TO: The President, International Bank for Reconstruction and Development (IBRD)

Recommendation of the expert selected by the Republic of Cameroon as a member of the Committee under Section 4 (iii) of Article III of the Articles of Agreement on the proposed Guarantees by the IBRD in support of the Nachtigal Hydropower Project (the “Project”) in the Republic of Cameroon.

The undersigned member of the Committee constituted under Section 7 of Article V of the Articles of Agreement of the International Bank for Reconstruction and Development (the “Bank”) hereby submits its report pursuant to Section 4 (iii) of Article III of said Articles in respect of the proposal that the Bank grant (a) to a facility agent for certain Cameroonian commercial banks (the “Local Lenders”), a guarantee in an amount of up to EUR 171 million (US$200 million equivalent), plus interest thereon, for certain loan-related obligations in relation to a XAF-denominated loan facility (the “Local Loans”) for Nachtigal Hydro Power Company S.A. (the “Project Company”; such guarantee, the “Loan Guarantee”) and (b) to a commercial letter of credit issuing bank, a guarantee in an amount of up to EUR 86 million (US$100 million equivalent), plus interest thereon, in relation to loans to the Republic of Cameroon resulting from drawings under a letter of credit to be issued in favor of the Project Company as part of the security package for payment obligations of Energy of Cameroon S.A. under a power purchase agreement with the Project Company (the “Payment Guarantee” and, together with the Loan Guarantee, the “Guarantees”). The purpose of the Guarantees is to support the financing of the Project.

1. The member of the Committee has carefully studied the merits of the proposal to provide the Guarantees, and of the purposes to which the payment obligations so guaranteed are to be applied.
2. The member of the Committee is of the opinion that the Project in support of which the proceeds of the underlying commercial loans so guaranteed are to be applied comes within the purposes of the Bank as set forth in Article I of said Articles of Agreement, and that said Project is designed to promote the development of the productive facilities and resources of the Republic of Cameroon and is in the interest of the Republic of Cameroon and of the members of the Bank as a whole.

3. Accordingly, the member of the Committee finds that the Project merits financial assistance from the Bank in the form of the aforesaid Guarantees, and hereby recommends its approval.

[Signature]

Expert Selected by Governor for Republic of Cameroon

ETOUNDI ESSOMBA
AMBASSADOR

Dated at Washington, D.C. 28 August 2018