

No. 17805

---

**DENMARK**  
**and**  
**UNITED REPUBLIC OF CAMEROON**

**Agreement concerning a loan from the Kingdom of Denmark to the United Republic of Cameroon (with annexes and exchange of letters). Signed at Yaoundé on 20 March 1978**

*Authentic text: French.*

*Registered by Denmark on 27 April 1979.*

---

**DANEMARK**  
**et**  
**RÉPUBLIQUE-UNIE DU CAMEROUN**

**Accord relatif à un prêt du Royaume du Danemark à la République-Unie du Cameroun (avec annexes et échange de lettres). Signé à Yaoundé le 20 mars 1978**

*Texte authentique : français.*

*Enregistré par le Danemark le 27 avril 1979.*

## [TRANSLATION — TRADUCTION]

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENTS OF THE KINGDOM OF DENMARK AND THE UNITED REPUBLIC OF CAMEROON CONCERNING A LOAN FROM THE KINGDOM OF DENMARK TO THE UNITED REPUBLIC OF CAMEROON

The Government of the Kingdom of Denmark and the Government of the United Republic of Cameroon, desiring to strengthen the traditional co-operation and cordial relations existing between their countries, have agreed that within the framework of the economic development of Cameroon a Danish Government loan shall be extended to the United Republic of Cameroon in accordance with the following provisions of this Agreement and of its annexes, which constitute an integral part thereof:

*Article I. THE LOAN*

The Government of the Kingdom of Denmark (hereinafter referred to as the "Lender") shall grant the Government of the United Republic of Cameroon (hereinafter referred to as the "Borrower") a Loan of twenty (20) million Danish kroner for the purposes described in article VI below.

*Article II. LOAN ACCOUNT*

(1) An account designated "Cameroonian Government Loan Account" (hereinafter referred to as the "Loan Account") shall, at the Borrower's request, be opened with Danmarks Nationalbank (acting as agent for the Lender) in favour of the Cameroonian Government represented by the Minister for Economic Affairs and Planning.

The Lender shall ensure that sufficient funds are always available in the Loan Account to enable the Borrower to effect punctual payment for capital goods and services provided within the framework of the Loan.

(2) The Borrower (or his representative) shall be entitled, in accordance with the provisions of this Agreement, to withdraw from the Loan Account amounts needed for payment of capital goods or services provided within the framework of the Loan.

*Article III. RATE OF INTEREST*

The Loan shall be free of interest.

*Article IV. REPAYMENTS*

(1) The Borrower undertakes to repay the Loan in 35 half-yearly instalments each in the amount of 555,000 Danish kroner, the first instalment to be paid on 1 April 1985, the last instalment on 1 April 2002, and the final balance of 575,000 Danish kroner on 1 October 2002.

<sup>1</sup> Came into force on 20 March 1978 by signature, in accordance with article X(1).

(2) If the Loan is not fully utilized in accordance with the provisions of article VI, paragraph 8, a revised amount for the half-yearly instalments shall be established by mutual agreement between the Borrower and the Lender.

*Article V. PLACE OF PAYMENT*

The Borrower undertakes to repay the Loan to Danmarks Nationalbank in convertible Danish kroner to the credit of the current account of the Ministry of Finance with Danmarks Nationalbank.

*Article VI. USE OF THE LOAN BY THE GOVERNMENT OF THE UNITED  
REPUBLIC OF CAMEROON*

(1) The Borrower shall use the Loan to finance imports from Denmark (including costs of transport from Denmark to Cameroon) of capital goods of Danish origin to be used for the projects mentioned in annex II to this Agreement.

(2) The Loan may also be used to pay for Danish services required for the implementation of the projects mentioned in annex II, including, in particular, preinvestment studies, preparation of projects, provision of consultants dealing with the implementation of projects, assembly or construction of plants or buildings, and technical and administrative assistance during the initial period of undertakings established by means of the Loan.

(3) All contracts to be financed under the Loan shall be subject to approval by the Borrower and the Lender.

(4) The Lender, in approving a contract within the framework of the Loan, shall not assume any responsibility for the proper performance or fulfilment of such contract.

Nor shall the Lender be responsible for the efficient use of supplies and services financed under the Loan or for the proper operation of the projects, etc., for which such supplies have been delivered and such services have been rendered.

(5) A contract within the framework of the Loan shall contain no provisions whereby the Danish exporter provides special credit facilities.

(6) The Loan may be used only for payment of capital goods and services contracted for after the entry into force of the Agreement, unless the Borrower and the Lender have agreed otherwise.

(7) The Loan may not be used for payment to the Borrower of any customs duty, tax or other national or public charge such as import surcharges, duties to compensate for domestic excise taxes, charges or deposits in connection with the issue of payments licences or import licences.

(8) The Borrower may make withdrawals from the Account at Danmarks Nationalbank mentioned in article II for the fulfilment of contracts which are approved by the Lender and the Borrower within a period of up to three years after the date of entry into force of the Agreement or such other date as may be set by mutual agreement between the Lender and the Borrower.

*Article VII. NON-DISCRIMINATION*

(1) With regard to the repayment of the Loan, the Borrower undertakes to give the Lender no less favourable treatment than that accorded to other foreign creditors.

(2) All shipments of capital goods covered by this Agreement shall be in keeping with the principle of free circulation of all ships in international trade in free and fair competition.

*Article VIII. MISCELLANEOUS PROVISIONS*

(1) Prior to the first drawing against the Account referred to in article II, the Borrower shall satisfy the Lender that all constitutional or other legal provisions in the Borrower's home country have been met, so that this Agreement will constitute an obligation legally binding on the Borrower.

(2) The Borrower shall inform the Lender of persons who are authorized to take any action on behalf of the Borrower, and supply authenticated specimen signatures of all such persons.

(3) In case of competitive bidding for contracts to be financed under the Loan, the Borrower shall forward to the Lender for transmission to the potential bidders all material relevant to the bidding.

(4) Any notices, requests or arrangements under this Agreement shall be in writing.

*Article IX. PARTICULAR COVENANTS*

The Loan shall be repaid without deduction for, and free from, any taxes and charges, and free from all restrictions imposed under the laws of the Borrower. The Agreement shall be free from any taxes imposed under existing or future laws of the Borrower in connection with the issue, execution, registration, entry into force of the Agreement, or otherwise.

*Article X. DURATION OF THE AGREEMENT*

(1) This Agreement shall enter into force on the date of signature.

(2) The Agreement shall terminate immediately upon total repayment of the Loan.

*Article XI. ADDRESSES*

The following addresses are specified for the purposes of this Agreement:

For the Borrower:

Le Gouvernement camerounais  
représenté par le Ministre de l'économie et du plan  
Yaoundé

For the Lender, with respect to disbursements:

Le Ministère des affaires étrangères  
Division des relations commerciales  
Copenhague

Cablegrams:

ETRANGERES COPENHAGUE

For the Lender with respect to transmission of bidding material:

Le Ministère des affaires étrangères  
Division des relations commerciales  
Copenhague

Adresse télégraphique :

ETRANGERES COPENHAGUE

For the Lender, with respect to payment of the half-yearly instalments:  
Le Ministère des finances  
Copenhagen

Cablegrams:  
FINANS COPENHAGUE

IN WITNESS WHEREOF the duly authorized representatives of the Lender and the Borrower have signed this Agreement in two copies in the French language at Yaoundé on 20 March 1978.

For the Government of the Kingdom of Denmark:

POUL KRYGER

For the Government of the United Republic  
of Cameroon:

A. NDAM NJOYA

Acting Minister for Economic Affairs and Planning

#### ANNEX I

The following provisions shall govern the rights and obligations under the Agreement between the Governments of the Kingdom of Denmark and the United Republic of Cameroon concerning a Danish Government loan to Cameroon (hereinafter referred to as the "Agreement"). They shall be considered an integral part of the Agreement with the same force and effect as if they were contained therein.

##### *Article I. CANCELLATION AND SUSPENSION*

(1) The Borrower may, by notice to the Lender, cancel any amount of the Loan which the Borrower shall not have withdrawn.

(2) In the event of default by the Borrower in the fulfilment of any commitment or arrangement under the Agreement, the Lender may suspend, in whole or in part, the right of the Borrower to make withdrawals from the Loan Account. If the circumstances which entitled the Lender to suspend the Borrower's right to make withdrawals from the Account persist beyond a period of 60 days after the Lender's notice to the Borrower of the suspension, the Lender may at any time claim immediate repayment of all withdrawals made from the Loan Account, notwithstanding anything in the Agreement to the contrary, unless the basis for the suspension has ceased to exist.

(3) Notwithstanding any cancellation or suspension, all the provisions of the Agreement shall continue in force and effect except as specifically provided in this article.

##### *Article II. SETTLEMENT OF DISPUTES*

(1) Any dispute between the Lender and the Borrower arising out of the interpretation or implementation of this Agreement, which cannot be settled within six months through the diplomatic channel, shall at the request of either Party be submitted to an arbitral tribunal consisting of three members. The chairman of the tribunal shall be a national of a third country and shall be appointed by mutual agreement between the Lender and the Borrower. Should the Parties fail to agree on the appointment of the chairman of the tribunal, either Party may request the President of the International Court of Justice to make the appointment. Each Party shall appoint its own arbitrator; if a Party abstains from appointing an arbitrator, the latter may be appointed by the chairman of the tribunal.

(2) Each Contracting Party shall observe and carry out the decision rendered by the tribunal.

## ANNEX II

## I

The Loan shall be used for the implementation of the following projects:

- A. Water sector (allocation of 12 million Danish kroner)
  - 1. Provision of equipment to establish water supply systems for rural health centres;
  - 2. Provision of 100 hand pumps for selected districts.
- B. Health sector (allocation of 8 million Danish kroner)
  - 1. Provision of medical equipment from a standard list to 150 rural health centres;
  - 2. Provision of medical equipment to selected hospitals.

## II

Any proposal on the part of the Government of the United Republic of Cameroon involving substantial changes in the plans established for the implementation of the above projects, and any proposal on the part of the Government of the United Republic of Cameroon calling for the substitution of new projects for one or more of these projects, shall be subject to the approval of the Government of the Kingdom of Denmark.

## EXCHANGE OF LETTERS

## I

Yaoundé, 20 March 1978

Sir,

With reference to the Agreement of today's date between the Governments of the Kingdom of Denmark and the United Republic of Cameroon concerning a development loan (hereinafter referred to as the "Agreement") I have the honour to propose that the following provisions shall govern the implementation of article VI of the Agreement.

Payments made by drawing on the Loan Account shall be effected in the following manner:

(1) The Danish exporter or consultant and the Cameroonian importer or the prospective Cameroonian investor shall negotiate a contract, subject to the final approval of the Cameroonian and Danish authorities. No contract below 200,000 kroner shall be eligible for financing under the Agreement except in the case of utilization of any final balance below that amount.

(2) The Government of the United Republic of Cameroon shall make available to the Danish Ministry of Foreign Affairs copies of the contracts concluded under the Agreement. The Ministry of Foreign Affairs shall ascertain, *inter alia*, that:

- (a) The commodities or services covered by the contract fall within the framework of the Agreement;
- (b) The capital equipment involved has been manufactured in Denmark, or the services to be rendered will be performed by persons carrying on business in Denmark, and shall notify the Government of the United Republic of Cameroon of its findings.

(3) When the contracts have been approved, the Government of the United Republic of Cameroon may draw on the Loan Account opened with Danmarks Nationalbank

with a view to effecting payment of the consignment or services referred to in the contracts. Disbursements from this Account for payments to Danish exporters or consultants shall be subject to presentation of the necessary documents when Danmarks Nationalbank has ascertained that the conditions for making such disbursements have been complied with.

If the Government of the United Republic of Cameroon is able to accept the foregoing provisions, I have the honour to propose that this letter and your reply shall constitute an agreement between our two Governments.

Accept, Sir, etc.

For the Government  
of the Kingdom of Denmark:

POUL KRYGER

His Excellency Mr. A. Ndam Njoya  
Minister of National Education  
Yaoundé

## II

Sir,

I have the honour to acknowledge receipt of your letter of today's date, reading as follows:

*[See letter I]*

I have the honour to inform you that my Government is in agreement with the foregoing.

Accept, Sir, etc.

Yaoundé, 20 March 1978

For the Government  
of the United Republic of Cameroon:

A. NDAM NJOYA  
Acting Minister for Economic Affairs  
and Planning

His Excellency Mr. Poul Kryger  
Ambassador of Denmark  
Yaoundé

---