

No. 634

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT,
INTERNATIONAL DEVELOPMENT
ASSOCIATION,
COMMISSION OF THE EUROPEAN
ECONOMIC COMMUNITY and
EUROPEAN INVESTMENT BANK
(AS AGENT FOR THE EUROPEAN
ECONOMIC COMMUNITY)**

**Memorandum of Understanding relating to the Cameroon
Development Corporation. Signed at Washington, on
10 May 1967, and at Brussels, on 23 May 1967**

Official text: French.

*Filed and recorded at the request of the International Bank for Reconstruction and
Development and the International Development Association on 17 January
1968.*

[TRANSLATION — TRADUCTION]

No. 634. MEMORANDUM¹ OF UNDERSTANDING BETWEEN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank), THE INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association), THE COMMISSION OF THE EUROPEAN ECONOMIC COMMUNITY (the Commission) AND THE EUROPEAN INVESTMENT BANK (EIB) AS AGENT FOR THE EUROPEAN ECONOMIC COMMUNITY (EEC) (hereinafter called the Lenders) RELATING TO THE CAMEROON DEVELOPMENT CORPORATION. SIGNED AT WASHINGTON ON 10 MAY 1967, AND AT BRUSSELS ON 23 MAY 1967

WHEREAS: (a) The Bank has agreed to lend to the Corporation the equivalent of \$7 million (the Bank loan); (b) the Association has agreed to make a credit to the Federal Republic of Cameroon in the amount of \$11 million (the credit), the proceeds of which will be made available to the Corporation; (c) the Commission has agreed to grant a loan to the Federal Republic of Cameroon in an amount equivalent to 6,482,000 units of account (the EEC loan), the funds of which will be made available to the Corporation for the execution of the project described in the related loan agreement; and (d) EIB will act as agent for EEC.

The Lenders wish to administer their respective loans in close co-operation. With this end in view, and so long as any part of the Bank loan, the credit or the EEC loan remains outstanding, the Lenders have agreed to the following:

A. *Co-ordination; Exchange of Information; Consultation*

(a) The Bank, the Association, EEC and EIB, without assuming responsibility, will (i) keep each other informed of the progress of the work to be financed out of the funds constituted by the Bank loan, the credit and the EEC loan; (ii) hold exchanges of views on the matter when necessary; and (iii) exchange all information considered useful. In particular, they will notify each other, at least once every six months, of the total amount disbursed under the Bank loan, the credit and the EEC loan.

¹ Came into force on 23 May 1967 by signature.

(b) Each Lender will inform the others (i) of any fact or occurrence of which it is aware which would or might hinder the execution of the work; and (ii) of any repayment or proposed repayment prior to maturity of the whole or any part of their respective loans or credit.

(c) The Lenders will keep each other informed and as far as possible consult with each other prior to :

- (i) demanding repayment of the whole or any part of their respective loans or credit;
- (ii) taking any step to enforce any guarantee of the whole or any part of their respective loans or credit;
- (iii) taking any action which would or might result in the suspension or cancellation of the Bank loan or in the cancellation of the credit or the EEC loan.

B. *Exchange of consent*

(a) Unless otherwise agreed by the Lenders, none of them will consent to :

- (i) the Corporation incurring any debt other than those authorized by the Bank loan, the credit and the EEC loan agreements;
- (ii) any payment before 31 December 1975 by the Corporation to the Federal Republic of Cameroon or to the Federated State of West Cameroon other than sums due on account of taxes or rent.

(b) The Lenders will agree on a definition of the working capital of the Corporation and of the rate of depreciation of the palm-groves before notifying the Corporation.

So long as any part of the Bank loan or any liabilities incurred as a result thereof remain outstanding, any action taken and any consent given by the Bank in pursuance of the provisions of this Memorandum will be deemed to have been taken or given on behalf and for the account of the Bank and the Association; and any information provided or consent given to the Bank by EEC and/or EIB under those provisions will be deemed to have been provided or given both to the Bank and to the Association.

International Bank for Reconstruction and Development :

A. G. EL EMARY

International Development Association :

A. G. EL EMARY

European Economic Community :

Jacques FERRANDI

European Investment Bank :

VAN DEN HOUTEN and G. TRANCART

Done at Washington on 10 May 1967

Done at Brussels on 23 May 1967