No. 8925

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
and
CAMEROON

Guarantee Agreement—*CAMDEV Project* (with related letters, annexed Loan Regulations No. 4, and Loan Agreement between the Bank and the Cameroons Development Corporation). Signed at Washington, on 28 March 1967

Official text: English.

Registered by the International Bank for Reconstruction and Development on 17 January 1968.

BANQUE INTERNATIONALE POUR LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
CAMEROUN

Contrat de garantie — *Projet relatif à la Cameroons Development Corporation* (avec lettres y relatives et, en annexe, le Règlement n° 4 sur les emprunts et le Contrat d'emprunt entre la Banque et la Cameroons Development Corporation). Signé à Washington, le 28 mars 1967

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 17 janvier 1968.

No. 8925. GUARANTEE AGREEMENT[1] (*CAMDEV PROJECT*) BETWEEN THE FEDERAL REPUBLIC OF CAMEROON AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 28 MARCH 1967

AGREEMENT, dated March 28, 1967, between the FEDERAL REPUBLIC OF CAMEROON (hereinafter called Cameroon) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by an agreement of even date herewith between the Bank and Cameroons Development Corporation (hereinafter called the Corporation), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,[2] the Bank has agreed to make to the Corportation a loan in various currencies equivalent to seven million dollars ($7,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that Cameroon agree to guarantee the obligations of the Corporation in respect of such loan as hereinafter provided; and

WHEREAS Cameroon, in consideration of the Bank's entering into the Loan Agreement with the Corporation, has agreed so to guarantee such obligations of the Corporation;

NOW THEREFORE the parties hereto hereby agree as follows:

Article I

Section 1.01. The parties to this Guarantee Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1961,[2] with the same force and effect as if they were fully set forth herein, subject, however, to the modifications thereof set forth in Section 1.01 of the Loan Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations).

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[1] Came into force on 7 July 1967, upon notification by the Bank to the Government of Cameroon.

[2] See p. 104 of this volume.

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the Loan Agreement have the respective meanings therein set forth.

Article II

Section 2.01. Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, Cameroon hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest and other charges on, the Loan and the Bonds, the premium, if any, on the prepayment of the Loan or the redemption of the Bonds, and the punctual performance of all the covenants and agreements of the Corporation, all as set forth in the Loan Agreement and in the Bonds.

Section 2.02. Without limitation or restriction upon the provisions of Section 2.01 of this Agreement, Cameroon specifically undertakes, whenever there is reasonable cause to believe that the funds available to the Corporation will be inadequate to meet the estimated expenditures required for carrying out the Program, to make arrangements, satisfactory to the Bank, promptly to provide the Corporation or cause the Corporation to be provided with such funds as are needed to meet such expenditures.

Article III

Section 3.01. It is the mutual intention of Cameroon 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, Cameroon undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of Cameroon 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 its date.

The term " assets of Cameroon " as used in this Section includes assets of Cameroon or of any of its political subdivisions or of any agency of Cameroon or of any such political subdivision.

Section 3.02. (*a*) Cameroon and the Bank shall co-operate fully to assure that the purposes of the Loan shall 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 Loan. On the part of Cameroon, such information shall include information with respect to financial and economic conditions in the territories of Cameroon and the international balance of payments position of Cameroon.

(*b*) Cameroon and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. Cameroon shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(*c*) Cameroon shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of Cameroon for purposes related to the Loan.

Section 3.03. 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, and free from all restrictions, imposed under the laws of Cameroon or laws in effect in its territories; 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 Cameroon.

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

Section 3.05. Cameroon shall not take, cause or permit to be taken, any action to amend the Ordinance or adopt or amend any decrees or regulations pursuant to, or in implementation thereof, except after consultation with the Bank.

Article IV

Section 4.01. Cameroon shall endorse, in accordance with the provisions of the Loan Agreement and of the Loan Regulations, its guarantee on the Bonds to be executed and delivered by the Corporation. The Ministre des Affaires Économiques et du Plan of Cameroon and such person or persons as he shall designate in writing are designated as the authorized representatives of Cameroon for the purposes of Section 6.12 (*b*) of the Loan Regulations.

Article V

Section 5.01. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For Cameroon :

Ministère des Affaires Économiques et du Plan
Yaoundé
Federal Republic of Cameroon

Alternative address for cablegrams and radiograms :

Minae/Plan
Yaoundé
Federal Republic of Cameroon

For the Bank :

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

Alternative address for cablegrams and radiograms :

Intbafrad
Washington, D.C.

Section 5.02. The Ministre des Affaires Économiques et du Plan of Cameroon is designated for the purposes of Section 8.03 of the Regulations.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Guarantee 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 D. MASUKE
Authorized Representative

International Bank for Reconstruction and Development :
By George D. WOODS
President