OFFICIAL DOCUMENTS

CREDIT NUMBER 5985-CM (Portion A of the Credit)
CREDIT NUMBER 5984-CM (Portion B of the Credit)
AMENDMENT to 5024-CM

Financing Agreement
(Additional Financing For Mining Sector Capacity Building Project)

between

REPUBLIC OF CAMEROON

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 20 JUIN, 2018
FINANCING AGREEMENT

AGREEMENT dated 2018, entered into between REPUBLIC OF CAMEROON ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement) and amending the Original Financing Agreement. The Recipient and the Association 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 — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in two portions as follows:

(a) an amount equivalent to fifteen million five hundred thousand Special Drawing Rights (SDR 15,500,000) (Portion A of the Credit); and

(b) an amount equivalent to four million four hundred thousand Special Drawing Rights (SDR 4,400,000) (Portion B of the Credit).

(Portion A of the Credit and Portion B of the Credit being variously collectively referred to as "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

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

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to:

(a) one point twenty-five percent (1.25%) per annum on Portion A of the Credit; and

(b) one point thirteen percent (1.13%) per annum on Portion B of the Credit.

The Payment Dates are 15 February and 15 August in each year.

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

The Payment Currency is Euro.

ARTICLE III — PROJECT

The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through MINIMIDT in accordance with the provisions of Article IV of the General Conditions.

Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

The Additional Event of Suspension consists of the following, namely that at any time before the Disbursement Deadline Date, the Recipient has failed, in the opinion of the Association, to apply standards or implement measures consistent with international good practice to ensure the environmentally and socially sustainable management of all mining operations in its jurisdiction that have commenced or are materially revised subsequent to the date of this Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

The Additional Condition of Effectiveness consists of the following, namely that the Recipient has updated the Project Implementation Manual in accordance with Section I.D. of Schedule 2 to this Agreement.

The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
5.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

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

6.02. The Recipient’s Address is:

Ministry of Economy, Planning and Regional Development
Immeuble MINEPAT
Boulevard de Vingt Mai
B.P. 660
Yaoundé
Republic of Cameroon

Facsimile:
(237) 222 22 15 09

6.03. The Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Telex: Facsimile:
248423 (MCI) 1-202-477-6391
AGREED at Yaoundé, Republic of Cameroon, as of the day and year first above written.

REPUBLIC OF CAMEROON

LE MINISTRE

Authorized Representative

Alamine Ousmane Mey

Title: ______________________

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: ______________________

Title: Country Director
SCHEDULE 1

Project Description

The objectives of the Project are to improve: (i) efficiency and transparency of the Recipient’s mining sector management, and (ii) the Recipient’s frameworks for sustainable mining development.

The Project consists of the Original Project amended as follows:

PART A: Managing Access to Mineral Resources and Governance of Mining Operations

1. Program of Geo-data Acquisition, Interpretation, Storage and Promotion

Acquisition, interpretation, storage and dissemination of geo-data to support mineral sector development including, inter alia: conduct of airborne surveys across the Recipient’s territory; establishment of a national digital geo-data management center for the purpose of public dissemination of such data; and refurbish and equipping of MINIMIDT’s facilities and the center for mining and geology research within MINRESI.


Strengthening of oversight capabilities of mining-related ministries, including, inter alia: (i) implementation of a program of activities aimed at developing the Recipient’s mining-related regulatory framework such activities to include, inter alia: development of cadastral procedures; development of environmentally and socially sustainable practices in artisanal mining; development of sound health, safety, and environmental standards for mining activities; and preparation of a model mineral development agreement; (ii) establishment of a modern computer-based cadastral system and a supporting administrative structure within MINIMIDT for the efficient and transparent management of mineral exploration and mining rights; (iii) strengthening of capacity within MINIMIDT and other mining related ministries for effective negotiation of mining agreements through the provision of consultants’ services and training required for the purpose; (iv) strengthening of the mining inspection functions within MINIMIDT through, inter alia, the establishment of a computer-based mining inspection management system; and (v) development of a toolkit for reviewing environmental and social impacts of potential investments in the Recipient’s mining sector, and expansion of capacity within MINIMIDT and other ministries as determined by the SESA for environmental and social management of mining activities through the provision of goods, training and consultants’ services required for the purpose.

3. Improving Transparency and Accountability in the Mining Sector

Implementation of a program of activities aimed at supporting the adoption of transparency and certification mechanisms for the mining sector modeled on international best practice,
such activities to include, *inter alia*: training and workshop activities for applicable stakeholders and provision of goods and consultants’ services required for the purpose.

**PART B: Systematizing the Integration of Mineral Development into Local and Regional Development**

1. **Support to Artisanal Mining Formalization**

Provision of technical assistance to artisanal mining communities towards the formalization of artisanal mining.

2. **Coordination of Mines, Forests and Environment Stakeholders**

Strengthening capacity for the coordination of stakeholders in mining, forests and environment management; the promotion of a land-use conflict resolution mechanism with the cooperation of related ministries as determined by the SESA; and provision of consultants’ services, training and operational costs required for the purpose.

3. **Local and Regional Linkages**

Implementation of a program of activities aimed at promoting local and regional linkages among mining sector stakeholders, such activities to include, *inter alia*: provision of training and economic opportunity awareness activities to communities in the mining areas; development of mechanisms for better channeling of mining benefits to mining-affected communities; carrying out of inventory of industrial minerals, analysis of market supply and demand for key industrial minerals and related capacity building and promotion efforts to optimize future linkages; promotion of local content and business enhancing techniques to small and medium scale enterprises through goods, training and consultants’ services required for the purpose.

4. **PPP Framework for Mining-related Infrastructure**

Development of studies and expertise within the Recipient’s mining-related ministries and related private sector through the provision of technical analysis, regulatory reviews and workshops to facilitate public-private partnerships for investments in mining-related infrastructure.

**PART C: Project Management**

Project coordination, management, and monitoring, and carrying out of financial audits and periodic evaluations, and provision of goods required for the purpose.
SCHEDULE 2

Project Execution

Section I. **Implementation Arrangements**

A. **Institutional Arrangements**

1. **Project Steering Committee**

The Recipient shall maintain, at all times during the implementation of the Project, the Project Steering Committee with a mandate, composition and resources satisfactory to the Association.

2. **Project Implementation Unit**

The Recipient shall maintain at all times during Project implementation, the Project Implementation Unit, with composition, terms of reference and resources satisfactory to the Association.

B. **Anti-Corruption**

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

C. **Annual Work Plans and Budgets**

1. Not later than November 30 in each calendar year or one month before the end of the Recipient’s fiscal year (or three months after the Effective Date for the first year of Project implementation), the Recipient shall prepare or cause to be prepared for the purpose of forwarding to the Association, 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 Association shall have reasonably requested.

2. The Recipient shall afford the Association 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 Association (“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 Financing.

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 Association’s prior written approval.

D. Manual

1. The Recipient carry out the Project in accordance with the Project Implementation Manual, and except as the Association 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. Safeguards

1. The Recipient shall: (a) as applicable, implement the Project in accordance with the recommendations of the SESA and (b) ensure that the Project Reports referred to in Part A of Section II of this Schedule include adequate information on the status of preparation and implementation of any relevant regulatory instruments recommended by said SESA.

2. The Recipient 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 Association’s environmental and social safeguard policies; and

   (b) in drafting any regulatory instruments under the Project, due attention will be given to said policies.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than one month after the end of the period covered by such report.
B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than 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 Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

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 Financing 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 Financing 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 Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or 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 table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding, subject to the additional requirements set forth or referred to in paragraph 3 of this Section III.B</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Limited International Bidding</td>
</tr>
<tr>
<td>(d) Direct Contracting</td>
</tr>
<tr>
<td>(e) Procurement from United Nations Agencies</td>
</tr>
</tbody>
</table>

3. Requirements for National Competitive Bidding.

(i) Each bidding document and contract shall provide that the bidders, suppliers, contractors and their subcontractors, agents, personnel, consultants, service providers, or suppliers shall permit the Association, at its request, to inspect all accounts, records and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Association; and the deliberate and material violation of such provision shall constitute an obstructive practice as defined in the Procurement Guidelines;

(ii) The invitation to bid shall be advertised in national newspapers with wide circulation;

(iii) The bid evaluation, qualification of bidders and contract award criteria shall be clearly indicated in the bidding documents;

(iv) The bidders shall be given adequate response time (at least four weeks from the date of the invitation to bid or the date of availability of the bidding documents, whichever is later) to prepare and submit their bids;

(v) The contracts shall be awarded to the lowest evaluated bidder;

(vi) The eligible foreign bidders shall not be precluded from participating; and
(vii) No margin of preference shall be granted to domestic contractors or to domestically manufactured goods.

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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<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</td>
</tr>
<tr>
<td>(f) Individual Consultants</td>
</tr>
</tbody>
</table>

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the Association 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 Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Portion A Amount of the Credit Allocated (expressed in SDR)</th>
<th>Portion B Amount of the Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services and consulting services,</td>
<td>15,500,000</td>
<td>4,400,000</td>
<td>100%</td>
</tr>
<tr>
<td>Training and Operating Costs for the Project</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>15,500,000</td>
<td>4,400,000</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.

2. The Closing Date is December 1, 2021.
**SCHEDULE 3**

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each August 15 and February 15:</td>
<td></td>
</tr>
<tr>
<td>commencing August 15, 2022, to and including February 15, 2032</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing August 15, 2032, to and including February 15, 2042</td>
<td>3.35%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.
APPENDIX

Section I. Definitions

1. "Annual Work Plan and Budget" means each annual work plan, together with the related budget, for the Project approved by the Association pursuant to the provisions of Section I.C of Schedule 2 to this Agreement.


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


5. "Disbursement Deadline Date" refers to the Closing Date or such later date established by the Association for receipt of applications for withdrawal (and supporting documentation) pursuant to Section 3.7 of the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the Association.

6. "General Conditions" means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.


8. "MINRESI" means Recipient’s Ministry of Scientific Research and Innovation and any successor thereto.

9. "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; vehicle operation (including fuel), maintenance and repair; 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 Recipient’s civil service.
10. "Original Financing Agreement" means the financing agreement for a Mining Sector Capacity Building Project between the Recipient and the Association, dated June 28, 2012 as amended to the date of this Agreement (Credit No. 5024-CM).

11. "Original Project" means the Project described in Schedule 1 to the Original Financing Agreement.


13. "Procurement Plan" means the Recipient's procurement plan for the Project, dated, February 1, 2017, 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.

14. "Project Implementation Manual" means the manual adopted by the Recipient and dated November 16, 2016 as the same may be revised from time to time with the prior written consent of the Association.

15. "Project Implementation Unit" means the unit referred to in Section I.A.2 of Schedule 2 of this Agreement and established pursuant to the Recipient's Decision No. 000424 D/MINMIDT du 24 septembre 2012 portant creation et organisation du Projet de Renforcement des Capacites du Secteur Minier (PRECASEM).

16. "Project Steering Committee" means the committee referred to in Section I.A.1 of Schedule 2 of this Agreement and established pursuant to Arrête No. 001388 D/MINMIDT du 03 mai 2012 portant creation et organisation et fonctionnement du Comité de Pilotage du Projet de Renforcement des Capacités du Secteur Minier (PRECASEM).

17. "SESA" means the strategic environmental and social assessment carried out by the Recipient under Part A.2(v) of the Original Project in accordance with the provisions of Section I.E of Schedule 2 to the Original Financing Agreement, titled Evaluation Stratégique Environnementale et Sociale de Secteur Minier au Cameroun, dated January 2016.

18. "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 modifications to the General Conditions are as follows:

1. Section 3.02 is modified to read as follows:

"Section 3.02. Service Charge and Interest Charge

(a) Service Charge. The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

(b) Interest Charge. The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months."

2. Paragraph 28 of the Appendix ("Financing Payment") is modified by inserting the words "the Interest Charge" between the words "the Service Charge" and "the Commitment Charge".

3. The Appendix is modified by inserting a new paragraph 32 with the following definition of "Interest Charge", and renumbering the subsequent paragraphs accordingly:

"32. "Interest Charge" means the interest charge specified in the Financing Agreement for the purpose of Section 3.02(b)."

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix ("Payment Date") is modified by inserting the words "Interest Charges" between the words "Service Charges" and "Commitment Charges".

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix ("Service Charge") is modified by replacing the reference to Section 3.02 with Section 3.02(a).
ANNEX

AMENDMENT TO THE ORIGINAL FINANCING AGREEMENT

The Recipient and the Association hereby agree to amend the Original Financing Agreement as follows:

1. Part B.1 of Schedule 1 to the Original Financing Agreement is deleted in its entirety.

2. The Closing Date set forth in Section IV.B.2 of Schedule 2 to the Original Financing Agreement shall be the date December 1, 2021.

Except as amended herein, all the other provisions of the Original Financing Agreement, shall remain in full force and effect.