

No. 10681

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**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
and  
CAMEROON**

**Loan Agreement—*Highway Project* (with annexed General Conditions Applicable to Loan and Guarantee Agreements). Signed at Washington on 27 March 1970**

*Authentic text: English.*

*Registered by the International Bank for Reconstruction and Development on 18 August 1970.*

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**BANQUE INTERNATIONALE POUR  
LA RECONSTRUCTION ET LE DÉVELOPPEMENT  
et  
CAMEROUN**

**Contrat d'emprunt — *Projet relatif au réseau routier* (avec, en annexe, les Conditions générales applicables aux contrats d'emprunt et de garantie). Signé à Washington le 27 mars 1970**

*Texte authentique : anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le 18 août 1970.*

## LOAN AGREEMENT<sup>1</sup>

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AGREEMENT, dated March 27, 1970, between FEDERAL REPUBLIC OF CAMEROON (hereinafter called the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by a development credit agreement dated January 29, 1968,<sup>2</sup> (hereinafter called the First Development Credit Agreement) between the Borrower and International Development Association (hereinafter called the Association), the Association granted to the Borrower a development credit in various currencies equivalent to five hundred and fifty thousand dollars (\$550,000) (hereinafter called the First Development Credit) to assist in financing the detailed engineering and related studies of certain highways;

WHEREAS the Borrower has requested the Bank to assist in the financing of the cost of the project described in Schedule I to the development credit agreement mentioned hereunder;

WHEREAS the Borrower has also requested the Association to provide additional financial assistance towards the financing of such project and, by a development credit agreement of even date herewith<sup>3</sup> between the Borrower and the Association, the Association agrees to provide such assistance in an aggregate principal amount equivalent to seven million dollars (\$7,000,000);

WHEREAS the Borrower and the Bank intend, to the extent practicable, that the proceeds of the credit provided for in such development credit agreement of even date herewith be disbursed on account of expenditures under such project before disbursements of the proceeds of the loan provided for in this Agreement are made; and

WHEREAS the Association is prepared to refund the First Development Credit out of the proceeds of the development credit provided for in such development credit agreement of even date herewith;

NOW THEREFORE the parties hereto hereby agree as follows:

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<sup>1</sup> Came into force on 16 July 1970, upon notification by the Bank to the Government of Cameroon.

<sup>2</sup> United Nations, *Treaty Series*, vol. 651, p. 67.

<sup>3</sup> See p. 135 of this volume.

*Article I*

## GENERAL CONDITIONS; DEFINITIONS

*Section 1.01.* The parties to the Loan Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 31, 1969,<sup>1</sup> with the same force and effect as if they were fully set forth herein, subject, however, to the following modification thereof (said General Conditions Applicable to Loan and Guarantee Agreements of the Bank, as so modified, being hereinafter called the General Conditions): Section 2.01(12) is deleted and the following is substituted therefor:

“12. The term Project means the project or projects or program or programs for which the Loan is granted, as described in the Development Credit Agreement (as such term is defined in the Loan Agreement) and as the description thereof shall be amended from time to time by agreement between the Borrower, the Association and the Bank.”

*Section 1.02.* Wherever used in the Loan Agreement, unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth and the term “Development Credit Agreement” means the development credit agreement of even date herewith between the Borrower and the Association, and such term includes the General Conditions Applicable to Development Credit Agreements of the Association dated January 31, 1969,<sup>2</sup> as made applicable thereto, all agreements supplemental to such agreement and all schedules thereto, as such agreement, supplemental agreements and schedules may be amended from time to time.

*Article II*

## THE LOAN

*Section 2.01.* The Bank agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, an amount in various currencies equivalent to twelve million dollars (\$12,000,000).

*Section 2.02. (a)* The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan.

*(b)* The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Agreement and in accordance with the allocation of the proceeds of the Credit and of the Loan set forth in Schedule 2 to the Development Credit Agreement, as such allocation shall be modified from time to time pursuant to the provisions of such Schedule or by further agreement between the Borrower, the Association and the Bank.

<sup>1</sup> See p. 132 of this volume.

<sup>2</sup> See p. 135 of this volume.

*Section 2.03. (a)* The Borrower shall be entitled to withdraw from the Loan Account in respect of the reasonable cost of goods or services required for the Project and to be financed under the Loan Agreement:

- (i) such amounts as shall have been paid (or, if the Bank shall so agree, as shall be required to meet payments to be made) for goods or services included in Category IV of the allocation of the proceeds of the Credit and of the Loan referred to in Section 2.02 of this Agreement; and
- (ii) the equivalent of seventy-four per cent (74%) of such amounts as shall have been paid (or, if the Bank shall so agree, of such amounts as shall be required to meet payments to be made) for goods or services included in Categories I, II and III of the allocation of the proceeds of the Credit and of the Loan referred to in Section 2.02 of this Agreement; provided however, that if there shall be an increase in the estimate of such payments for goods or services included in any of the Categories I, II and III, the Bank may by notice to the Borrower adjust the stated percentage applicable to such Category as required in order that withdrawals of the amount of the Loan then allocated to such Category and not withdrawn may continue *pro rata* with the payments remaining to be made for goods or services included in such Category.

(b) The Borrower shall also be entitled to withdraw from the Loan Account such amounts as shall be required to meet payments to be made for interest and other charges on the Loan accrued on or before May 31, 1973 or such other date as may be agreed between the Borrower and the Bank.

*Section 2.04. (a)* It is hereby agreed, pursuant to Section 5.01 of the General Conditions:

- (i) that withdrawals from the Loan Account under Categories I, II and III of the allocation of the proceeds of the Credit and of the Loan referred to in Section 2.02 of this Agreement may be made on account of payments in the currency of the Borrower or for goods produced in, or services supplied from, the territories of the Borrower; and
- (ii) that withdrawals from the Loan Account may be made on account of payments in CFA Francs for goods produced, or services from, outside the territories of the Borrower.

(b) No withdrawal from the Loan Account shall be made on account of payments for taxes imposed by the Borrower or any of its political subdivisions on, or in connection with the importation or supply of, goods or services included in Category IV of the allocation of the proceeds of the Credit and of the Loan referred to in Section 2.02 of this Agreement.

(c) Until all amounts under the Development Credit Agreement shall have been withdrawn and except as otherwise agreed between the Borrower and the Bank, no withdrawal shall be made from the Loan Account except (i) under commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions, and (ii) in respect of interest and other charges on the Loan, under Category V of the allocation of the proceeds of the Credit and of the Loan referred to in Section 2.02 of this Agreement.

*Section 2.05.* The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ( $\frac{3}{4}$  of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

*Section 2.06.* The Borrower shall pay interest at the rate of seven per cent (7%) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

*Section 2.07.* Interest and other charges shall be payable semi-annually on June 1 and December 1 in each year.

*Section 2.08.* The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement.

### *Article III*

#### USE OF THE PROCEEDS OF THE LOAN

*Section 3.01.* The Borrower shall apply the proceeds of the Loan in accordance with the provisions of the Loan Agreement to expenditures on the Project, described in Schedule 1 to the Development Credit Agreement.

*Section 3.02.* Except as the Bank shall otherwise agree, (i) the goods and services to be financed out of the proceeds of the Loan shall be procured on the basis of international competitive bidding in accordance with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in August 1969, and in accordance with such other procedures supplementary thereto as are set forth in Schedule 3 to the Development Credit Agreement or as shall be agreed between the Borrower and the Bank; and (ii) contracts for the procurement of such goods and services shall be subject to the prior approval of the Bank.

*Section 3.03.* Except as the Bank may otherwise agree, the Borrower shall cause all goods and services financed out of the proceeds of the Loan to be used exclusively in carrying out the Project.

*Article IV*

## BONDS

*Section 4.01.* If and as the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in Article VIII of the General Conditions.

*Section 4.02.* The Minister of Finance of the Borrower and such other person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 8.10 of the General Conditions.

*Article V*

## PARTICULAR COVENANTS

*Section 5.01.* The Borrower accepts all the provisions of Sections 4.01 through 4.06 inclusively of the Development Credit Agreement and of Schedules 1, 2, 3 and 4 thereto, with the same force and effect as if they were fully set forth herein; provided, however, that: (i) all references to the Association in such Sections or Schedules or in any of them shall be deemed to be references to the Bank, (ii) all references to the Credit in such Sections or Schedules or in any of them shall be deemed to be references to the Loan, and (iii) all references to the Development Credit Agreement in such Sections or Schedules or in any of them shall be deemed to be references to the Loan Agreement.

*Section 5.02.* So long as any part of the Credit provided for under the Development Credit Agreement shall remain outstanding, all actions taken, including approvals given, by the Association pursuant to any of the Sections or Schedules of the Development Credit Agreement enumerated in Section 5.01 of this Agreement, or of Section 3.02 or 3.03 of the Development Credit Agreement, shall be deemed to be taken or given in the name and on behalf of both the Association and the Bank; and all information or documentation furnished by the Borrower to the Association pursuant to the provisions of any of such Sections or Schedules of the Development Credit Agreement shall be deemed to be furnished to both the Association and the Bank.

*Section 5.03.* It is the mutual intention of the Borrower and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any external debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect; provided, however,

that the foregoing provisions of this Section shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after the date on which it is originally incurred.

The term “assets of the Borrower” as used in this Section includes assets of the Borrower or of any of its political subdivisions or of any agency of the Borrower or of any such political subdivision.

*Section 5.04.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes imposed under the laws of the Borrower or laws in effect in its territories, and free from all restrictions imposed under any such laws; provided, however, that the provisions of this Section shall not apply to taxation of payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Borrower.

*Section 5.05.* The Loan Agreement and the Bonds 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, issue, delivery or registration thereof, and the Borrower shall pay all such taxes, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries.

## *Article VI*

### REMEDIES OF THE BANK

*Section 6.01.* If any event specified in Section 7.01 of the General Conditions shall occur and shall continue for the period, if any, therein set forth, then at any subsequent time during the continuance thereof, the Bank, at its option, may by notice to the Borrower declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately together with the interest and other charges thereon and upon any such declaration such principal, interest and charges shall become due and payable immediately, anything to the contrary in the Loan Agreement or in the Bonds notwithstanding.

## *Article VII*

### EFFECTIVE DATE; TERMINATION

*Section 7.01.* The following event is specified as an additional condition to the effectiveness of the Loan Agreement within the meaning of

Section 11.01 (c) of the General Conditions, namely, that all the conditions precedent to the effectiveness of the Development Credit Agreement other than the effectiveness of the Loan Agreement shall have been fulfilled.

*Section 7.02.* The date June 1, 1970 is hereby specified for the purposes of Section 11.04 of the General Conditions.

### *Article VIII*

#### MISCELLANEOUS

*Section 8.01.* The Closing Date shall be December 31, 1973 or such other date as shall be agreed between the Borrower and the Bank.

*Section 8.02.* The Minister of Planning and Development of the Borrower is designated as representative of the Borrower for the purposes of Section 10.03 of the General Conditions.

*Section 8.03.* The following addresses are specified for the purposes of Section 10.01 of the General Conditions:

For the Borrower:

Ministry of Planning and Development  
Yaoundé  
Cameroun

Cable address:

Minplan  
Yaoundé  
Cameroun

For the Bank:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable address:

Intbafrad  
Washington, D.C.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused the Loan 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 JOSEPH N. OWONO  
Authorized Representative

International Bank for Reconstruction and Development:

By M. SHOAI B  
Vice President

### SCHEDULE I 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>
June 1, 1980 .....	135,000	December 1, 1990 .....	280,000
December 1, 1980 .....	140,000	June 1, 1991 .....	290,000
June 1, 1981 .....	145,000	December 1, 1991 .....	300,000
December 1, 1981 .....	150,000	June 1, 1992 .....	310,000
June 1, 1982 .....	155,000	December 1, 1992 .....	320,000
December 1, 1982 .....	160,000	June 1, 1993 .....	330,000
June 1, 1983 .....	165,000	December 1, 1993 .....	345,000
December 1, 1983 .....	170,000	June 1, 1994 .....	355,000
June 1, 1984 .....	180,000	December 1, 1994 .....	370,000
December 1, 1984 .....	185,000	June 1, 1995 .....	380,000
June 1, 1985 .....	190,000	December 1, 1995 .....	395,000
December 1, 1985 .....	200,000	June 1, 1996 .....	410,000
June 1, 1986 .....	205,000	December 1, 1996 .....	420,000
December 1, 1986 .....	210,000	June 1, 1997 .....	435,000
June 1, 1987 .....	220,000	December 1, 1997 .....	450,000
December 1, 1987 .....	225,000	June 1, 1998 .....	470,000
June 1, 1988 .....	235,000	December 1, 1998 .....	485,000
December 1, 1988 .....	245,000	June 1, 1999 .....	500,000
June 1, 1989 .....	250,000	December 1, 1999 .....	520,000
December 1, 1989 .....	260,000	June 1, 2000 .....	540,000
June 1, 1990 .....	270,000		

\*To the extent that any portion of the Loan is repayable in a currency other than dollars (see General Conditions, Section 4.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

## PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premium payable on repayment in advance of maturity of any portion of the principal amount of the Loan pursuant to Section 3.05(b) of the General Conditions or on the redemption of any Bond prior to its maturity pursuant to Section 8.15 of the General Conditions:

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than four years before maturity .....	$\frac{3}{4}\%$
More than four years but not more than eight years before maturity .....	2%
More than eight years but not more than fourteen years before maturity .....	$2\frac{3}{4}\%$
More than fourteen years but not more than twenty years before maturity .....	$4\frac{1}{4}\%$
More than twenty years but not more than twenty-six years before maturity .....	$5\frac{1}{2}\%$
More than twenty-six years but not more than twenty-eight years before maturity .....	$6\frac{1}{2}\%$
More than twenty-eight years before maturity .....	7%

## INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

## GENERAL CONDITIONS, DATED 31 JANUARY 1969

## GENERAL CONDITIONS APPLICABLE TO LOAN AND GUARANTEE AGREEMENTS

[*Not published herein. See United Nations, Treaty Series, vol. 691, p. 300.*]