No. 8926

INTERNATIONAL DEVELOPMENT ASSOCIATION
and
CAMEROON

Development Credit Agreement—*CAMDEV Project* (with related letters, annexed Credit Regulations No. 1, and Project Agreement between the Association and the Cameroons Development Corporation). Signed at Washington, on 28 March 1967

Official text: English.

Registered by the International Development Association on 17 January 1968.

ASSOCIATION INTERNATIONALE DE DÉVELOPPEMENT
et
CAMEROUN

Contrat de crédit de développement — *Projet relatif à la Cameroons Development Corporation* (avec lettres y relatives et, en annexe, le Règlement n° 1 sur les crédits de développement et le Contrat relatif au Projet entre l'Association et la Cameroons Development Corporation). Signé à Washington, le 28 mars 1967

Texte officiel anglais.

Enregistré par l'Association internationale de développement le 17 janvier 1968.

No. 8926. DEVELOPMENT CREDIT AGREEMENT[1] (*CAMDEV PROJECT*) BETWEEN THE FEDERAL REPUBLIC OF CAMEROON AND THE INTERNATIONAL DEVELOPMENT ASSOCIATION. SIGNED AT WASHINGTON, ON 28 MARCH 1967

AGREEMENT, dated March 28, 1967, between FEDERAL REPUBLIC OF CAMEROON (hereinafter called Cameroon) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS on the basis of the considerations described in the Recitals to the agreement of even date herewith (hereinafter called the Loan Agreement[2]) between the International Bank for Reconstruction and Development (hereinafter called the Bank) and the Cameroons Development Corporation (hereinafter called the Corporation), the Association has agreed to make a credit to Cameroon in an amount in various currencies equivalent to eleven million dollars ($11,000,000) on the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto hereby agree as follows:

Article I

CREDIT REGULATIONS; SPECIAL DEFINITIONS

Section 1.01. The parties to this Development Credit Agreement accept all the provisions of Development Credit Regulations No. 1 of the Association dated June 1, 1961,[3] with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof (said Development Credit Regulations No. 1 as so modified being hereinafter called the Regulations):

(*a*) The term " Cameroon " is substituted for the term " Borrower " wherever used in the Regulations.

(*b*) The second sentence of Section 2.02 is amended by deleting the words " at the same rate " and substituting therefor the words " at the rate of one-half of one percent ($^1/_2$%) per annum ".

[1] Came into force on 7 July 1967, upon notification by the Association to the Government of Cameroon.
[2] See p. 104 of this volume.
[3] See p. 150 of this volume.

(*c*) Section 3.01 is deleted and the following new Section is substituted therefor:

" SECTION 3.01. *Currencies in which Cost of Goods is to be Paid and Proceeds of the Credit are to be Withdrawn.* (*a*) Except as Cameroon and the Association shall otherwise agree, the cost of goods financed out of the proceeds of the Credit shall be paid in the respective currencies of the countries from which such goods are acquired.

" (*b*) The proceeds of the Credit shall be withdrawn from the Credit Account:

(i) on account of expenditures for goods produced in (including services supplied from) the territories of Cameroon, in such currency or currencies as the Association shall from time to time reasonably select;

(ii) in all other cases, in the currency in which the cost of goods financed out of such proceeds has been paid or is payable.

" (*c*) Cameroon and the Association may from time to time agree on any other currency in which withdrawals shall be made. "

(*d*) A new Section 3.04 is inserted after Section 3.03 as follows:

" SECTION 3.04. *Purchase of Currency of Withdrawal with Other Currency.* If withdrawal shall be made in any currency which the Association shall have purchased with another currency for the purpose of such withdrawal, the portion of the Credit so withdrawn shall be deemed to have been withdrawn from the Credit Account in such other currency for the purposes of Section 3.03. "

(*e*) Section 3.04 is re-numbered Section 3.05.

(*f*) Section 4.01 is deleted.

(*g*) The words " or the Project Agreement " are inserted in Section 6.02 after the words " the Development Credit Agreement ".

(*h*) Section 8.04 is deleted.

(*i*) Paragraph 9 of Section 9.01 is deleted and the following paragraph is substituted therefor:

" 9. The term " Project " means the project for which the Credit is granted, as described in the Loan Agreement and as the description thereof shall be amended from time to time by agreement between Cameroon, the Bank, the Association and the Corporation. "

Section 1.02. Except where the context otherwise requires, the terms defined in the Loan Agreement have the same meanings as in such Loan Agreement wherever used in this Agreement.

Article II

THE CREDIT

Section 2.01. The Association agrees to make available to Cameroon, on the terms and conditions in this Development Credit Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to eleven million dollars ($11,000,000).

Section 2.02. The Association shall open a Credit Account on its books in the name of Cameroon and shall credit to such Credit Account the amount of the Credit. Cameroon shall be entitled, subject to the provisions of this Development Credit Agreement, to withdraw from the Credit Account:

(*a*) such amounts as shall have been expended, or, if the Association shall so agree, such amounts as shall be required to meet payments, for the reasonable foreign currency cost of goods to be financed under this Agreement; and

(*b*) the equivalent of a percentage or percentages to be established from time to time by agreement between Cameroon and the Association of such amounts as shall have been expended for the reasonable cost of goods to be financed under this Agreement and not included in the foregoing;

provided, however, that except as shall be otherwise agreed between Cameroon and the Association, no withdrawal shall be made on account of (i) expenditures prior to the date of this Agreement; and (ii) expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or for goods produced in (including services supplied from) such territories.

Section 2.03. Cameroon shall pay to the Association a service charge at the rate of three-fourths of one per cent ($^3/_4$ of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.04. Service charges shall be payable semi-annually on January 1 and July 1 in each year.

Section 2.05. Cameroon shall repay the principal of the Credit withdrawn from the Credit Account in semiannual instalments payable on each January 1 and July 1 commencing July 1, 1977, and ending January 1, 2017, each instalment to and including the instalment payable on January 1, 1987, to be one-half of one per cent ($^1/_2$ of 1%) of such principal amount, and each instalment thereafter to be one and one-half ($1^1/_2$%) of such principal amount.

Article III

USE OF PROCEEDS OF THE CREDIT

Section 3.01. Cameroon shall cause the proceeds of the Credit to be applied exclusively to financing the cost of goods required to carry out the Project described in Schedule 2 to the Loan Agreement. Cameroon and the Association shall determine by agreement, subject to modification by further agreement between them : (*a*) on the basis of annual reviews of the progress of the Program, the specific goods to be financed out of the proceeds of the Credit; and (*b*) the methods and procedures for the procurement of such goods.

Section 3.02. Except as Cameroon and the Association shall otherwise agree, Cameroon shall cause all goods financed out of the proceeds of the Credit to be used in the territories of Cameroon exclusively in the carrying out of the Project.

Article IV

PARTICULAR COVENANTS

Section 4.01. Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, Cameroon hereby unconditionally guarantees punctual performance of all the covenants and agreements of the Corporation as set forth in the Project Agreement.[1]

Section 4.02. 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 Association, promptly to provide the Corporation or cause the Corporation to be provided with such funds as are needed to meet such expenditures.

Section 4.03. Cameroon shall make available to the Corporation the proceeds of the Credit or the equivalent thereof and any amount withdrawn from the Credit Account or the equivalent thereof shall be treated as part of the Corporation's capital.

Section 4.04. 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 thereto, or in implementation thereof, except after consultation with the Association.

Section 4.05. (*a*) Cameroon and the Association shall cooperate fully to assure that the purposes of the Credit will 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 Credit. 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.

[1] See p. 152 of this volume.