

No. 9325

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
CAMEROUN**

Development Credit Agreement—*Highway Engineering Project* (with annexed Credit Regulations No. 1, as amended). Signed at Washington, on 29 January 1968

Official text : English.

Registered by the International Development Association on 29 November 1968.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
CAMEROUN**

Contrat de crédit de développement — *Projet relatif à l'aménagement du réseau routier* (avec, en annexe, le Règlement n° 1 sur les crédits de développement, tel qu'il a été modifié). Signé à Washington, le 29 janvier 1968

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 29 novembre 1968.

No. 9325. DEVELOPMENT CREDIT AGREEMENT¹ (*HIGHWAY ENGINEERING PROJECT*) BETWEEN THE FEDERAL REPUBLIC OF CAMEROON AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION. SIGNED AT WASHINGTON, ON 29 JANUARY 1968

AGREEMENT, dated January 29, 1968, between FEDERAL REPUBLIC OF CAMEROON (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS the Borrower has requested the Association to make available a development credit to assist in financing the detailed engineering and related studies of the highways described in Schedule 2 to this Agreement, and the Association is willing to make a development credit to the Borrower for the said purpose on the terms and conditions hereinafter in this Agreement set forth; and

WHEREAS the Association would be prepared to refund the said development credit out of the proceeds of any later development credit which it may make to the Borrower for the construction of the said highways;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

CREDIT REGULATIONS

Section 1.01. The parties to this Agreement accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961, as amended February 9, 1967² (hereinafter called the Regulations), with the same force and effect as if they were fully set forth herein.

Article II

THE CREDIT

Section 2.01. The Association agrees to make available to the Borrower, on the terms and conditions in this Agreement set forth or referred to, a develop-

¹ Came into force on 19 March 1968, upon notification by the Association to the Government of the Cameroon.

² See p. 78 of this volume.

ment credit in an amount in various currencies equivalent to five hundred and fifty thousand dollars (\$550,000).

Section 2.02. The Association shall open a Credit Account on its books in the name of the Borrower and shall credit to such Credit Account the amount of the Credit. The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Agreement.

Section 2.03. Except as the Borrower and the Association shall otherwise agree, the Borrower shall be entitled, subject to the provisions of this Agreement, to withdraw from the Credit Account :

- (i) such amounts as shall have been expended for the reasonable foreign exchange cost of goods required for carrying out the Project; and
- (ii) if the Association shall so agree, such amounts as shall be required to meet payments under paragraph (i) of this Section;

provided, however, that no withdrawals shall be made on account of expenditures prior to the date of this Agreement.

Section 2.04. The Borrower 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 2.05. Service charges shall be paid semi-annually on March 1 and September 1 in each year.

Section 2.06. The Borrower shall repay the principal of the Credit withdrawn from the Credit Account in accordance with the Amortization Schedule set forth in Schedule 1 to this Agreement.

Section 2.07. The currency of the United States of America is hereby specified for the purposes of paragraph (a) of Section 3.02 of the Regulations.

Article III

PARTICULAR COVENANTS

Section 3.01. (a) The Borrower shall carry out or cause the Project, described in Schedule 2 to this Agreement, to be carried out with due diligence and efficiency, in conformity with sound engineering and financial practices, and in accordance with design standards satisfactory to the Association and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

(b) (i) In carrying out the Project, the Borrower shall employ competent and experienced Consultants acceptable to the Association to an extent, and under such contracts and terms of reference, as shall be satisfactory to the Association; (ii) the Borrower shall not amend, assign, waive, suspend or terminate any contract entered into pursuant to this paragraph so as to substantially affect the carrying out of the Project, without the prior agreement of the Association.

(c) The Borrower shall promptly furnish to the Association (i) a description of the overall planning and the work schedules for the Project and any material modifications subsequently made therein, in such detail as the Association shall request; and (ii) copies of the documents prepared under the Project including any reports, studies, plans, designs, specifications, construction schedules and estimates of costs, as well as any documents required for international competitive bidding in respect of the construction contracts for the highways specified in Schedule 2 to this Agreement.

(d) The Borrower shall maintain or cause to be maintained records adequate to show the use of the proceeds of the Credit, and to record the progress of the project (including the cost thereof); shall enable the Association's representatives to inspect the Project and any relevant records and documents; and shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the expenditure of the proceeds of the Credit, the Project and the operations and administration, with respect to the Project, of the agency or agencies of the Borrower responsible for the carrying out of the Project or any part thereof.

(e) The Borrower shall cause its competent agencies to collect and process all data required to assess the technical economic and financial aspects of the Borrower's highway system.

Section 3.02. (a) The Borrower and the Association shall cooperate fully to ensure 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 the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

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

Section 3.03. 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 the Borrower or laws in effect in its territories.

Section 3.04. This Agreement shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, delivery or registration thereof.

Article IV

REMEDIES OF ASSOCIATION

Section 4.01. (i) If any event specified in paragraph (a) or paragraph (c) of Section 5.02 of the Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (b) of Section 5.02 of the Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Association to the Borrower, 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 such declaration such principal shall become due and payable immediately, anything in this Agreement to the contrary notwithstanding.

Article V

EFFECTIVE DATE; TERMINATION

Section 5.01. The following event is specified as an additional condition to the effectiveness of this Agreement within the meaning of Section 8.01(b) of the Regulations :

The Consultants referred to in paragraph (b) of Section 3.01 of this Agreement shall have been employed on terms and conditions satisfactory to the Association.

Section 5.02. The date of May 8, 1968 is hereby specified for the purposes of Section 8.04 of the Regulations.

Article VI

MISCELLANEOUS

Section 6.01. The Closing Date shall be July 31, 1969, or such other date as shall be agreed between the Borrower and the Association as the Closing Date.

Section 6.02. The following addresses are specified for the purposes of Section 7.01 of the Regulations :

For the Borrower :

Ministère du Plan et du Développement

Yaoundé

Federal Republic of Cameroon

Alternative address for cables and radiograms :

Minplan

Yaoundé

For the Association :

International Development Association

1818 H Street, N.W.

Washington, D.C. 20433

United States of America

Alternative address for cables :

Indevas

Washington, D.C.

Section 6.04. The Ministre du Plan et du Développement of the Borrower is designated for the purposes of Section 7.03 of the Regulations.

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 J. N. OWONO

Authorized Representative

International Development Association :

By J. Burke KNAPP

Vice-President

SCHEDULE 1

AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars)</i>
March 1, 1970.	34,375	March 1, 1974.	34,375
September 1, 1970.	34,375	September 1, 1974.	34,375
March 1, 1971.	34,375	March 1, 1975.	34,375
September 1, 1971.	34,375	September 1, 1975.	34,375
March 1, 1972.	34,375	March 1, 1976.	34,375
September 1, 1972.	34,375	September 1, 1976.	34,375
March 1, 1973.	34,375	March 1, 1977.	34,375
September 1, 1973.	34,375	September 1, 1977.	34,375

SCHEDULE 2

DESCRIPTION OF PROJECT

The Project consists of the services required for the following :

A. Detailed engineering, including a review of the existing engineering, a detailed survey, soil studies, detailed design, the estimation of quantities and the preparation of cost estimates and the documents required for international competitive bidding in respect of the construction contracts for :

- (1) a highway of approximately 285 kilometers linking Ngaoundere to Garoua in the northern part of East Cameroon, and
- (2) a highway of approximately 24 kilometers connecting Victoria to the Douala-Tiko road, east of and near to Tiko, in West Cameroon.

B. Studies of vehicle operating and road maintenance costs as a basis for determining the type of surfacing for the Ngaoundere-Garoua highway mentioned in paragraph A above, and a systematic comparison of economic costs and benefits to confirm the justification of constructing the Tiko-Victoria highway mentioned in the same paragraph.

The Project is expected to be completed by March 31, 1969.

INTERNATIONAL DEVELOPMENT ASSOCIATION

DEVELOPMENT CREDIT REGULATIONS No. 1, DATED 1 JUNE 1961,
AS AMENDED 9 FEBRUARY 1967REGULATIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS WITH MEMBER
GOVERNMENTS

[Not published herein. See *United Nations, Treaty Series, Vol. 617. p. 60.*]