

No. 8926

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
CAMEROON**

Development Credit Agreement—*CAMDEV Project* (with related letters, annexed Credit Regulations No. 1, and Project Agreement between the Association and the Cameroons Development Corporation). Signed at Washington, on 28 March 1967

Official text: English.

Registered by the International Development Association on 17 January 1968.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
CAMEROUN**

Contrat de crédit de développement — *Projet relatif à la Cameroons Development Corporation* (avec lettres y relatives et, en annexe, le Règlement n° 1 sur les crédits de développement et le Contrat relatif au Projet entre l'Association et la Cameroons Development Corporation). Signé à Washington, le 28 mars 1967

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 17 janvier 1968.

No. 8926. DEVELOPMENT CREDIT AGREEMENT¹ (*CAMDEV PROJECT*) BETWEEN THE FEDERAL REPUBLIC OF CAMEROON AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION. SIGNED AT WASHINGTON, ON 28 MARCH 1967

AGREEMENT, dated March 28, 1967, between FEDERAL REPUBLIC OF CAMEROON (hereinafter called Cameroon) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS on the basis of the considerations described in the Recitals to the agreement of even date herewith (hereinafter called the Loan Agreement²) between the International Bank for Reconstruction and Development (hereinafter called the Bank) and the Cameroons Development Corporation (hereinafter called the Corporation), the Association has agreed to make a credit to Cameroon in an amount in various currencies equivalent to eleven million dollars (\$11,000,000) on the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

CREDIT REGULATIONS; SPECIAL DEFINITIONS

Section 1.01. The parties to this Development Credit Agreement accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961,³ with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof (said Development Credit Regulations No. 1 as so modified being hereinafter called the Regulations) :

(a) The term "Cameroon" is substituted for the term "Borrower" wherever used in the Regulations.

(b) The second sentence of Section 2.02 is amended by deleting the words "at the same rate" and substituting therefor the words "at the rate of one-half of one percent ($\frac{1}{2}\%$) per annum".

¹ Came into force on 7 July 1967, upon notification by the Association to the Government of Cameroon.

² See p. 104 of this volume.

³ See p. 150 of this volume.

(c) Section 3.01 is deleted and the following new Section is substituted therefor :

“SECTION 3.01. *Currencies in which Cost of Goods is to be Paid and Proceeds of the Credit are to be Withdrawn.* (a) Except as Cameroon and the Association shall otherwise agree, the cost of goods financed out of the proceeds of the Credit shall be paid in the respective currencies of the countries from which such goods are acquired.

“ (b) The proceeds of the Credit shall be withdrawn from the Credit Account :

- (i) on account of expenditures for goods produced in (including services supplied from) the territories of Cameroon, in such currency or currencies as the Association shall from time to time reasonably select;
- (ii) in all other cases, in the currency in which the cost of goods financed out of such proceeds has been paid or is payable.

“ (c) Cameroon and the Association may from time to time agree on any other currency in which withdrawals shall be made. ”

(d) A new Section 3.04 is inserted after Section 3.03 as follows :

“SECTION 3.04. *Purchase of Currency of Withdrawal with Other Currency.* If withdrawal shall be made in any currency which the Association shall have purchased with another currency for the purpose of such withdrawal, the portion of the Credit so withdrawn shall be deemed to have been withdrawn from the Credit Account in such other currency for the purposes of Section 3.03. ”

(e) Section 3.04 is re-numbered Section 3.05.

(f) Section 4.01 is deleted.

(g) The words “ or the Project Agreement ” are inserted in Section 6.02 after the words “ the Development Credit Agreement ”.

(h) Section 8.04 is deleted.

(i) Paragraph 9 of Section 9.01 is deleted and the following paragraph is substituted therefor :

“ 9. The term “ Project ” means the project for which the Credit is granted, as described in the Loan Agreement and as the description thereof shall be amended from time to time by agreement between Cameroon, the Bank, the Association and the Corporation. ”

Section 1.02. Except where the context otherwise requires, the terms defined in the Loan Agreement have the same meanings as in such Loan Agreement wherever used in this Agreement.

Article II

THE CREDIT

Section 2.01. The Association agrees to make available to Cameroon, on the terms and conditions in this Development Credit Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to eleven million dollars (\$11,000,000).

Section 2.02. The Association shall open a Credit Account on its books in the name of Cameroon and shall credit to such Credit Account the amount of the Credit. Cameroon shall be entitled, subject to the provisions of this Development Credit Agreement, to withdraw from the Credit Account :

- (a) such amounts as shall have been expended, or, if the Association shall so agree, such amounts as shall be required to meet payments, for the reasonable foreign currency cost of goods to be financed under this Agreement; and
- (b) the equivalent of a percentage or percentages to be established from time to time by agreement between Cameroon and the Association of such amounts as shall have been expended for the reasonable cost of goods to be financed under this Agreement and not included in the foregoing;

provided, however, that except as shall be otherwise agreed between Cameroon and the Association, no withdrawal shall be made on account of (i) expenditures prior to the date of this Agreement; and (ii) expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or for goods produced in (including services supplied from) such territories.

Section 2.03. Cameroon shall pay to the Association a service charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.04. Service charges shall be payable semi-annually on January 1 and July 1 in each year.

Section 2.05. Cameroon shall repay the principal of the Credit withdrawn from the Credit Account in semiannual instalments payable on each January 1 and July 1 commencing July 1, 1977, and ending January 1, 2017, each instalment to and including the instalment payable on January 1, 1987, to be one-half of one per cent ($\frac{1}{2}$ of 1%) of such principal amount, and each instalment thereafter to be one and one-half ($1\frac{1}{2}$ %) of such principal amount.

Article III

USE OF PROCEEDS OF THE CREDIT

Section 3.01. Cameroon shall cause the proceeds of the Credit to be applied exclusively to financing the cost of goods required to carry out the Project

described in Schedule 2 to the Loan Agreement. Cameroon and the Association shall determine by agreement, subject to modification by further agreement between them : (a) on the basis of annual reviews of the progress of the Program, the specific goods to be financed out of the proceeds of the Credit; and (b) the methods and procedures for the procurement of such goods.

Section 3.02. Except as Cameroon and the Association shall otherwise agree, Cameroon shall cause all goods financed out of the proceeds of the Credit to be used in the territories of Cameroon exclusively in the carrying out of the Project.

Article IV

PARTICULAR COVENANTS

Section 4.01. Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, Cameroon hereby unconditionally guarantees punctual performance of all the covenants and agreements of the Corporation as set forth in the Project Agreement.¹

Section 4.02. Without limitation or restriction upon the provisions of Section 2.01 of this Agreement, Cameroon specifically undertakes, whenever there is reasonable cause to believe that the funds available to the Corporation will be inadequate to meet the estimated expenditures required for carrying out the Program, to make arrangements, satisfactory to the Association, promptly to provide the Corporation or cause the Corporation to be provided with such funds as are needed to meet such expenditures.

Section 4.03. Cameroon shall make available to the Corporation the proceeds of the Credit or the equivalent thereof and any amount withdrawn from the Credit Account or the equivalent thereof shall be treated as part of the Corporation's capital.

Section 4.04. Cameroon shall not take, cause or permit to be taken, any action to amend the Ordinance, or adopt or amend any decrees or regulations pursuant thereto, or in implementation thereof, except after consultation with the Association.

Section 4.05. (a) Cameroon and the Association shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Credit. On the part of Cameroon, such information shall include information with respect to financial and economic conditions in the territories of Cameroon and the international balance of payments position of Cameroon.

¹ See p. 152 of this volume.

(b) Cameroon and the Association shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Credit and the maintenance of the service thereof. Cameroon shall promptly inform the Association of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit or the maintenance of the service thereof.

(c) Cameroon shall afford all reasonable opportunity for accredited representatives of the Association to visit any part of the territories of Cameroon for purposes related to the Credit.

Section 4.06. The principal of, and service charges on, the Credit shall be paid without deduction for, and free from, any taxes, and free from all restrictions imposed under the laws of Cameroon or laws in effect in its territories.

Section 4.07. This Development Credit Agreement and the Project Agreement shall be free from any taxes that shall be imposed under the laws of Cameroon or laws in effect in its territories on or in connection with the execution, delivery or registration thereof.

Article V

REMEDIES OF THE ASSOCIATION

Section 5.01. (i) If any event specified in paragraph (c) of Section 5.02 of this Agreement shall occur, or (ii) if any event specified in paragraphs (a) or (c) of Section 5.02 of the Regulations shall occur and shall continue for a period of thirty days, or (iii) if any event specified in paragraph (b) of Section 5.02 of the Regulations or in paragraphs (a), (d), (e) or (g) of Section 5.02 of this Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Association to Cameroon, then at any subsequent time during the continuance thereof, the Association, at its option, may declare the principal of the Credit then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Development Credit Agreement to the contrary notwithstanding.

Section 5.02. Pursuant to paragraph (j) of Section 5.02 of the Regulations, the following are specified as additional events for the purposes of said Section :

(a) Subject to the provision of paragraph (c) of this Section the EEC Loan Agreement, the CDC Loan Agreement, the Loan Agreement, the Project Agreement or the Lease shall have been terminated (otherwise than in accordance with the terms thereof), or in any material respect amended, suspended, waived or assigned without the prior approval of the Association;

(b) Any event shall have occurred which shall have operated to suspend the right of Cameroon or the Corporation, respectively, to withdraw amounts under the EEC Loan Agreement or the Loan Agreement, respectively;

(c) The EEC, the CDC, the Bank or any other creditor, respectively, shall, in accordance with the terms of the EEC Loan Agreement, the CDC Loan Agreement, the Loan Agreement or any other loan or credit agreement, respectively, demand payment from Cameroon or the Corporation, as the case may be, of moneys lent or made available to the Corporation prior to the agreed maturity thereof;

(d) A default shall have occurred in the performance of any covenant or agreement of Cameroon or the Corporation, as the case may be, under the Loan Agreement,¹ the Guarantee Agreement² or the Project Agreement;

(e) The Ordinance shall have been amended, suspended, terminated or repealed without the approval of the Association;

(f) Failure by Cameroon to fulfill an obligation to make payment of principal or interest or any other payment required under the Development Credit Agreement or under any other development credit agreement between Cameroon and the Association or under any loan agreement or guarantee agreement between Cameroon and the Bank or under any bond delivered pursuant to any such agreement even though such payment has been made by other person;

(g) The resolution of the Commission of the EEC approving the EEC Loan shall have been rescinded or amended in any material respect.

Article VI

EFFECTIVE DATE; TERMINATION

Section 6.01. The following events are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 8.01 (b) of the Regulations :

(a) That the execution and delivery of the Project Agreement on behalf of the Corporation shall have been duly authorized or ratified by all necessary corporate and governmental action; and

(b) That the Loan Agreement shall have become effective in accordance with its terms.

Section 6.02. The following are specified as additional matters within the meaning of Section 8.02 (b) of the Regulations, to be included in the opinion or opinions to be furnished to the Association, namely : that the Project Agreement has been duly authorized or ratified by, and executed and delivered on behalf of,

¹ See p. 104 of this volume.

² See p. 90 of this volume.

the Corporation; that all acts, consents and approvals necessary therefor have been duly and validly performed or given; and, that such Project Agreement constitutes a valid and binding obligation of the Corporation in accordance with its terms.

Section 6.03. If this Development Credit Agreement shall not have come into force and effect by June 15, 1967, this Development Credit Agreement and all obligations of the parties hereunder shall terminate, unless the Association, after consideration of the reasons for the delay, establishes a later date for purposes of this Section. The Association shall promptly notify Cameroon and the Corporation of such later date.

Section 6.04. Upon termination of the Project Agreement in accordance with its terms, the obligations of the Corporation under Sections 4.01, 4.02 and 4.03 of this Agreement shall forthwith terminate.

Article VII

MISCELLANEOUS

Section 7.01. The Closing Date shall be June 30, 1972, or such other date as may from time to time be agreed between Cameroon and the Association.

Section 7.02. The following addresses are specified for the purposes of Section 7.01 of the Regulations :

For Cameroon :

Ministère des Affaires Économiques et du Plan
Yaoundé
Federal Republic of Cameroon

Alternative address for cablegrams and radiograms :

Minae Plan
Yaoundé
Federal Republic of Cameroon

For the Association :

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Alternative address for cablegrams and radiograms :

Indevs
Washington, D.C.

Section 7.03. The Ministre des Affaires Économiques et du Plan of Cameroon is designated for the purposes of Section 7.03 of the Regulations.

tous les actes, consentements et approbations requis ont été dûment et valablement accomplis ou donnés; et que le Contrat relatif au Projet constitue pour la Société un engagement valable et définitif conformément à ses dispositions.

Paragraphe 6.03. S'il n'est pas entré en vigueur au 15 juin 1967, le présent Contrat de crédit de développement et toutes les obligations qui en découlent pour les parties prendront fin, à moins que l'Association, après avoir examiné les raisons du retard, ne fixe une date ultérieure aux fins du présent paragraphe. L'Association notifiera sans retard cette nouvelle date au Cameroun et à la Société.

Paragraphe 6.04. Au moment où le Contrat relatif au Projet cessera d'avoir effet, conformément à ses dispositions, les obligations de la Société au titre des paragraphes 4.01, 4.02 et 4.03 du présent Contrat prendront immédiatement fin.

Article VII

DISPOSITIONS DIVERSES

Paragraphe 7.01. La date de clôture sera le 30 juin 1972, ou toute autre date que pourront fixer d'un commun accord le Cameroun et l'Association.

Paragraphe 7.02. Les adresses ci-après sont indiquées aux fins du paragraphe 7.01 du Règlement :

Pour le Cameroun :

Ministère des affaires économiques et du plan
Yaoundé
République fédérale du Cameroun
Adresse télégraphique :
Minae Plan
Yaoundé
République fédérale du Cameroun

Pour l'Association :

Association internationale de développement
1818 H Street, N. W.
Washington, D. C. 20433
(États-Unis d'Amérique)
Adresse télégraphique :
Indevas
Washington, D. C.

Paragraphe 7.03. Le représentant désigné aux fins du paragraphe 7.03 du Règlement est le Ministre des affaires économiques et du plan du Cameroun

IN WITNESS WHEREOF, the parties hereto acting through their representatives thereunto duly authorized, have caused this Development Credit Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Federal Republic of Cameroon :

By D. MASUKE
Authorized Representative

International Development Association :

By George D. WOODS
President

LETTERS RELATING TO THE DEVELOPMENT CREDIT AGREEMENT

LETTER No. 1

[For the text of this letter, see p. 102 of this volume.]

LETTER No. 2

AMBASSADE DE LA RÉPUBLIQUE FÉDÉRALE DU CAMEROUN
WASHINGTON, D.C.

March 28, 1967

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433

Re : *Credit No. 100 CM (CAMDEV Project)*
Currency of Payment

Dear Sirs :

We refer to the Development Credit Agreement (*CAMDEV Project*) of even date herewith between us and to Section 3.02 of the Regulations referred to therein. Pursuant to such Section we hereby request your agreement as follows :

- (i) Except as hereinafter provided, the principal amount of, and service charges on, the Credit provided for in such Agreement shall be payable in the currency of the United States of America.
- (ii) If at any time we shall desire that, commencing with a given future payment date, such principal and service charges shall be payable in an eligible currency other than that specified in (i), or than one designated under this clause (ii), or selected pursuant

- to clause (iv), we shall deliver to the Association, not less than 3 nor more than 4 months prior to such payment date, a notice in writing to that effect and designating such other eligible currency whereupon the currency so designated shall, commencing with such payment date, be the currency in which such principal and service charges shall be payable.
- (iii) If at any time the Association shall determine that a currency payable pursuant to the provisions of this letter is not an eligible currency, the Association shall so notify us in writing and furnish us with a list of eligible currencies.
- (iv) Within thirty days from the date of such notice we shall notify the Association in writing of our selection of a currency from such list in which payment shall be made, failing which the Association shall select a currency for such purpose from such list, whereupon, in either case, such principal and service charges shall, commencing with the payment date next succeeding such thirty-day period, be payable in the currency so selected.
- (v) For the purposes of this letter, "eligible currency" means any currency of a member of the Association which the Association at the relevant time determines to be freely convertible or freely exchangeable by it for currencies of other members of the Association for the purposes of its operations.

Please indicate your agreement with the foregoing by signing the form of confirmation on the enclosed copy of this letter and returning it to us.

Very truly yours,

Federal Republic of Cameroon :

By S. D. MASUKE
Authorized Representative

Confirmed:

International Development
Association :

By A. G. EL EMARY
Director, Africa Department

INTERNATIONAL DEVELOPMENT ASSOCIATION

DEVELOPMENT CREDIT REGULATIONS No. 1, DATED 1 JUNE 1961

REGULATIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS WITH MEMBER
GOVERNMENTS

[Not published herein. See United Nations, Treaty Series, Vol. 415, p. 68.]

PROJECT AGREEMENT
(CAMDEV PROJECT)

AGREEMENT, dated March 28, 1967, between the INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association) and the CAMEROONS DEVELOPMENT CORPORATION (hereinafter called the Corporation).

WHEREAS on the basis of the considerations described in the Recitals to the agreement of even date herewith (hereinafter called the Loan Agreement¹) between the International Bank for Reconstruction and Development (hereinafter called the Bank) and the Corporation, the Association has agreed to make available to the Federal Republic of Cameroon (hereinafter called Cameroon) a development credit in various currencies equivalent to eleven million dollars (\$11,000,000) on the terms and conditions set forth in a development credit agreement (hereinafter called the Development Credit Agreement²) of even date herewith between Cameroon and the Association, but only on condition that the Corporation agree to undertake certain obligations to the Association as hereinafter in this Project Agreement set forth; and

WHEREAS the Corporation, in consideration of the foregoing has agreed to undertake the obligations hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

DEFINITIONS

Section 1.01. Wherever used in this Project Agreement, unless the context shall otherwise require, the several terms defined in the Loan Agreement, the Development Credit Agreement and in the Regulations (as so defined) shall have the respective meanings therein set forth.

Article II

PARTICULAR COVENANTS

Section 2.01. (a) Sections 3.01, 3.02, 5.01, 5.02, 5.03, 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, 5.10, 5.11, and 5.12 of the Loan Agreement are hereby incorporated into this Project Agreement with the same force and effect as if they were fully set forth herein; provided, however, that (i) all references to the Bank in such Sections or in any of them shall be deemed to be references to the Association, and (ii) all references to the Loan in such Sections or in any of them shall be deemed to be references to the Credit.

(b) So long as any part of the Loan or the Bonds executed pursuant to the provisions of Article IV of the Loan Agreement shall remain outstanding and unpaid, all action taken, including approvals given, by the Bank pursuant to the Sections of the Loan Agreement enumerated in the foregoing paragraph shall be deemed to be taken or given in the name

¹ See p. 104 of this volume.

² See p. 134 of this volume.

and on behalf of both the Bank and the Association; and all information furnished by the Corporation to the Bank pursuant to the provisions of such Sections shall be deemed to be furnished to both the Bank and the Association.

Article III

EFFECTIVE DATE; TERMINATION

Section 3.01. (a) This Project Agreement shall come into force and effect on the Effective Date.

(b) If pursuant to Section 6.03 of the Development Credit Agreement, the Development Credit Agreement shall be terminated, this Project Agreement and all obligations of the parties hereunder shall also terminate and the Association shall promptly notify the Corporation thereof.

Section 3.02. This Project Agreement shall terminate and the obligations of the parties hereunder shall cease and determine on the date when the Loan Agreement or the Development Credit Agreement shall terminate in accordance with their respective terms, whichever shall be the earlier.

Article IV

MISCELLANEOUS PROVISIONS

Section 4.01. Any notice or request required or permitted to be given under this Project Agreement and any agreement between the parties contemplated by this Project Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable or radiogram to the party to which it is required or permitted to be given or made at its address hereinafter specified, or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are :

For the Corporation :

Cameroons Development Corporation
Bota, Victoria
Federal Republic of Cameroon

Alternative address for cablegrams and radiograms :

Devcam
Bota, Victoria
Federal Republic of Cameroon
Telex : Douala 242

For the Association :

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Alternative address for cablegrams and radiograms :

Indevas
Washington, D.C.

Section 4.02. Any action required or permitted to be taken, and any documents required or permitted to be executed, under this Project Agreement on behalf of the Corporation may be taken or executed by the Chairman of the Board or such other person or persons as he shall designate in writing.

Section 4.03. The Corporation shall furnish to the Association sufficient evidence of the authority of the person or persons who will, on behalf of the Corporation, take any action or execute any documents required or permitted to be taken or executed by the Corporation pursuant to any of the provisions of this Project Agreement or the Development Credit Agreement and the authenticated specimen signature of each such person.

Section 4.04. This Project Agreement may be executed in several counterparts, each of which shall be an original and all collectively but one instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Project Agreement to be signed in their respective names by their representatives thereunto duly authorized and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Cameroons Development Corporation :

By V. E. MUKETE
Authorized Representative

International Development Association :

By George D. WOODS
President
