resources and shall be kept separate from the other accounts of the Fund.

(iii) Special rules and regulations as may be required for the

administration and use of these resources shall be adopted by the Fund, with a view to ensuring their efficient management and equitable distribution.

Article (16) : Terms and Conditions of Assistance

(i) General guidelines for each type of assistance shall be issued by the Board of Directors.

(ii) Assistance provided by the Fund shall be on such terms and conditions as the Board of Directors shall in each individual case determine to be appropriate.

Article (17) : Liquid Funds

(i) The Fund shall invest its liquid resources in such securities and bank deposits as the Board of Directors shall decide.

(ii) Such investments shall be made in member countries, with due regard to considerations of security, liquidity, monetary convertibility and diversification.

Article (18) : Limitation on Financial Operations

The total amount outstanding of loans, credits and guarantees made by the Fund shall not at any time exceed the total amount of its subscribed capital, additional capital contributions, reserves, and borrowed funds.

Chapter IV

Organization and Management

Article (19) : Structure of the Fund

The Fund shall have a Board of Governors, a Board of Directors, a Director General, and such other officers and staff as the Fund

may need for the performance of its duties and responsibilities.

Article (20) : Board of Governors : Composition

(i) Each member of the Fund shall appoint a Governor and an alternate Governor.

(ii) Each Governor shall have one vote in the meetings of the Board of Governors. An alternate Governor may vote only in the absence of his Governor.

Article (21) : Board of Governors : Procedures

(i) The Board of Governors shall hold an annual meeting and such other special meetings as may be provided for by the Board of Governors or called by the Board of Directors or by one quarter of the member countries.

(ii) Notice of the meeting and its proposed agenda shall be given by the Director General at least two months prior to the date of the annual meeting and one month prior to the date of a special meeting.

(iii) Chairmanship of the meetings of the Board of Governors shall be held in rotation in accordance with the alphabetical order of the member countries.

(iv) The Secretary of the Fund shall act as the Secretary of the meetings of the Board of Governors and shall record its minutes. Such minutes shall be accessible to all members of the Fund.

Article (22) : Board of Governors : Quorum

(i) A two-third's majority of the member countries represented in person or by proxy, shall constitute a quorum for the transaction of business.

(ii) In case of a second notice due to the absence of the quorum required at the first meeting, the quorum shall be a simple majority of the member countries.

Article (23) : Board of Governors : Functions

(i) The Board of Governors is the supreme authority in the Fund.

(ii) The Board of Governors shall in its annual meeting:

- (a) issue or amend general policy guidelines as may be needed for the proper operation of the Fund;
- (b) consider and approve the annual report submitted by the Board of Directors on the operations of the Fund;
- (c) consider and approve the report submitted by the auditors and the closing accounts of the Fund;
- (d) determine the allocation of profits;
- (e) elect the members of the Board of Directors;
- (f) appoint the auditors and set their remuneration;
- (g) lay down general conditions and procedures as may be required under this Convention;
- (h) decide appeals from decisions which may be made by the Board of Directors concerning the interpretation of this Convention;
- (i) appoint the Director General and fix his remuneration on its own initiative in the case of the first Director-General and subsequently upon the proposal of the Board of Directors ; and
- (j) transact any other business on its agenda which does not lie within the competence of another organ of the Fund.

(iii) The Board of Governors may at a special meeting to be held for this purpose :

- (a) amend the provisions of this Convention to the extent necessary for the fulfilment of the purposes of the Fund;
- (b) authorize a general increase or decrease of the capital of the Fund;
- (c) consider the suspension of operations or the dissolution of the Fund ; and
- (d) consider any other urgent business of special importance expressly submitted to it.

Article (24) : Board of Governors : Resolutions

(i) Unless otherwise stipulated in this Convention, resolutions put to the vote at an annual meeting shall be decided by a simple majority and resolutions by a special meeting shall be decided by a two-thirds majority of members.

(ii) Resolutions adopted by the Board of Governors shall be binding on all members.

Article (25) : Board of Directors : Composition and Election

(i) The Board of Directors shall be composed of eleven members elected at the annual meeting of the Board of Governors.

(ii) Directors shall be elected by eleven constituencies of member countries in the Board of Governors in such a manner as shall be devised by the Board of Governors to ensure as far as possible equitable representative of different regions.

(iii) Each Governor shall cast his vote for one candidate only

in his constituency. The candidates receiving the highest number of votes shall be elected.

(iv) When a Director is not present at any given meeting, he may appoint an alternate with full power to act for him, or may authorize another director to vote on his behalf, at such meeting.

(v) Directors and alternates shall be nationals of member countries. No more than one person of the same nationality may serve as director.

(vi) The Board of Directors shall elect a Chairman and two Vice-Chairmen.

Article (26) : Board of Directors : Term of Office and Remuneration of members

(i) The term of office of the directors shall be three years. They shall be eligible for one further term only and shall continue to serve until their successors have assumed office.

(ii) Directors and alternates shall serve as such without any remuneration from the Fund. The Fund may, however, share with the member country of which a director or an alternate is a national, appropriate expenses incurred in attending meetings.

Article (27) : Board of Directors : Vacancy

In the event of a vacancy or vacancies in the Board of Directors, membership of the Board shall accrue to a replacement chosen by the same constituency which has elected his predecessor. Directors so appointed shall hold office only for the remaining term of their predecessors.

Article (28) : Board of Directors : Procedure

(i) Meetings of the Board of Directors shall be held at the seat of the Fund or at such places as may from time to time be determined by the Board.

(ii) The Board of Directors shall meet every three months or as often as the work of the Fund requires. Meetings shall be called by the Chairman of the Board or by any two Directors on at least one month's notice unless special circumstances require a more urgent notice of at least 14 days.

(iii) The quorum for the meetings of the Board shall be the presence of a majority of the members of the Board including the Chairman or a Vice-Chairman.

(iv) The discussions and resolutions of the Board shall be recorded in a special Minute Book to be accessible to all members of the Fund.

Article (29) : Board of Directors : Powers

All the administrative powers of the Fund shall be vested in the Board of Directors, except such powers as are reserved to the Board of Governors. These powers shall include in particular the following :

- (a) to formulate policies of the Fund in accordance with the provisions of this Convention and with such guidelines as the Board of Governors may issue from time to time;
- (b) to adopt such rules, regulations and other measures as may be required to ensure the most efficient and economical operation of the Fund;
- (c) to take decisions concerning specific assistance operations conducted by the Fund;

- (d) to decide on borrowings and bond issues to be made by the Fund;
- (e) to prepare the meetings of the Board of Governors and the documents to be submitted thereto;
- (f) to appoint the Deputy Director-General(s) and fix his remuneration;
- (g) to approve the administrative budget of the Fund ; and
- (h) to interpret the provisions of this Convention.

Article (30) : Board of Directors : Resolutions

(i) Except as otherwise stipulated ; resolutions at the meetings of the Board of Directors shall be decided by a majority of the Board members, each member having the right to cast one vote only.

(ii) In the case of an equality of votes the Chairman shall be entitled to a second or casting vote.

Article (31) : Director-General

(i) The Director-General shall be appointed by the Board of Governors for a term of five years, renewable to another term of an equal duration. He shall remain in office until his successor assumes office.

(ii) The Director-General shall be the principal executive officer of the Fund and shall conduct, under the direction of the Board of Directors, the ordinary business of the Fund. He shall be responsible for the organization, appointment and dismissal of the staff in accordance with the regulations adopted therefor by the Board of Directors.

(iii) The Director-General shall have the right to attend the

meetings of the Board of Governors and to participate in the meetings of the Board of Directors without a right to vote.

(iv) The Director-General shall be the legal representative of the Fund.

Article (32) : Deputy Director-General

(i) The Board of Directors may appoint upon the recommendation of the Director-General one or more Deputy Director-General(s) as may be required, stipulating the respective duties in each case.

(ii) The most senior Deputy Director-General shall act on behalf of the Director-General in his absence.

(iii) The term of office of a Deputy Director-General shall be one term of five years, renewable.

Article (33) : Other staff

In selecting its personnel the Fund shall, subject to the paramount importance of securing the highest standards of efficiency and technical competence, pay due regard to the importance of recruiting nationals of member countries on as broad a geographical basis as possible.

Article (34) : International Status of Staff

(i) In the discharge of their duties all members of the staff owe their duty entirely to the Fund and to no other authority. They shall refrain from doing any act incompatible with the international character of their functions and independence.

(ii) Each member of the Fund shall respect the international status of the staff of the Fund and shall refrain from all attempts to influence any member of the staff in the discharge of his duties.

Article (35) : Remuneration of Personnel

In fixing remuneration of its officers and other personnel the Fund shall pay due regard to the necessity of ensuring the competitiveness of employment in the Fund as well as the standards obtaining in the majority of the member countries.

Chapter V

Financial Provisions

Article (36) : Financial Year

The financial year shall commence on January 1, and end on December 31, of each year. The term of the first financial year shall be fixed by the Board of Directors.

Article (37) : Administrative Budget

The Director-General shall submit to the Board of Directors at a date not later than September 30, of each year, an estimate of the administrative expenses and current income for the following financial year.

Article (38) : Accounts

(i) The Director-General shall cause proper books of account to be kept as are necessary to give a true and fair view of the state of the Fund's affairs and to explain its transactions.

(ii) The Board of Directors shall submit to the annual meeting of the Board of Governors an annual report containing an audited statement of the accounts of the Fund including a summary of its balance sheet, a source and application of funds statement, and an income and expenditure account. The form and detail of such statements shall be determined by the Board of Directors.

Article (39) : Auditors

The accounts of the Fund shall be certified by a firm of auditors of recognized international standing appointed annually by the Board of Governors. The report of the auditors on their activities shall be submitted to the annual meeting of the Board of Governors for consideration and approval.

Article (40) : Profits and Reserves

The annual meeting of the Board of Governors shall determine, upon the recommendation of the Board of Directors, the allocation to be made of the net income of the Fund.

Chapter VI

Immunities and Privileges

Article (41) : Immunity of Assets

The property and other assets of the Fund in the territories of the member countries shall enjoy immunity-from nationalization, confiscation, expropriation, sequestration, moratoria, or any form of seizure, by executive or legislative action. Such immunities shall not extend to judicial action or to assets purchased by proceeds of loans extended by the Fund to its beneficiaries.

Article (42) : Exchange restrictions

The assets and transactions of the Fund shall not be subject to the Exchange Control regulations prevailing in any member country.

Article (43) : Correspondence and Archives

The official correspondence and archives of the Fund shall be accorded in each member country the same privileges enjoyed by the official communications and archives of the other member countries.

Article (44) : Immunity from Taxation

(i) The Fund, its assets, property, income other than that accruing to the Fund from equity investments, and its operations and transactions authorized by this Convention as well as the shares of its capital shall be immune from all taxation and all customs duties in member countries.

(ii) The Fund shall also be exempt from any responsibility related to the collection or payment of any tax or duty.

Article (45) : Legal Action

Legal action may be brought against the Fund only before a court with jurisdiction in the territory of a country where the Fund has established an office or designated a representative, or where it has issued or guaranteed securities.

Article (46) : Personnel Privileges and Immunities

All Directors, alternates, officers and employees of the Fund, including experts performing missions for the Fund :

(i) shall be immune from legal process with respect to acts performed by them in their official capacity;

(ii) where they are not local citizens or nationals, shall be accorded the same immunities from immigration restrictions, alien registration requirements and national service obligations, and the same facilities and exemptions as regards exchange regulations and direct taxation on their remuneration from the Fund, as are accorded by members to the representatives, officials and employees of comparable rank of other members ; and

(iii) Shall be granted the same treatment in respect of travelling facilities as is accorded by members to representatives, officials and employees of comparable rank of other members.

Chapter VII

Withdrawal and Suspension of Membership

Article (47) : Withdrawal

(i) Any member country shall have the right to withdraw from the Fund at any time by transmitting a notice in writing to the Fund at its principal office. Withdrawal shall become effective on the date such notice is received or upon such date, not more than six months thereafter, as may be specified in the notice.

(ii) The Fund shall acquire the shares of the withdrawing member at a price equivalent to their net book value at the end of the year preceding the date of the withdrawal.

(iii) The term of payment of the shares purchased shall be fixed by the Board of Directors. Such term shall not however exceed 10 years, subject to the provisions of paragraph (v) of this Article.

(iv) Payment of the price of the shares in the subscribed capital shall be made in a freely convertible currency, whereas payment of the price of the shares corresponding to any additional voluntary contributions which the withdrawing member may have made shall be effected in convertible and/or local currencies as were used in the payment of such additional contributions.

(v) Such payment shall be withheld so long as the withdrawing member or any of its agencies remain liable, either as borrower or guarantor, to the Fund. The amounts due to the member may at the option of the Fund be applied on any such liability as it matures.

Article (48) : Suspension

(i) Serious default by a member country in the fulfilment of its obligations to the Fund may lead to the suspension of its member-

ship by a three-quarter majority decision of the member countries.

(ii) The member so suspended shall automatically cease to be a member one year from the date of suspension, unless a decision by the same majority resolves otherwise.

(iii) A suspended member shall not be entitled to exercise its rights as a member except as provided for in the case of withdrawal or the settlement of disputes. It shall remain, however, subject to all obligations undertaken by it to the Fund whether as member, or borrower, guarantor or otherwise.

(iv) The provisions of Article 47 relevant to the purchase of shares shall apply to the suspended member who has ceased to be a member.

Chapter VIII

Suspension of Operations and Liquidation

Article (49) : Temporary Suspension of Operations

In an emergency the Board of Directors may temporarily suspend its activity in respect of new assistance operations, pending an opportunity for further consideration and action by the Board of Governors.

Article (50) : Liquidation

(i) The Board of Governors may, by a two-third majority of the voting power, and after giving the member countries notice of not less than four months, decide to terminate operations and liquidate the Fund.

(ii) The Board of Directors shall undertake the consequential liquidation proceedings either by itself or through a committee of

liquidators to be appointed by the Board of Governors.

(iii) No distribution of assets shall be made to members on account of their subscription to the capital stock of the Fund until all liabilities to creditors shall have been discharged or provided for.

(iv) Any distribution of the assets of the Fund to the members shall be in proportion to the capital stock held by each member in the form of shares in the subscribed capital and shares representing additional voluntary subscriptions and shall be effected at such times and under such conditions as the Board of Directors shall determine.

Chapter IX

Miscellaneous Provisions

Article (51) : Interpretation and Application

(i) Any question of interpretation or application of the provisions of this Convention arising between any member and the Fund, or between two or more members of the Fund, shall be submitted to the Board of Directors for decision. If there is no Director of its nationality on the Board, a member particularly affected by the question under consideration shall be entitled to direct representation in the Board of Directors during such consideration ; the representative of such member shall have no right to vote.

(ii) In any case where the Board of Directors has given a decision under paragraph (i) any member may require within sixty days of the date of that decision that the question be referred to the following annual meeting of the Board of Governors, whose decision shall be final. Pending the decision of the Board of Governors, the Fund may,

so far as it deems necessary, act on the basis of the decision of the Board of Directors.

Article (52) : Arbitration

(i) If a disagreement should arise between the Fund and a country which has ceased to be a member, or between the Fund and any member after a decision to terminate the operations of the Fund, such disagreement shall be submitted to arbitration by a tribunal of three arbitrators. One of the arbitrators shall be appointed by the party instituting the proceedings, another by the adverse party within 30 days of receipt of the notice to resort to arbitration, and the third, unless the parties otherwise agree, within 30 days of the appointment of the second arbitrator, by the President of the International Court of Justice.

If either party shall fail to appoint an arbitrator within the specified period, such an arbitrator shall be appointed by the President of the International Court of Justice upon the request of the interested party.

(ii) A majority vote of the arbitrators shall be sufficient to reach a decision which shall be final and binding upon the parties. In case a majority does not obtain such decision shall be taken by the third arbitrator.

(iii) The third arbitrator shall be empowered to settle all questions of procedure in any case where the parties are in disagreement with respect thereto.

Article (53) : Amendements

(i) This Convention may be amended by a resolution of the special meeting of the Board of Governors approved by a three-quarter majority of the members.

(ii) Any proposal to amend this Convention shall emanate from a member country or from the Board of Directors and shall be communicated to all members of the Fund at least three months before the meeting of the Board of Governors due to consider the proposal.

(iii) Amendments shall enter into force for all members three months after the date of approval.

Article (54) : Channel of Communication

Each member country shall designate an appropriate official authority with which the Fund may communicate in connection with any matter arising under this Convention. All information provided by such authority shall be deemed to have been provided by the country concerned.

Article (55) : Working Languages

The working languages of the Fund shall be, as circumstances require, Arabic, English, French and Spanish.

Article (56) : Prohibition of Political Activity

Neither the Fund nor any person working in any of its organs shall in any manner interfere in the political affairs of any of the member countries or in any other regional or international political issues.

Article (57) : Relations with Other Organizations

(i) The Fund shall, within the limits of the scope of its functions as set forth in this Convention, cooperate with organizations of national, regional or international character engaged in the fields of development and international assistance.

(ii) The Board of Directors may conclude with these organizations agreements conducive to the expansion of such cooperation.

Chapter X

Final Provisions

Article (58) : Signature and Deposit

(i) The original of this Convention in a single copy in the English language shall remain open for signature by non-aligned countries at the Ministry of Foreign Affairs of the State of Kuwait until December 31, 1975 . Any non-aligned country may accede to the Convention at any time thereafter.

(ii) Certified copies of the Convention shall be provided to all signatory and acceding countries.

Article (59) : Ratification/Acceptance

This Convention shall be subject to ratification or acceptance by the Signatories. Instruments of ratification or acceptance and instruments of accession shall be deposited with the Ministry of Foreign Affairs of the State of Kuwait. The depositary shall duly notify the other Signatories and acceding countries of each deposit and the date thereof.

Article (60) : Entry into Force

(i) This Convention shall enter into force when instruments of ratification or acceptance have been deposited by at least forty member countries.

(ii) For each country ratifying or acceding to this Convention after the deposit of the fortieth instrument of ratification or accession, the Convention shall enter into force one month after the

deposit by such country of its instrument of ratification or accession.

Article (61) : Reservations

The signature, ratification, acceptance of, or accession to this Convention cannot be the subject of, or subject to, any reservations.

Article (62) : First Meeting of the Board of Governors

The State of Kuwait shall convene the first meeting of the Board of Governors within a period of ninety days following the entry into force of this Convention.

Article (63) : Commencement of Operations

The Board of Directors shall notify all member countries of the date of commencement of operations.

In witness thereof the duly authorized representatives of Governments have signed their names below.

Done at Kuwait this Thirtieth day of August 1975 in a single original copy in the English Language which shall be deposited with the Ministry of Foreign Affairs of the State of Kuwait and of which one certified copy has been given to each representative.



Certified True Copy

Under-Secretary

Ministry of Foreign Affairs of
the State of Kuwait.

Firmado e/ original en
Kuwait el 20/XII/75

EDUARDO MENESES D.