

No. 24634

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**DENMARK  
and  
CAMEROON**

**Agreement concerning a loan by the Government of the Kingdom of Denmark to the Government of the Republic of Cameroon (with annex). Signed at Copenhagen on 11 December 1986**

*Authentic text: French.*

*Registered by Denmark on 23 February 1987.*

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**DANEMARK  
et  
CAMEROUN**

**Accord relatif à un prêt du Gouvernement du Royaume de Danemark en faveur du Gouvernement de la République du Cameroun (avec annexe). Signé à Copenhague le 11 décembre 1986**

*Texte authentique : français.*

*Enregistré par le Danemark le 23 février 1987.*

## [TRANSLATION — TRADUCTION]

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE KINGDOM OF DENMARK AND THE GOVERNMENT OF THE REPUBLIC OF CAMEROON CONCERNING A LOAN BY THE GOVERNMENT OF THE KINGDOM OF DENMARK TO THE GOVERNMENT OF THE REPUBLIC OF CAMEROON

The Government of the Kingdom of Denmark and the Government of the Republic of Cameroon, desiring to strengthen the traditional co-operation and cordial relations existing between their countries, have agreed that, with a view to the economic development of the Republic of Cameroon, a loan by the Government of the Kingdom of Denmark shall be extended to the Government of the Republic of Cameroon in accordance with the following provisions of this Agreement and of its Annex, which forms an integral part of the Agreement.

*Article I. THE LOAN*

The Government of the Kingdom of Denmark (hereinafter called “the Lender”) shall extend to the Government of the Republic of Cameroon (hereinafter called “the Borrower”) a loan of 150 (one hundred and fifty) million Danish kroner for the purposes described in article V.

*Article II. LOAN ACCOUNT*

1. An account designated “Government of the Republic of Cameroon Loan Account No. 4” (hereinafter called “loan account”) shall be opened, at the Borrower’s request, with Danmarks Nationalbank (National Bank of Denmark) (acting as agent for the Lender) in favour of the Ministry of Finance or of any other body acting as agent for the Borrower.

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 under this Agreement.

2. The Borrower shall be entitled, subject to the provisions of this Agreement, to withdraw from the loan account, in accordance with the guidelines annexed to this Agreement, amounts needed for payment for the provision of capital goods or services.

*Article III. RATE OF INTEREST*

The loan shall be free of interest.

*Article IV. REPAYMENT*

1. The Borrower undertakes to repay the loan to Danmarks Nationalbank in convertible Danish kroner by crediting 35 semi-annual instalments of 4,160,000 Danish kroner each to the current account of the Ministry of Foreign Affairs of the Kingdom of Denmark

<sup>1</sup> Came into force on 11 December 1986 by signature, in accordance with article XIV (1).

with Danmarks Nationalbank, the first instalment falling due on 1 October 1993, the last instalment on 1 October 2010, and the final balance of 4,400,000 Danish kroner on 1 April 2011.

2. If the loan has not been fully utilized in accordance with the provisions of article VI, paragraph 5, the amount of the semi-annual instalments shall be revised by agreement between the Borrower and the Lender.

#### *Article V. PURPOSES*

1. The loan shall be used for the implementation of the following projects:

	<i>Millions of Danish kroner</i>
(a) Delivery and installation of water-supply systems in some 80-90 villages, including installations for the collection of untreated water, treatment plants and distribution networks .....	140
(b) Consultant-engineering services for the establishment of a rural water-supply maintenance structure, and contingencies .....	10
TOTAL	150

2. Any proposal by the Borrower for changes in the implementation programmes of the projects mentioned above and any proposal by the Borrower for the replacement of one or more of these projects with new projects shall be subject to the Lender's approval.

#### *Article VI. USE OF THE LOAN*

1. The Borrower shall use the loan to finance imports from Denmark (including transport charges from Denmark to Cameroon) of Danish capital goods and services for the purposes specified in article V.

2. Any contract to be financed under this Agreement shall be subject to approval by the Borrower and the Lender.

3. By approving a contract for financing under this Agreement the Lender shall not assume any responsibility as to the proper performance of such contract.

The Lender also declines any responsibility for the effective utilization of the capital goods and services financed under this Agreement or for the proper functioning of the installations, etc., for which these goods and services are used.

4. Unless otherwise agreed by the Parties, the loan shall be used only to pay for capital goods and services for which a contract is signed after the entry into force of the Agreement.

5. The Borrower may draw against the loan account in fulfilment of contracts approved within the three years following the entry into force of the Agreement or within some other period decided on by agreement between the Borrower and the Lender.

#### *Article VII. NON-DISCRIMINATION*

1. The Borrower undertakes not to accord to the Lender less favourable treatment with regard to the repayment of the loan than that accorded to other foreign creditors.

2. All transport of capital goods under this Agreement by sea shall be in accordance with the principle of the free participation of ships in international trade in conditions of free and equal competition.

*Article VIII. TAXES AND OTHER OFFICIAL CHARGES AND RESTRICTIONS*

1. This Agreement shall be exempt from all taxes, present or future, provided for in the present or future laws of the Borrower in connection with its publication, application, registration, entry into force, etc.

2. The Borrower shall exempt the capital goods and services obtained from Denmark under this Agreement from all import duties, all taxes, all national duties or other official charges such as import surcharges, countervailing duties for indirect taxes, and fees or deposits connected with the issue of payment or import permits. Contracts, agreements, supplementary agreements and orders concluded under this Agreement concerning the fourth rural water-supply programme shall therefore be exempt from present or future taxes and duties of all kinds applicable to the materials, vehicles, equipment and expatriate personnel employed in the projects.

3. The loan shall be repaid without deduction of, and free from, all taxes and charges and from all restrictions provided for in the laws of the Borrower.

*Article IX. CO-OPERATION AND EXCHANGE OF INFORMATION*

1. The Borrower and the Lender shall co-operate fully for the attainment of the purposes of this Agreement. To this end, at the request of one of the Parties, the two Parties shall exchange views on matters relating to the projects financed under this Agreement and shall provide any information which may reasonably be requested in this respect.

2. The Lender shall be entitled to send its agents or duly authorized representatives to carry out any technical or financial mission which it thinks necessary for the purpose of monitoring the implementation of the projects financed under this Agreement.

With a view to facilitating the work of persons carrying out such supervisory missions, the Borrower undertakes to give them all relevant assistance, information and documentation.

3. Representatives of Rigsrevisionen (Denmark's chief institution for auditing public accounts) shall be entitled to carry out, on the basis of any relevant documentation and, if necessary, on the spot in the country of the Borrower, any check or any inspection considered necessary with respect to the use of the funds provided under this Agreement.

4. Joint evaluations of the Denmark-Cameroon projects covered by this Agreement shall be made at the request of one of the Parties.

5. The exchanges of views and the various supervisory missions shall not have the effect of disturbing or delaying the implementation of the project, it being understood however that each Party shall give particular attention to the consideration, in a constructive spirit, of any suggestions or recommendations which may be made by the other Party within the framework of the application of the relevant clauses of the Loan Agreement and the project.

*Article X. CANCELLATION AND SUSPENSION*

1. The Borrower may, by a notice to the Lender, cancel any amount of the loan which the Borrower has not withdrawn.

2. In the case of failure on the part of the Borrower to carry out any obligation or arrangement pursuant to this Agreement, the Lender may suspend wholly or in part the right of the Borrower to draw on the loan account.

Should the omission which entitled the Lender to suspend the right of the Borrower to draw on the loan account continue beyond a period of two months after the Lender has given notice of the suspension to the Borrower, the Lender may, at any time thereafter, require immediate repayment of all amounts drawn on the loan account, notwithstanding any provision to the contrary in the Agreement, unless the cause of suspension ceases to exist.

3. Furthermore, if the Borrower is in default with respect to repayment of the loan and if this default persists beyond a period of two months after the Lender has given a notice in good and due form to the Borrower, the Lender may, at any time thereafter, require immediate repayment of all amounts drawn on the loan account, notwithstanding any provision to the contrary in the Agreement, unless the situation is corrected.

4. Notwithstanding any cancellation or suspension pursuant to this article, the other provisions of the Agreement shall retain their full validity and effect.

#### *Article XI. SETTLEMENT OF DISPUTES*

1. Any dispute between the two Parties concerning the interpretation or application of this Agreement which has not been settled within six months through the diplomatic channel shall, at the request of one of the Parties, be submitted to an arbitral tribunal of three members. The president of the tribunal, who shall be a national of a third country, shall be elected by agreement between the two Parties. Should the two Parties fail to agree within two months on the election of the president of the tribunal, either of them may request the President of the International Court of Justice to make the appointment. Each of the Parties shall appoint its own arbitrator; should one Party fail to appoint its arbitrator, the latter may be appointed by the president of the tribunal.

2. Each of the Parties shall observe and carry out the awards rendered by the tribunal.

#### *Article XII. MISCELLANEOUS PROVISIONS*

1. Prior to the first drawing against the loan account the Borrower shall:

(a) Satisfy the Lender that all the constitutional or other legislative requirements for the application of the Agreement have been met;

(b) Inform the Lender of persons authorized to act on its behalf and provide an authenticated specimen signature of each of them.

2. In the case of competitive bidding, the two Parties shall determine by agreement the procedure to be followed.

3. Any notice, request or agreement pursuant to this Agreement shall be in writing.

#### *Article XIII. ADDRESSES*

The following addresses are specified for the purpose of application of this Agreement:

For the Borrower with respect to implementation of the spending programme:

Ministry of Planning and National Development,  
Yaoundé

Telex:

8203 MINDIC KN

For the Borrower with respect to authorization of payments and repayment of the loan:

Ministry of Finance  
Public Debt Department  
Yaoundé

Telex:

8260 MINFI KN

For the Lender:

Ministry of Foreign Affairs  
Department of International Co-operation for Development  
Asiatisk Plads 2  
1448 Copenhagen K

Telegraphic address:

ETRANGERES COPENHAGUE

Telex:

31292 ETR DK

*Article XIV. DURATION OF THE AGREEMENT*

1. This Agreement shall enter into force on the date of its signature.
2. The Agreement shall terminate as soon as the entire loan has been repaid.

IN WITNESS WHEREOF the duly authorized representatives of the two Parties have signed this Agreement in two copies in the French language.

DONE at Copenhagen on 11 December 1986.

For the Government  
of the Kingdom of Denmark:

[Signed]

BENT HAAKONSEN

For the Government  
the Republic of Cameroon:

[Signed]

SADOU HAYATOU

## ANNEX

GUIDELINES FOR PAYMENTS TO BE MADE UNDER THE LOAN AGREEMENTS  
OF THE GOVERNMENT OF THE KINGDOM OF DENMARK

Withdrawals from the loan account at Danmarks Nationalbank referred to in article II of the Agreement concerning a loan by the Government of the Kingdom of Denmark (hereinafter called "the Agreement"), of which this annex is an integral part, shall be effected in the following manner:

1. Importers or potential investors of the country of the Borrower and Danish exporters or consultants shall conclude contracts concerning capital goods and services financed under the Agreement, subject to the subsequent approval of the said contracts by the competent authorities of the Borrower and the Lender.

2. The Borrower shall notify the Lender of its approval of any contract concluded under the Agreement and shall submit to it a copy of said contract for approval.

In this connection the Lender shall ascertain *inter alia* whether:

- (a) The contracts fall within the scope of the Agreement and are in conformity with the implementation programmes of the projects referred to in article V of the Agreement;
- (b) The capital goods in question were manufactured in Denmark and will be supplied by Danish exporters, or whether the services in question will be performed by persons carrying on business in Denmark;
- (c) The amount of the contract is denominated in Danish currency and whether the prices and salaries relating to the provision of goods and services, as well as the other modalities of the contract, are reasonable and consistent with commercial practice;
- (d) Arrangements have been made for the provision of the necessary bank guarantees (any payment under these guarantees shall be credited to the account at Danmarks Nationalbank);
- (e) An insurance denominated in convertible currency has been taken out by the suppliers in respect of the capital goods to be supplied and covering at least shipment from Denmark to the project site.

The Lender shall notify the Borrower of its approval of the contract.

3. When a contract has been approved by both Parties the Borrower may draw on the loan account at Danmarks Nationalbank in order to pay for the shipment referred to in the contract. Any drawing on the account in favour of Danish exporters or consultants shall be subject to presentation of the necessary documents after Danmarks Nationalbank has determined, following consultation with the Ministry of Foreign Affairs of the Kingdom of Denmark, that all the other conditions for making such withdrawals have been fulfilled.

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