

No. 11165

**INTERNATIONAL DEVELOPMENT ASSOCIATION
and
CAMEROON**

Development Credit Agreement—*Douala Port Project* (with annexed General Conditions Applicable to Development Credit Agreements). Signed at Washington on 14 January 1971

Authentic text: English.

Registered by the International Development Association on 14 June 1971.

**ASSOCIATION INTERNATIONALE
DE DÉVELOPPEMENT
et
CAMEROUN**

Contrat de crédit de développement — *Projet relatif au port de Douala* (avec, en annexe, les Conditions générales applicables aux contrats de crédit de développement). Signé à Washington le 14 janvier 1971

Texte authentique: anglais.

Enregistré par l'Association internationale de développement le 14 juin 1971.

DEVELOPMENT CREDIT AGREEMENT¹

AGREEMENT, dated January 14, 1971, between the FEDERAL REPUBLIC OF CAMEROON (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

Article I

GENERAL CONDITIONS; DEFINITIONS

Section 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Development Credit Agreements of the Association, dated January 31, 1969,² with the same force and effect as if they were fully set forth herein, subject, however, to the deletion of Section 5.01 thereof (said General Conditions Applicable to Development Credit Agreements of the Association, as so modified, being hereinafter called the General Conditions).

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "Port Commander" means the *Capitaine du Port* referred to in the Borrower's *Règlement sur la police à l'intérieur du combinat portuaire Douala-Bonabéri*, published by the Borrower's Decree No. 64/DF/12 of January 8, 1964, amended by Decree No. 64/DF/152 of April 30, 1964.

(b) "Port Directorate" means the Borrower's *Direction des Ports et des Voies Navigables* responsible for the operation and management of the port of Douala-Bonabéri and includes any organization or agency succeeding thereto.

Article II

THE CREDIT

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions in the Development Credit Agreement set forth or referred to, an amount in various currencies equivalent to one million five hundred thousand dollars (\$1,500,000).

¹ Came into force on 14 April 1971, upon notification by the Association to the Government of Cameroon.

² See p. 94 of this volume.

Section 2.02. The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement, as such Schedule shall be amended from time to time, for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project described in Schedule 2 to this Agreement and to be financed under the Development Credit Agreement; provided, however, that, except as the Association shall otherwise agree, no withdrawal shall be made on account of expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or for goods produced in, or services supplied from, such territories.

Section 2.03. Except as the Association shall otherwise agree, the goods and services (other than services of consultants) required for the Project and to be financed out of the proceeds of the Credit shall be procured on the basis of international competition under procedures consistent with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in August 1969, and in accordance with, and subject to, the provisions set forth in Schedule 3 to this Agreement.

Section 2.04. The Closing Date shall be June 30, 1973, or such other date as shall be agreed between the Borrower and the Association.

Section 2.05. 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 2.06. Service charges shall be payable semi-annually on June 1 and December 1 in each year.

Section 2.07. The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual installments payable on each June 1 and December 1 commencing June 1, 1981 and ending December 1, 2020, each installment to and including the installment payable on December 1, 1990 to be one-half of one per cent ($\frac{1}{2}$ of 1%) of such principal amount, and each installment thereafter to be one and one-half per cent ($1\frac{1}{2}$ %) of such principal amount.

Section 2.08. The currency of the United States of America is hereby specified for the purposes of Section 4.02 of the General Conditions.

Article III

EXECUTION OF THE PROJECT

Section 3.01. The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound administrative, engineering and

financial practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the purpose.

Section 3.02. (a) The Borrower shall employ engineering consultants acceptable to the Association upon terms and conditions satisfactory to the Borrower and the Association to supervise the construction of the deep water quay included in Part A (1) of the Project, to prepare tender documents for, and supervise the construction of, Part B of the Project, and to carry out Part C of the Project.

(b) In carrying out Part D of the Project, the Borrower shall employ in the Port Directorate, for a period of not less than eighteen months starting not later than May 1, 1971, or such other date as may be agreed to by the Association, a cost accounting advisor acceptable to the Borrower and the Association upon terms and conditions satisfactory to the Borrower and the Association.

Section 3.03. In carrying out Part A of the Project, the Borrower shall employ contractors acceptable to the Association upon terms and conditions satisfactory to the Borrower and the Association.

Section 3.04. Except as the Association shall otherwise agree, the Borrower shall use its best efforts to cause the establishment, not later than April 30, 1971, of a company under *Statuts* which shall have been approved by the Association, which shall at all times after its establishment, have full and exclusive responsibility for the operation in accordance with sound commercial practices of the log depot located in the port of Douala-Bonabéri, pursuant to a concession agreement and a *cahier des charges* approved by the Association, and of such other log depots as shall be entrusted to it.

Section 3.05. (a) The Borrower undertakes to insure, or make adequate provision for the insurance of, the imported goods to be financed out of the proceeds of the Credit against marine, transit and other hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

(b) Except as the Association shall otherwise agree, the Borrower shall cause all goods and services financed out of the proceeds of the Credit to be used exclusively for the Project until its completion.

Section 3.06. (a) The Borrower shall furnish to the Association, promptly upon their preparation, the plans, specifications, contract documents, work and procurement schedules, for the Project, and any material modifications or additions thereto, in such detail as the Association shall reasonably request.

(b) The Borrower: (i) shall maintain records adequate to record the progress of the Project (including the cost thereof) and to identify the goods and services financed out of the proceeds of the Credit, and to disclose the use thereof in the Project; (ii) shall enable the Association's representatives to inspect the Project, the goods financed out of the proceeds of the Credit and any relevant records and documents; and (iii) shall furnish to the Association all such information as the Association shall reasonably request concerning the Project, the expenditure of the proceeds of the Credit and the goods and services financed out of such proceeds.

Article IV

OTHER COVENANTS

Section 4.01. (a) The Borrower shall take all steps necessary to ensure that the operation of its ports shall at all times be conducted, their affairs managed, their future investments planned, and a sound financial situation maintained, in accordance with sound administrative, financial and engineering practices and under the direction of competent and experienced management.

(b) The Borrower shall cause the facilities, equipment, machinery, or other property necessary or useful in the operation of the port of Douala-Bonabéri to be operated, maintained, renewed and repaired in accordance with sound engineering and management practices.

Section 4.02. The Borrower shall, in respect of the port of Douala-Bonabéri:

- (a) appoint a competent and experienced Port Commander;
- (b) delegate to the port director, not later than on April 30, 1971, the powers required for a flexible and efficient management of the ports, as provided under Section 4.01 of this Agreement; and
- (c) institute, not later than on June 30, 1971, and after consultation with the Association, adequate rules relating to the use of the storage facilities located in the Douala-Bonabéri port area, providing, in particular, for reasonable time limits and penalties for extended storage of cargo in such facilities.

Section 4.03. The Borrower shall consult the Association on any substantial change in port organization in the territories of the Borrower.

Section 4.04. The Borrower undertakes to have its dredger Garoua operated in the ports of Cameroon with the efficiency required to ensure adequate dredging of such ports and of their approaches.

Section 4.05. The Borrower shall (i) cause the Port Directorate to be represented in any organization which may be established to operate the industrial zone expected to be created at Bonabéri, and (ii) cause the Port Directorate to be consulted on any allocation of land for industrial purposes in Bonabéri.

Section 4.06. (a) The Borrower shall consult the Association prior to any modification of port rates or charges in the port of Douala-Bonabéri.

(b) The Borrower shall take or cause to be taken all measures required to improve the efficiency of operation of the port of Douala-Bonabéri so that the operating ratio at said port shall not exceed percentages to be determined in agreement with the Association upon completion of Part D of the Project and in line with the results of the financial analyses therein included; subject to such results, it is intended not to exceed a ratio of 80% in the fiscal year beginning on July 1, 1971; 78% in the fiscal year beginning on July 1, 1972; 76% in the fiscal year beginning on July 1, 1973; and 74% in the fiscal year beginning on July 1, 1974, and in each fiscal year thereafter.

(c) For the purposes of this Section, the term "operating ratio" means the ratio of total expenses of operating the port of Douala-Bonabéri, including major repairs, administrative and maintenance expenses and straight-line depreciation, but excluding interest and other charges on long-term debts and taxes (if any), to total income from the operation of said port.

Section 4.07. The Borrower shall take, or cause to be taken, all measures required to ensure that there shall accumulate in the Port Renewal Fund provided for in the Port Directorate annex to the Borrower's Budget, reserves for future port capital expenditures, in an amount which, by June 30, 1974, shall be not less than the equivalent of \$3,600,000, provided, however, that capital expenditures for any project established in consultation with the Association, other than the Project provided for in this Agreement, may be deducted from the amounts thus accumulated.

Section 4.08. The Borrower shall take all measures required to ensure as far as possible an equilibrium in the accounts related to the operation of the ports of Garoua, Kribi and Victoria/Tiko.

Section 4.09. The Borrower shall maintain or cause to be maintained records adequate to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Port Directorate and of any other departments or agencies of the Borrower responsible for the operation of the ports of Douala-Bonabéri, of Garoua, of Kribi, and of Victoria/Tiko; in particular, the Borrower shall cause separate accounts to be maintained in accordance with such practices to reflect the operations and financial condition of the port of Douala-Bonabéri and the operating ratio of said port, as such term is defined in Section 4.06 (c) of this Agreement.

Article V

CONSULTATION, INFORMATION AND INSPECTION

Section 5.01. The Borrower and the Association shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, the Borrower and the Association shall from time to time, at the request of either party:

- (a) exchange views through their representatives with regard to the performance of their respective obligations under the Development Credit Agreement, the administration, operations and financial condition, in respect of the Project, of the Port Directorate and of any other departments or agencies of the Borrower responsible for carrying out the Project or any part thereof, the organization and development of ports in the Borrower's territories, and, in particular, of the port of Douala-Bonabéri, and other matters relating to the purposes of the Credit; and
- (b) 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, including its balance of payments, and the external debt of the Borrower, of any of its political subdivisions and of any agency of the Borrower or of any such political subdivision.

Section 5.02. (a) The Borrower shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the operations and financial condition, in respect of the Project, of the Port Directorate and of any other departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) 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, the maintenance of the service thereof or the performance by the Borrower of its other obligations under the Development Credit Agreement.

Section 5.03. The Borrower shall afford all reasonable opportunity for accredited representatives of the Association to inspect all installations, sites, works, buildings, property and equipment related to the Project and to visit any part of the territories of the Borrower for purposes related to the Credit.

Article VI

TAXES AND RESTRICTIONS

Section 6.01. The principal of, and service charges on, the Credit 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.

Section 6.02. The Development Credit Agreement shall be free from any taxes on or in connection with the execution, delivery or registration thereof, imposed under the laws of the Borrower or laws in effect in its territories.

Section 6.03. The payment of the principal of, and service charges on, the Credit shall be free from all restrictions, regulations, controls and moratoria of any nature imposed under the laws of the Borrower or laws in effect in its territories.

Article VII

REMEDIES OF THE ASSOCIATION

Section 7.01. If any event specified in Section 7.01 of the General Conditions or in Section 7.02 of this Agreement shall occur and shall continue for the period, if any, therein set forth, then at any subsequent time during the continuance thereof, the Association, at its option, may by notice to the Borrower declare the principal of the Credit then outstanding to be due and payable immediately together with the service charges therein, and upon any such declaration such principal and service charges shall become due and payable immediately, anything to the contrary in the Development Credit Agreement notwithstanding.

Section 7.02. For the purposes of Section 7.01 of the General Conditions, the following additional event is specified, namely, that any legislation or regulation of the Borrower relating to the establishment, powers, organization or

financial structure of the ports of the Borrower in general, or of the port of Douala-Bonabéri in particular, shall have been amended, repealed, suspended or waived so as to have an adverse effect on the Project or on the operations of the port of Douala-Bonabéri.

Article VIII

EFFECTIVE DATE; TERMINATION

Section 8.01. The date March 31, 1971 is hereby specified for the purposes of Section 10.04 of the General Conditions.

Section 8.02. The obligations of the Borrower under Section 3.04 (a) and Article IV of this Agreement, and the provisions of Section 7.02 of this Agreement, shall cease and determine on the date on which the Development Credit Agreement shall terminate or on a date twenty years after the date of this Agreement, whichever shall be the earlier.

Article IX

REPRESENTATIVE OF THE BORROWER; ADDRESSES

Section 9.01. The Minister of Planning and Development of the Borrower is designated as representative of the Borrower for the purposes of Section 9.03 of the General Conditions.

Section 9.02. The following addresses are specified for the purposes of Section 9.01 of the General Conditions:

For the Borrower:

Federal Ministry of Planning and Development
Yaoundé
Cameroon

Cable address:

Minplan
Yaoundé

For the Association:

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

Cable address:

Indevas
Washington, D.C.

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

Federal Republic of Cameroon:
By MICHEL KOSS EPANGUÉ
Authorized Representative

International Development Association:
By MOHAMED SHOAB
Vice President

SCHEDULE 1

WITHDRAWAL OF THE PROCEEDS OF THE CREDIT

1. The table below sets forth the categories of items to be financed out of the proceeds of the Credit, the allocation of amounts of the Credit to each category and the percentage of eligible expenditures so to be financed in each category:

<i>Category</i>	<i>Amount of the Credit Allocated (Expressed in Dollar Equivalent)</i>	<i>% of Expenditures to be Financed</i>
I. Civil works and related equipment for Part A of the Project	955,000	65% of total expenditures (representing the estimated foreign expenditure component)
II. Suction cutter dredger	200,000	100% of foreign expenditures
III. Services of consultants for the Project	120,000	100% of foreign expenditures
IV. Unallocated	225,000	
	<u>TOTAL 1,500,000</u>	

2. For the purposes of this Schedule:

- (a) the term "foreign expenditures" means expenditures for goods produced in, or services supplied from, the territories, and in the currency, of any member of the Bank (other than the Borrower) or of Switzerland; provided, however, that if the

currency of the Borrower is also that of another member of the Bank in the territories of which goods are produced or from the territories of which services are supplied, expenditures in such currency for such goods or services shall be deemed to be "foreign expenditures"; and

- (b) the term "total expenditures" means the aggregate of foreign expenditures and of expenditures for goods produced in, or services supplied from, the territories of the Borrower.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

- (a) expenditures prior to the date of this Agreement; and
- (b) payments for taxes imposed under the laws of the Borrower or laws in effect in its territories on goods or services, or on the importation, manufacture, procurement or supply thereof. To the extent that the amount represented by the percentage set forth in the third column of the table in paragraph 1 above in respect of any Category would exceed the amount payable net of all such taxes, such percentage shall be reduced to ensure that no proceeds of the Credit will be withdrawn on account of payments for such taxes.

4. Notwithstanding the allocation of an amount of the Credit set forth in the second column of the table in paragraph 1 above:

- (a) if the estimate of the expenditures under any Category shall decrease, the amount of the Credit then allocated to such Category and no longer required therefor will be reallocated by the Association by increasing correspondingly the unallocated amount of the Credit;
- (b) if the estimate of the expenditures under any Category shall increase, the percentage set forth in the third column of the table in paragraph 1 above in respect of such expenditures shall be applied to the amount of such increase, and a corresponding amount will be allocated by the Association, at the request of the Borrower, to such Category from the unallocated amount of the Credit, subject, however, to the requirements for contingencies, as determined by the Association, in respect of any other expenditures.

5. Notwithstanding the percentages set forth in the third column of the table in paragraph 1 above, if the estimate of total expenditures under Category I shall increase and no proceeds of the Credit are available for reallocation to such Category, the Association may, by notice to the Borrower, adjust the percentage then applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made.

SCHEDULE 2

DESCRIPTION OF THE PROJECT

The Project consists of the following parts:

A. Civil Works:

- (1) At Douala-Bonabéri, the construction of a new deep water quay, approximately 200 meters long and 8.5 meters deep.
- (2) In the log-handling area at Douala, (a) the construction of a shallow-draft quay for loading logs in barges, approximately 30 meters long and 2 meters deep, (b) the construction of sloping concrete aprons approximately 60 meters long for launching floatable logs, (c) the paving of approximately 20,000 square meters of roads and timber stacking areas, and (d) shifting the existing 20-ton overhead crane to the edge of the new shallow-draft quay.
- (3) The dredging of approximately 100,000 cubic meters in front of the log-handling area at Douala to facilitate movement of barges and floating logs.
- (4) The installation at Douala of four buoys for three mooring stations for timber-loading ships.

B. The acquisition of a small suction dredger to carry out dredging work required in the Project and maintain attained depths.

C. A study comparing the feasibility of establishing new timber-handling facilities at Japoma-Manoka and at Douala.

D. The elaboration of a modern, accrual-basis accounting system for the port of Douala-Bonabéri based on adequate costing and internal budgetary methods, and the preparation of an inventory of the assets located in the port of Douala-Bonabéri or required for its operation and the valuation of such assets. Such assets inventory and valuation is expected to be completed by September 30, 1971.

E. The acquisition by, or for the exclusive use of, the mixed company referred to in Section 3.04 of this Agreement, of adequate mobile and floating log-handling equipment for use in the port of Douala-Bonabéri; such acquisition is expected to take place on or before September 30, 1971.

The Project is expected to be completed by December 31, 1972.

SCHEDULE 3

PROCUREMENT

I. With respect to Parts A (1) and B of the Project:

(a) Unless the Association shall otherwise agree, all civil works included in Part A (1) of the Project shall be included in a single contract.

(b) Prequalification, as described in paragraph 1.3 of the Guidelines, shall be employed for civil works and dredger bidders. A period of 30 days shall be allowed for submission of prequalification documents. Prior to prequalification, the Borrower shall send to the Association a list of all firms requesting prequalification, together with the proposed list of prequalified contractors and the reasons for approval or rejection.

(c) Prior to issuing and publishing invitations to bid, the Borrower shall send to the Association, for its comments, two copies of the invitation to bid, draft forms of contract, specifications and all other bid documents together with a complete description of the international advertising procedure to be used (including a list of publications in which the advertisements will appear and the time to be allowed for bid preparation) and shall make such modifications in such documents or procedure as the Association shall reasonably request. Bidders shall be allowed at least 60 days to submit their bids and shall not be required to be registered in Federal Republic of Cameroon as a condition to submit bids. Should any other formality be required of a successful bidder before undertaking the works, every facility shall be furnished to the contractor to avoid any possible delay.

(d) Contracts shall include adequate escalation clauses, as described in paragraph 4.4 of the Guidelines, and shall show unit prices. The Borrower shall ensure that all necessary import permits for materials or equipment required for carrying out such contracts shall be issued promptly.

(e) After bids have been received and analyzed, two copies of the analysis of bids, the recommendations of the engineering consultants referred to in Section 3.02 (a) of this Agreement and the proposals of the Borrower for award, together with the reason for such proposals, shall be submitted to the Association for its review and comment prior to the award of the contract or issuance of a letter of intent. Unless the Association shall otherwise agree, contracts shall be awarded to the lowest evaluated bidder. If it is proposed to award any contract to other than the lowest evaluated bidder, the reasons for such proposal shall be stated. The Association shall promptly inform the Borrower whether it has any objection to the intended award on the ground that it would be inconsistent with the *Guidelines for Procurement under World Bank Loans and IDA Credits* referred to in Section 2.03 of this Agreement or with the Development Credit Agreement, and shall state the reasons for any objections it may have.

(f) If the contracts shall be awarded over the Association's reasonable objection, or if their terms and conditions shall, without the Association's concurrence, materially differ from those on which bids were asked, no expenditure thereunder shall be financed out of the proceeds of the Credit.

(g) Two conformed copies of each contract shall be furnished to the Association promptly after its execution and prior to the submission to the Association of the first

application for withdrawal of funds from the Credit Account in respect of any such contract.

II. With respect to contracts for civil works included in Parts A (2), A (3) and A (4) of the Project:

(a) The international competitive bidding procedure applicable shall not require more than local advertising coverage, by reason of the expected smallness of such contract.

(b) Copies of all documents, including the invitation to bid, the tender documents, bid analysis and evaluation, two conformed copies of each such contract, and the reasons for the award of each such contract, if any, to other than the lowest bidder, shall be sent to the Association promptly after the execution of any such contract and prior to submission to the Association of the first application for withdrawal of funds from the Credit Account in respect of any such contract.

(c) The Association shall, promptly after receipt of the documents referred to in paragraph (b) hereof, inform the Borrower if it finds that the award of any such contract is not consistent with the *Guidelines for Procurement under World Bank Loans and IDA Credits* referred to in Section 2.03 of this Agreement or with the Development Credit Agreement and, in such event, no expenditure under any such contract shall be financed out of the proceeds of the Credit.

INTERNATIONAL DEVELOPMENT ASSOCIATION

GENERAL CONDITIONS, DATED 31 JANUARY 1969

GENERAL CONDITIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS

[Not published herein. See *United Nations, Treaty Series, vol. 703, p. 244.*]
