Loan Agreement

(Transport Sector Development Project)

between

REPUBLIC OF CAMEROON

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated April 20, 2017
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LOAN AGREEMENT

AGREEMENT dated April 29 2017, between REPUBLIC OF CAMEROON ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of one hundred and seventy-two million four hundred thousand Euros (EUR 172,400,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.

2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.
2.06. The Payment Dates are November 15 and May 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out Parts 1, 2, 4(a)(i) and 4(b) of the Project through MINTP in accordance with the provisions of Article V of the General Conditions and cause Parts 3 and 4(a)(ii) of the Project to be carried out by CCAA in accordance with the provisions of Article V of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.
ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Events of Suspension consist of the following:

(a) CCAA’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of CCAA to perform any of its obligations under the Subsidiary Agreement.

(b) CCAA shall have failed to comply with any of its obligations under the Subsidiary Agreement.

(c) As a result of events which have occurred after the date of this Agreement, an extraordinary situation shall have arisen which shall make it improbable that CCAA will be able to perform any of its obligations under the Subsidiary Agreement.

(d) The Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of CCAA or for the suspension of its operations.

4.02. The Additional Event of Acceleration consists of the following:

(a) Any event specified in paragraphs (a) through (c) of Section 4.01 of this Agreement occurs and is continuing for a period of ninety (90) days after notice of the event has been given by the Bank to the Borrower.

(b) The event specified in paragraph (d) of Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Borrower has expanded the mandate of the Project Steering Committee in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement.

(b) The Borrower has expanded the mandate of the Special Tender Board in accordance with Section I.A.3 of Schedule 2 to this Agreement.

(c) The Subsidiary Agreement has been executed on behalf of the Borrower and CCAA in accordance with Section I.B of Schedule 2 to this Agreement and the CCAA Tender Board has been established in accordance with Section I.B.1(c) of Schedule 2 to this Agreement.
(d) CCAA has recruited a procurement specialist in accordance with the provisions of Section I.B.1(b)(i)(A) of Schedule 2 to this Agreement.

(e) The Borrower has disclosed the ESMP and ESIA in accordance with the provisions of Section I.F.6 of Schedule 2 to this Agreement.

5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreement has been duly authorized or ratified by the Borrower and CCAA and is legally binding upon the Borrower and CCAA in accordance with its terms.

5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s Representative is its minister at the time responsible for economy, planning and regional development.

6.02. The Borrower’s Address is:

   Ministry of Economy, Planning and Regional Development  
   Yaoundé  
   Republic of Cameroon

   Facsimile:  
   (237) 222 22 15 09

6.03. The Bank’s Address is:

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

   Telex: 248423(MCI) or 64145(MCI)  
   Facsimile: 1-202-477-6391
AGREED at Washington D.C., United States of America, as of the day and year first above written.

REPUBLIC OF CAMEROON

By [Signature]

Authorized Representative

Name: Louis Paul Motte

Title: Minister of Economy, Planning and Regional Development

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By [Signature]

Authorized Representative

Name: Elodie Thyebons

Title: Country Director
SCHEDULE 1

Project Description

The objectives of the Project are to: (a) strengthen transport planning; (b) improve transport efficiency and safety on the Babadjou-Bamenda section of the Yaounde-Bamenda transport corridor; and (c) enhance safety and security at selected airports.

The Project consists of the following parts:

1. Provision of support towards transport planning, including, *inter alia*:

   (a) design and implementation of training in transport planning, including data collection and management of modeling tools;

   (b) preparation of legal and operational instruments to support the establishment of: (i) a transport regulatory entity; (ii) a regional road corridors management entity;

   (c) preparation of the transport priority investment program;

   (d) identification and preparation of pilot transport infrastructure public-private partnership projects; and

   (e) development of a resilience and climate change adaptation strategy for land transport.

2. Implementation of a program of activities to improve the Borrower’s road transport efficiency, through, *inter alia*:

   (a) rehabilitation and reconstruction of the Babadjou-Bamenda road section of the Yaoundé-Bamenda road corridor;

   (b) support to the implementation of complementary infrastructure aimed at the enhancement of access to agricultural zones and provision of social services along the Babadjou-Bamenda highway, consisting of: (i) improvement of 25 kilometers of existing secondary roads, small market infrastructure and minor water supply schemes in villages along the selected secondary roads and (ii) improvement of an additional 25 kilometers of existing secondary roads;

   (c) strengthening of road safety oversight, including: (i) carrying out of select surveys and studies on road safety; (ii) purchase of four (4) speed control radar cameras with complementary equipment and installation of said
cameras on along the Yaoundé-Baffoussam-Bamenda corridor; and (iii) improvement of road networks with safety targeted features; and

(d) strengthening the road asset management through provision of technical assistance and equipment, including: (i) provision of technical assistance including specified training to select MINTP and MINMAP staff and support, consisting of design and preparation of bidding documents, towards the establishment of a 10-year output based performance contract for routine periodic maintenance of select road networks; (ii) development of enforcement tools for quality standards of road works design and execution; and (iii) strengthening of road network monitoring and management.

3. Improvement of air transport safety and security through, inter alia:

(a) strengthening of airport safety and security infrastructure, including; (i) construction of a crisis management center at the Yaounde, Garoua and Maroua-Salak airports; (ii) construction or rehabilitation, as the case may be, of security fences for the Douala and Yaounde airports; (iii) improvement of security perimeter roads around the Douala and Yaounde airports; (iv) carrying out of studies to identify the socio-economic infrastructure needs of the neighborhoods surrounding the Douala, Yaoundé, Garoua and Maroua-Salak airports; (v) purchase and installation of airport security equipment and update of the safety management systems in the Douala, Yaoundé, Garoua and Maroua-Salak airports; and (vi) purchase of security vehicles and luggage management systems;

(b) strengthening air transport safety and security oversight, including: (i) updating of aviation safety and security manuals, creation of a systemic renewal and subscription process for key CCAA aviation manuals, transformation of the aviation library into an online platform and provision of training to select government and CCAA aviation staff; (ii) carrying out of diagnostic studies on the Borrower’s civil aviation industry including the preparation of medium to long term programs aimed at compliance with ICAO’s standards and recommended practices; and (iii) updating of the Borrower’s regulatory framework for the purpose of harmonizing said framework to the Civil Aviation Law, and

(c) strengthening of CCAA’ capacity in air transport planning, including, inter alia: (i) design and creation of an operational air transport data bank; (ii) design and development of tools for enhanced efficient supervision of air transport activities, (iii) design and implementation of a monitoring framework with tools for effective implementation of corrective action
4. (a) Project management and monitoring support through, *inter alia*, advisory services, purchase of equipment, provision of Training, audits, Operating Costs, monitoring and evaluation activities for: (i) Parts 1 and 2 of the Project; and (ii) Part 3 of the Project; and

(b) Borrower's project coordination support.

plans directed at compliance audits; and (iv) awareness campaigns and stakeholder engagement activities.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Project Steering Committee

(a) The Borrower shall extend the mandate of the Project Steering Committee and thereafter maintain at all times until the completion of the Project, the Project Steering Committee with composition, mandate and resources satisfactory to the Bank.

(b) The Project Steering Committee shall meet at least once annually and shall be responsible for Project oversight, including, inter alia: (i) reviewing the proposed Annual Work Plans and Budgets for the Project, (ii) providing overall Project oversight and guidance, and (iii) identifying necessary Project adjustments based on monitoring and evaluation reports.

2. Project Implementation Unit

(a) For purposes of Parts 1, 2, 4(a)(i) and 4(b) of the Project, the Borrower shall maintain at all times until the completion of the Project, the Project Implementation Unit within the MINTP with terms of reference and resources satisfactory to the Bank ("Project Implementation Unit").

(b) Without limitation upon the provisions of Paragraph (a) of Section I.A.2 of this Schedule 2, the Project Implementation Unit shall at all times: (i) be comprised of qualified and experienced personnel in adequate numbers, and to this end, inter alia, no later than two (2) months after the Effective Date, recruit a junior procurement specialist and an environmental specialist and a social specialist, all with qualifications and terms of reference acceptable to the Bank; (ii) be responsible for the day-to-day Project coordination and implementation, including: (A) preparing each proposed Annual Work Plan and Budget for the Project, updating the Procurement Plan and consolidating the Project reports for the Project Steering Committee; (B) carrying out all Project procurement activities including developing and maintaining a comprehensive procurement filing system for Parts 1, 2, 4(a)(i) and 4(b) of the Project; and (C) monitoring and evaluating the Project.
3. **Special Tender Board**

To facilitate the carrying out of all Project procurement activities, the Borrower shall expand the mandate of the Special Tender Board, and thereafter maintain at all times during the implementation of the Project, the Special Tender Board with composition, terms of reference and resources satisfactory to the Bank, which shall include carrying out all procurement for Parts 1, 2, 4(a)(i) and 4(b) of the Project.

B. **Subsidiary Agreement**

1. In order to achieve the objectives of Parts 3 and 4(a)(ii) of the Project, the Borrower shall make part of the proceeds of the Loan available to CCAA under a subsidiary agreement between the Borrower and CCAA, under terms and conditions acceptable to the Bank ("Subsidiary Agreement"), which shall include, without limitation, the following:

   (a) Part of the proceeds of the Loan shall be made available to CCAA on grant terms.

   (b) The Borrower shall require CCAA to maintain within its structure, the Project implementing unit with composition, terms of reference and resources satisfactory to the Borrower and the Bank which shall: (i) be comprised of qualified and experienced personnel in adequate numbers and to this end recruit, *inter alia*: (A) a procurement specialist, and (B) no later than two (2) months after the Effective Date, an internal auditor, an accountant and an environmental specialist, all with qualifications, experience and terms of reference acceptable to the Bank; and (ii) be responsible for day-to-day coordination, implementation and supervision of Parts 3 and 4(a)(ii) of the Project, including, *inter alia*: (A) preparing proposed annual work plans of activities for inclusion in the Project, and updating the applicable aspects of the procurement plan and related budgets and preparation of the relevant aspects of the Project Reports for the Project Steering Committee's review; (B) carrying out applicable Project financial management and procurement activities; (C) ensuring compliance with the Safeguard Instruments; and (D) monitoring and evaluating the applicable parts of the Project (CCAA-PIU).

   (c) The Borrower shall establish a special tender board ("CCAA Tender Board"), and thereafter maintain at all times during the implementation of the Project, the CCAA Tender Board with composition, terms of reference and resources satisfactory to the Bank.

   (d) The Borrower shall obtain rights adequate to protect its interests and those of the Bank, including the requirement that CCAA:
(i) carry out its activities under Parts 3 and 4(a)(ii) of the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Bank, including, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Loan proceeds other than the Borrower, the Project Implementation Manual, and the Safeguard Instruments;

(ii) maintain policies and procedures, adequate to enable CCAA to monitor and evaluate in accordance with indicators acceptable to the Bank, the progress of the activities carried out under Parts 3 and 4(a)(ii) of the Project and the achievement of its objectives;

(iii) (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the activities carried out by CCAA under Parts 3 and 4(a)(ii) of the Project and (B) at the Bank’s or the Borrower’s request, have such financial statements audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank, and furnish promptly to the Borrower and the Bank the financial statements as so audited;

(iv) enable the Borrower and the Bank to inspect the activities carried out by CCAA under Parts 3 and 4(a)(ii) of the Project, their operation and any relevant records and documents; and prepare and furnish to the Borrower and the Bank all such information as the Borrower or the Bank shall reasonably request relating to the foregoing; and

(v) refund all or any part of the amount of the Loan then withdrawn, upon the Borrower’s determination that CCAA has failed to perform any of its obligations under the Subsidiary Agreement.

2. The Borrower shall exercise its rights and carry out its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan.

3. Except as the Bank shall otherwise agree, the Borrower and CCAA shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.
4. In the event of any conflict between the Subsidiary Agreement and the Loan Agreement, the Loan Agreement shall prevail.

C. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Project Implementation Manual

1. No later than two (2) months after the Effective Date, the Borrower shall update the Project Implementation Manual in a manner satisfactory to the Bank and shall carry out the Project in accordance with said Project Implementation Manual and except as the Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the Project Implementation Manual, or any provision thereof.

2. In the event of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the provisions of this Agreement shall prevail.

E. Annual Work Plans and Budgets

1. Not later than November 30 in each calendar year (or one month after the Effective Date for the first year of Project implementation), the Borrower shall prepare or cause to be prepared for the purpose of forwarding to the Bank, a draft annual work plan and budget for the Project (including Training and Operating Costs) for the subsequent calendar year of Project implementation, of such scope and detail as the Bank shall have reasonably requested.

2. The Borrower shall afford the Bank a reasonable opportunity to review such draft annual work plan and budget, and thereafter shall carry out (or cause to be carried out) such annual work plan and budget during such subsequent calendar year as shall have been approved by the Bank (“Annual Work Plan and Budget”). Only those activities that are included in an Annual Work Plan and Budget shall be eligible for financing out of the proceeds of the Loan.

3. Any Training proposed to be included in an Annual Work Plan and Budget, shall include, inter alia: (a) particulars of the Training envisaged; (b) the criteria for selection of the personnel to be trained, and such personnel if known; (c) the selection method of the institution or individuals conducting such Training; (d) the institution conducting such Training if identified; (e) the purpose and justification for such Training; (f) the location and duration of the proposed training; and (g) the estimate of the cost of such Training.
4. Annual Work Plans and Budgets may be revised as needed during Project implementation subject to the Bank’s prior written approval.

F. Safeguards

1. The Borrower shall implement (or cause CCAA to implement) the Project in accordance with the relevant Safeguards Instruments, and shall, to that end:

   (a) if any activity under the Project would require the adoption of a Supplemental Safeguard Instrument:

      (i) prepare: (A) such Supplemental Safeguard Instrument in accordance with the applicable ESMF or RPF; (B) furnish such Supplemental Safeguard Instrument to the Bank for review and approval; and (C) thereafter adopt such Supplemental Safeguard Instrument prior to implementation of the activity; and

      (ii) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such Supplemental Safeguard Instrument; and

   (b) if any activity under the Project would involve Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before resettlement measures under the applicable RAP, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, have been taken.

2. Without limitation upon its other reporting obligations under this Agreement, the Borrower shall, for each applicable Safeguard Instrument, regularly collect, compile and furnish to the Bank reports in form and substance satisfactory to the Bank, on the status of compliance with each applicable Safeguard Instrument, as part of the Project Reports, giving details of:

   (a) measures taken in furtherance of such Safeguard Instrument;

   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Instrument; and

   (c) remedial measures taken or required to be taken to address such conditions.

3. In the event that any provision of the Safeguards Instruments shall conflict with any provision under this Agreement, the provisions of this Agreement shall prevail.
4. The Borrower shall ensure that:

(a) all terms of reference for any technical assistance and studies to be carried out under the Project are consistent with the Bank's environmental and social safeguard policies; and

(b) in any Project activity that may support the drafting of regulatory instruments for the purpose of the Project, due attention will be given to said policies.

5. Without limitation upon the provisions of this Section I.F, the Borrower shall implement the applicable environmental and social safeguards in accordance with the Declaration d'Utilité Publique in a manner satisfactory to the Bank.

6. Without limitations upon the provisions of Section I.F.1 of this Schedule 2 and to facilitate the carrying out of Parts 2(a), 2(b) and 3(a) of the Project, the Borrower shall: (a) prepare or cause to be prepared an ESMP and ESIA, (b) furnish such ESMP and ESIA to the Bank for review and approval; and (c) thereafter disclose such ESMP and ESIA prior to the implementation of activities under said parts of the Project.

G. Part 2(b) of the Project.

No proposed infrastructure projects under Part 2(b) of the Project shall be eligible for financing unless selected on a demand driven basis and in accordance with the criteria further detailed in the Project Implementation Manual.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

The Borrower shall (cause CCAA to) monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the Borrower shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.

3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period.

4. In furtherance of the provisions of this Section II.B of Schedule 2 to this Agreement and not later than two (2) months after the Effective Date, the Borrower shall, and shall cause the CCAA to, adapt or establish as the case may be, for the purposes of the project, its computerized multi-project financial and accounting system in a manner satisfactory to the Bank, and successfully train relevant staff in the use thereof.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services
1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
<tr>
<td>(d) Procurement from United Nations Agencies</td>
</tr>
</tbody>
</table>

C. **Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-based Selection</td>
</tr>
<tr>
<td>(b) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Least-Cost Selection</td>
</tr>
<tr>
<td>(d) Selection Based on the Consultants’ Qualifications</td>
</tr>
<tr>
<td>(e) Single-source Selection of consulting firms</td>
</tr>
<tr>
<td>(f) Single-source procedures for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

D. **Review by the Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Bank’s Prior Review. All other contracts shall be subject to Post Review by the Bank.
Section IV.  **Withdrawal of Loan Proceeds**

A.  **General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in Euro)</th>
<th>Percentage of Expenditures to be financed (exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services,</td>
<td>172,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>Training and Operating Costs for the Project except Parts 2(b) (ii),</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3(a)(v) and 4(b) of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Front-end Fee</td>
<td>Amount payable pursuant to Section 2.03 of this</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Agreement in accordance with Section 2.07 (b) of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>the General Conditions</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>172,400,000</td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed twenty percent (20%) of the Loan may be made for payments made prior to this date but on or after January 31, 2016, for Eligible Expenditures under Category (1).

2. The Closing Date is June 30, 2022.

Section V. Other Undertakings

A. The Borrower shall:

(1) maintain, throughout the implementation of the Project, in a financial institution and on terms and conditions acceptable to the Bank, an account into which it shall deposit all counterpart funds required for Parts 2(b)(ii), 3(a)(v) and 4(b) of the Project (“Counterpart Funds Account”);

(2) without limitation upon the provisions of Section 5.03 of the General Conditions, on a schedule and in installments agreed with the Bank, but not later than thirty-six (36) months after the Effective Date, deposit into the Counterpart Funds Account, an amount in the Borrower’s currency, equivalent to fourteen million seven hundred thousand Dollars ($14,700,000) (“Counterpart Funds”); and

(3) ensure that all amounts deposited in the Counterpart Funds Account be used exclusively to pay for Eligible Expenditures required for the relevant parts of the Project.

B. Without limitations upon the provisions of Section 5.03 of the General Conditions, the Borrower shall waive any and all Taxes, applicable to all Eligible Expenditures under the Project.

C. For purposes of Section 5.06(b) of the General Conditions, the Borrower shall, not later than thirty-six (36) months after the Effective Date, enter into a ten (10)-year output performance-based contract with a qualified contractor for the maintenance of the Yaoundé-Bamenda corridor.
SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each November 15 and May 15 Beginning November 15, 2023, through November 15, 2045</td>
<td>2.17%</td>
</tr>
<tr>
<td>On May 15, 2046</td>
<td>2.35%</td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

(b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3.  (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (a) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (b) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Section I. Definitions

1. "Affected Person" means a person who as a result of: (a) the involuntary taking of land under the Project is affected in any of the following ways: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not the affected person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas suffers adverse impacts on his or her livelihood; and "Affected Person" means any of the Affected Persons.

2. "Annual Work Plan and Budget" means the annual work plan and budget as prepared by the Project Implementing Unit or CCAA and approved by the Bank in accordance with the provisions of Section I.E of Schedule 2 to this Agreement.


4. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

5. "CCAA" means the Borrower's civil aviation authority established pursuant to the Civil Aviation Law.


7. "CCAA-PIU" means the project implementation unit within CCAA and referred to in Section I.B.1(b) of Schedule 2 to this Agreement.

8. "CCAA Tender Board" means the tender board to be established and maintained by the Borrower and CCAA in accordance with the provisions of Section I.B.1(c) of Schedule 2 to this Agreement.


11. “Counterpart Funds” means an amount of approximately US$14.7 million to be provided by the Borrower in accordance with the provisions of Section V.A.2 of Schedule 2 to this Agreement.

12. “Counterpart Funds Account” means the account to be opened by the Borrower in accordance with the provisions of Section V.A of Schedule 2 to this Agreement.


14. “Environmental and Social Impact Assessment” or “ESIA” means an assessment to be carried out by the Borrower for the purposes of Parts 2(a), 2(b) and 3(a) of the Project in form and substance satisfactory to the Bank, to evaluate the Project’s potential environmental and social risks and impacts in its area of influence, including impact on physical cultural resources; examine alternatives and identify ways of mitigating and managing adverse environmental and social impact throughout Project implementation, as the same may be amended from time to time with the agreement of the Bank and such term includes any schedules or annexes to the assessment.

15. “Environmental and Social Management Framework” or “ESMF” means the framework disclosed in the Borrower’s territory on June 27, 2016 and at the Bank’s Infoshop on July 8, 2016, in form and substance satisfactory to the Bank, outlining environmental and social implementation procedures, mitigation measures and monitoring procedures for the Project, as said framework may be amended from time to time with the Bank’s prior written approval, and such term includes any schedules or annexes to the framework.

16. “Environmental and Social Management Plan” or “ESMP” means a plan to be prepared by the Borrower for the purposes of Parts 2(a), 2(b) and 3(a) of the Project proposing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental impacts, offset them, reduce them to acceptable levels or enhance positive impacts, as the same may be amended from time to time with the agreement of the Bank, and such term includes any schedules or annexes to the plan.

17. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012, with the modifications set forth in Section II of this Appendix.

18. “ICAO” means the international civil aviation organization.
19. "MINMAP" means the Borrower’s ministry responsible for public procurement and any successor thereto.

20. "MINT” means the Borrower’s ministry responsible for transport and any successor thereto.

21. “MINTP” means the Borrower’s ministry responsible for public works and any successor thereto.

22. "Operating Costs" means incremental recurrent expenditures incurred on account of Project implementation, including: local contractual support staff salaries; travel expenditures and other travel-related allowances; equipment rental and maintenance; office rental and maintenance; materials and supplies; and utilities, media information campaigns and communications’ expenses, but excluding the salaries of officials and public servants of the Borrower’s civil service.


24. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated August 18, 2016 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

25. “Project Implementation Manual” and “PIM” means the manual for the Project adopted by the Borrower and CCAA, dated December 19, 2014 and March 31, 2010 respectively, to be updated by the Borrower in accordance with Section I.D of Schedule 2 to this Agreement to include, an updated financial management manual and monitoring and evaluation manual and procurement manual, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) monitoring, evaluation, reporting and communication; and (e) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project as the same may be further updated from time to time with the prior written consent of the Bank.

26. “Project Implementation Unit” means the implementation unit, to be maintained within the MINTP in accordance with the provisions of Section I.A.2 of Schedule 2 to this Agreement and established pursuant to the Borrower’s Arréte No. 025/CAB/PM du 13 février 2008 portant creation et organization au sein du Ministère des Travaux Publics, d’une Cellule de Coordination et de Suivi de
l’Exécution des Projets financés par le Groupe de la Banque Africaine de Développement ou par la Banque Mondiale.

27. Project Steering Committee" means the steering committee established pursuant to the Recipient’s arrêté No. 121/CAB/PM dated September 14, 2005, whose mandate is to be expanded and maintained for the purposes of the Project, in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement.

28. “Resettlement Action Plan” or “RAP” means a plan to be prepared by the Borrower in form and substance satisfactory to the Bank setting forth the specific modalities for resettlement and compensation of Affected Persons under the Project, as said document may be amended and/or supplemented from time to time with the prior written concurrence of the Bank and subject to the initial consultation and disclosure requirements carried out on the RAP, and such term includes any schedules or annexes to the plan.

29. “Resettlement Policy Framework” or “RPF” means the framework prepared by the Borrower in form and substance satisfactory to the Bank and disclosed in the Borrower’s territory on June 27, 2016, and at the Bank’s Infoshop on July 8, 2016, outlining the policies and procedures to be implemented in the event that specific activities implemented under the Project have potentially negative impacts on the livelihoods, assets and land of the affected population, as the said framework may be amended and/or supplemented from time to time with the prior written consent of the Bank, and such term includes any schedules to such framework.

30. “Safeguards Instruments” means, collectively, the ESMF, RPF, ESIA, and any Supplemental Safeguards Instrument.

31. “Special Tender Board” means the tender board established pursuant to the Borrower’s Arrete 00000302/A/MINMAP/du 28 Dec 2015 portant creation d’une commission spécial de passation des marchés des projets a financement conjoint auprès du Ministère des Travaux Publics whose mandate is to be expanded in accordance with Section I.A.3 of Schedule 2 to this Agreement.

32. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Borrower shall make the proceeds of the Loan available to CCAA.

33. “Supplemental Safeguards Instrument” means collectively, any ESMP, RAP, or any other instrument required under the terms of the ESMF and RPF to be prepared by the Borrower and approved by the Bank for the Project, proposing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental and social impacts, offset them, reduce them to acceptable
levels or enhance positive impacts, as the said plan may be amended and/or supplemented from time to time with the prior written concurrence of the Bank.

34. "Training" means the training of persons under the Project, including through seminars, workshops, knowledge sharing activities and study tours, and covers the following costs associated with such activity: travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to training preparation and implementation.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. In the Table of Contents, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.

2. Section 3.01. (Front-end Fee) is modified to read as follows:

"Section 3.01. Front-end Fee; Commitment Charge

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).

(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the “Commitment Charge”). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date.”

3. In the Appendix, Definitions, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.

4. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the subsequent paragraphs accordingly:

“19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).”
5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of "Front-end Fee" is modified by replacing the reference to Section 3.01 with Section 3.01 (a).

6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term "Loan Payment" is modified to read as follows:
   "68. "Loan Payment" means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower."

7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of "Payment Date" is modified by deleting the word "is" and inserting the words "and Commitment Charge are" after the word "interest".