

CONFORMED COPY

LOAN NUMBER 3206 CM

(Social Dimensions of Adjustment Project)

between

REPUBLIC OF CAMEROON

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated August 3, 1990

LOAN NUMBER 3206 CM

LOAN AGREEMENT

AGREEMENT, dated August 3, 1990, between REPUBLIC OF CAMEROON (the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS (A) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested the Bank to assist in the financing of the Project;

(B) the Bank has received a letter dated April 27, 1990 from the Borrower describing a program of actions, together with a timetable, designed to address the social dimensions of adjustment and declaring the Borrower's commitment to the execution of said actions;

(C) Parts D.1 and D.2 of the Project will be carried out by the National Employment Fund (FNE) with the Borrower's assistance and, as part of such assistance, the Borrower will make available to FNE a part of the proceeds of the Loan as provided in this Agreement;

(D) the Borrower intends to contract with the African Development Bank (AfDB) for a loan (the AfDB Loan) in an amount equivalent to sixteen million dollars (\$16,000,000) approximately to assist in financing Parts D, E and F of the Project, on the terms and conditions set forth in an agreement (the AfDB Loan Agreement) to be entered into between the Borrower and AfDB;

(E) the Borrower intends to contract with the Government of Canada (Canada) for a grant (the Canadian Grant) in an amount equivalent to seven million three hundred thousand dollars (\$7,300,000) approximately to assist in financing Parts E and G of the Project, on the terms and conditions set forth in an agreement (the Canadian Grant Agreement) to be entered into between the Borrower and the Bank, as Administrator of Grant Funds provided by Canada;

(F) the Borrower intends to contract with Japan for a grant (the Japanese Grant) in an amount equivalent to one million dollars (\$1,000,000) approximately to assist in financing Part A of the Project, on the terms and conditions set forth in an agreement (the Japanese Grant Agreement) to be entered into between the Borrower and the Bank, as Administrator of Grant Funds provided by the Government of Japan;

(G) the Borrower intends to contract with other external donors additional resources in an aggregate amount equivalent to thirty-one million dollars (\$31,000,000) approximately to assist in financing the Project; and

WHEREAS the Bank has agreed, on the basis inter alia of the foregoing, to extend the Loan to the Borrower upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Loan and Guarantee Agreements" of the Bank, dated January 1, 1985, with the last sentence of Section 3.02 deleted (the General Conditions) constitute an integral part of this Agreement.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "MINASCOF" means the Borrower's ministry responsible for social and women's affairs;

(b) "MINEDUC" means the Borrower's ministry responsible for national education;

(c) "MINFI" means the Borrower's ministry responsible for finance;

(d) "MINPAT" means the Borrower's ministry responsible for planning and regional development;

(e) "MINSANTE" means the Borrower's ministry responsible for health;

(f) "MTPS" means the Borrower's ministry responsible for labor and social security;

(g) "CTC/DSA" means the Comité Technique de Coordination du Projet Dimensions Sociales de l'Ajustement established by the CTC/DSA Decree;

(h) "CTC/DSA Decree" means the Borrower's Decree No. 90/635 dated April 5, 1990, establishing CTC/DSA;

(i) "FNE" means the Borrower's Fonds National de l'Emploi established

pursuant to the Borrower's Decree No. 90/805 dated April 27, 1990;

(j) "PRODEC" means the Borrower's Programme de Developpement Communautaire;

(k) "Subsidiary Agreement" means the agreement to be entered into between the Borrower and FNE pursuant to Section 3.01 (c) of this Agreement, as the same may be amended from time to time, and such term includes all schedules to the Subsidiary Agreement;

(l) "FNE Project Account" means the account referred to in Section 3.03 of this Agreement;

(m) "Special Account" means the account referred to in Section 2.02 (b) of this Agreement;

(n) "Project Preparation Advance" means the project preparation advance granted by the Bank to the Borrower pursuant to an exchange of letters dated May 26, 1989 and June 13, 1989 between the Borrower and the Bank; and

(o) "CFA Franc" and "CFAF" means the Franc de la Communaute Financiere Africaine, the currency of the Borrower.

ARTICLE II

The Loan

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Loan Agreement, various currencies that shall have an aggregate value equivalent to the amount of twenty-one million five hundred thousand dollars (\$21,500,000), being the sum of withdrawals of the proceeds of the Loan, with each withdrawal valued by the Bank as of the date of such withdrawal.

Section 2.02. (a) The amount of the Loan may be withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project described in Schedule 2 to this Agreement and to be financed out of the proceeds of the Loan.

(b) The Borrower shall, for the purposes of Parts C.1, D.1 (a), D.1 (d), D.2, D.3, D.4, F, G.3 and H of the Project, open and maintain in CFA Francs a special deposit account in a commercial bank on terms and conditions satisfactory to the Bank, including appropriate protection against set-off, seizure or attachment. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 6 to this Agreement.

(c) Promptly after the Effective Date, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amount required to repay the principal amount of the Project Preparation Advance withdrawn and outstanding as of such date and to pay all unpaid charges thereon. The unwithdrawn balance of the authorized amount of the Project Preparation Advance shall thereupon be cancelled.

Section 2.03. The Closing Date shall be December 31, 1997, or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower of such later date.

Section 2.04. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one percent (3/4 of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

Section 2.05. (a) The Borrower shall pay interest on the principal amount of the Loan withdrawn and outstanding from time to time, at a rate for each Interest Period equal to the Cost of Qualified Borrowings determined in respect of the preceding Semester, plus one-half of one percent (1/2 of 1%). On each of the dates specified in Section 2.06 of this Agreement, the Borrower shall pay interest accrued on the principal amount outstanding during the preceding

Interest Period, calculated at the rate applicable during such Interest Period.

(b) As soon as practicable after the end of each Semester, the Bank shall notify the Borrower of the Cost of Qualified Borrowings determined in respect of such Semester.

(c) For the purposes of this Section:

(i) "Interest Period" means a six-month period ending on the date immediately preceding each date specified in Section 2.06 of this Agreement, beginning with the Interest Period in which this Agreement is signed.

(ii) "Cost of Qualified Borrowings" means the cost, as reasonably determined by the Bank and expressed as a percentage per annum, of the outstanding borrowings of the Bank drawn down after June 30, 1982, excluding such borrowings or portions thereof as the Bank has allocated to fund: (A) the Bank's investments; and (B) loans which may be made by the Bank after July 1, 1989 bearing interest rates determined otherwise than as provided in paragraph (a) of this Section.

(iii) "Semester" means the first six months or the second six months of a calendar year.

(d) On such date as the Bank may specify by no less than six months' notice to the Borrower, paragraphs (a), (b) and (c) (iii) of this Section shall be amended to read as follows:

"(a) The Borrower shall pay interest on the principal amount of the Loan withdrawn and outstanding from time to time, at a rate for each Quarter equal to the Cost of Qualified Borrowings determined in respect of the preceding Quarter, plus one-half of one percent (1/2 of 1%). On each of the dates specified in Section 2.06 of this Agreement, the Borrower shall pay interest accrued on the principal amount outstanding during the preceding Interest Period, calculated at the rates applicable during such Interest Period."

"(b) As soon as practicable after the end of each Quarter, the Bank shall notify the Borrower of the Cost of Qualified Borrowings determined in respect of such Quarter."

"(c) (iii) 'Quarter' means a three-month period commencing on January 1, April 1, July 1 or October 1 in a calendar year."

Section 2.06. Interest and other charges shall be payable semiannually on April 1 and October 1 in each year.

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

ARTICLE III

Execution of the Project

Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, shall carry out;

- (i) Parts A and B of the Project through MINSANTE;
- (ii) Part C of the Project through MINEDUC;
- (iii) Parts D.3 and D.4 of the Project through MTPS;
- (iv) Part E of the Project through MINASCOF;
- (v) Part F of the Project through the Cellule du Developpement

Communautaire of

CTC/DSA;

(vi) Part G of the Project through MINPAT; and

(vii) Part H of the Project through CTC/DSA; and

shall cause FNE to carry out Parts D.1 and D.2 of the Project; all with due diligence and efficiency and in conformity with appropriate financial and administrative practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Borrower and the Bank shall otherwise agree, the Borrower shall carry out the Project in accordance with the Implementation Program set forth in Schedule 5 to this Agreement.

(c) The Borrower shall make the proceeds of the Loan allocated to Categories (6) and (10) of the table set forth in paragraph 1 of Schedule 1 to this Agreement available to FNE under a subsidiary agreement to be entered into between the Borrower and FNE, under terms and conditions which shall have been approved by the Bank.

(d) The Borrower shall exercise its rights 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 and, except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Agreement or any provision thereof.

Section 3.02. Except as the Bank shall otherwise agree, procurement of the goods and consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be governed by the provisions of Schedule 4 to this Agreement.

Section 3.03. Without any limitation upon its obligations under Section 3.01 (a) of this Agreement, the Borrower shall:

(a) establish and maintain a Project Account in the name of FNE in a commercial bank on terms and conditions satisfactory to the Bank to be used exclusively for the purposes of meeting expenditures, which are not externally financed, under Parts D.1 and D.2 of the Project; and

(b) in addition to the initial amount referred to in Section 6.01 (c) of this Agreement, deposit into FNE Project Account, within fifteen days of the end of each fiscal quarter, an amount of CFA Francs equal to the total amount of withdrawals from FNE Project Account during such fiscal quarter, provided that the Borrower shall in no event be obligated to deposit therein, pursuant to the provisions of this paragraph and of Section 6.01 (c) of this Agreement, an aggregate amount in excess of the equivalent of four million seven hundred thousand dollars (\$4,700,000).

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Borrower shall maintain or cause to be maintained records and accounts, adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) The Borrower shall:

(i) have the records and accounts referred to in paragraph (a) of this Section, including those for the Special Account, for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Bank;

(ii) furnish to the Bank as soon as available, but in any case not

later than six months after the end of each such year, the report of such audit by said auditors, of such scope and in such detail as the Bank shall have reasonably requested; and

(iii) furnish to the Bank such other information concerning said records and accounts and the audit thereof as the Bank shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Loan Account were made on the basis of statements of expenditure, the Borrower shall:

(i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;

(ii) retain, until at least one year after the Bank has received the audit report for the fiscal year in which the last withdrawal from the Loan Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

(iii) enable the Bank's representatives to examine such records; and

(iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

Section 4.02. (a) The Borrower shall cause FNE to maintain records and accounts adequate to reflect in accordance with sound accounting practices the operations and financial condition of FNE.

(b) The Borrower shall cause FNE to:

(i) have its records, accounts and financial statements (balance sheets, statements of income and expenses and related statements) for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Bank;

(ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such year: (A) certified copies of its financial statements for such year as so audited; and (B) the report of such audit by said auditors, of such scope and in such detail as the Bank shall have reasonably requested; and

(iii) furnish to the Bank such other information concerning such records, accounts and financial statements and the audit thereof as the Bank shall from time to time reasonably request.

ARTICLE V

Remedies of the Bank

Section 5.01. Pursuant to Section 6.02 (k) of the General Conditions, the following additional events are specified:

(a) the Bank is not satisfied with the progress achieved by the Borrower in carrying out the Program supported by Loan No. 3089 CM (Loan Agreement, as amended from time to time, between the Borrower and the Bank, dated July 17, 1989);

(b) the Bank is not satisfied with the progress made by the Borrower in the preparation and implementation of the statement of policy, long-term strategy and medium-term action plan for years 1991-1993 for the education sector in accordance with Loan No. 2683 CM (Loan Agreement, as amended from time to time, between the Borrower and the Bank, dated July 10, 1986);

(c) (i) Subject to subparagraph (ii) of this paragraph:

(A) the right of the Borrower to withdraw the proceeds of any grant or loan made to the Borrower for the financing of the Project shall have been terminated in whole or in part, pursuant to the terms of the agreement providing therefor, or suspended, cancelled or

(B) any such loan shall have become due and payable prior to the maturity thereof:

(ii) Subparagraph (i) of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Bank that:

(A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Borrower to perform any of its obligations under such agreement; and

(B) adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Agreement. Borrower under this

Section 5.02. Pursuant to Section 7.01 (h) of the General Conditions, the following additional event is specified, namely, that the event specified in paragraph (c) (i) (B) of Section 5.01 of this Agreement shall occur, subject to the proviso of paragraph (c) (ii) of that Section.

ARTICLE VI

Effective Date; Termination

Section 6.01. The following events are specified as additional conditions to the effectiveness of the Loan Agreement within the meaning of Section 12.01 (c) of the General Conditions:

(a) the members of CTC/DSA have been appointed as well as the Deputy Administrator and the accountant;

(b) the adviser to the Director General of FNE referred to in paragraph 1 (d) of Schedule 5 to this Agreement has been employed, in accordance with the provisions of Section II of Schedule 4 to this Agreement; and

(c) FNE Project Account has been opened and the Borrower has deposited therein an amount of one hundred million CFA Francs (CFAF 100,000,000).

Section 6.02. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

ARTICLE VII

Representative of the Borrower; Addresses

Section 7.01. The Minister of the Borrower responsible for planning and regional development is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministry of Planning and
Regional Development
Yaounde
Republic of Cameroon

Cable address:

MINPAT
Yaounde

Telex:

8203 KN

With copy to:

Caisse Autonome d'Amortissement
B.P. 7176
Yaounde
Republic of Cameroon

Cable address:

CAA
Yaounde

Telex:

8858 KN

For the Bank:

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

Cable address:

INTBAFRAD
Washington, D.C.

Telex:

197688 (TRT)
248423 (RCA)
64145 (WUI) or
82987 (FTCC)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF CAMEROON

By /s/ Jean Missoup

Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Edward V. K. Jaycox

Regional Vice President
Africa

SCHEDULE 1

Withdrawal of the Proceeds of the Loan

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Loan, the allocation of the amounts of the Loan to each Category and the percentage of expenditures for items so to be financed in each Category:

Category	Amount of the Loan Allocated (Expressed in Dollar Equivalent)	% of Expenditures to be Financed
I. Education Expenditures Part C.1 of the Project		
(1) School desks/benches	2,000,000	100%
(2) Teaching manuals and materials	1,600,000	100%
II. MTPS Expenditures Parts D.3 and D.4 of the Project		
(3) Consultants' services and training	600,000	100%
(4) Equipment and vehicles	300,000	100% of foreign expenditures and 85% of local expenditures
(5) Operating costs	600,000	85%
III. FNE Expenditures Parts D.1 and D.2 of the Project		
(6) Consultants' services for Part D.1 (a) of the Project	1,200,000	100%
(7) Equipment and vehicles for Part D.1 (a) of the Project	200,000	100% of foreign expenditures and 85% of local expenditures
(8) Operating costs for Parts D.1 (a) and D.2 of the Project	300,000	85%
(9) Vocational training under Part D.1 (b) of the Project (COIC)	1,000,000	100%
(10) Goods and ser- vices for Part D.1 (d) of the Project:		100%
(a) Self-employ- ment phase 1	2,000,000	
(b) Self-employ-	6,500,000	

ment phase 2

IV.	Community Development Expenditures Part F of the Project		
(11)	Consultants' services for Part F.2 of the Project	370,000	100%
(12)	Goods and services for Part F.1 of the Project	2,500,000	50%
V.	Planning Capacity and Information Base Expenditures Part G.3 of the Project		
(13)	Consultants' services and training	50,000	100%
(14)	Vehicles and equipment	40,000	100% of foreign expenditures and 85% of local expenditures
(15)	Operating costs	100,000	85%
VI.	Project Administration Expenditures Part H of the Project		
(16)	Training	90,000	100%
(17)	Vehicles and equipment	50,000	100% of foreign expenditures and 85% of local expenditures
(18)	Operating costs	250,000	85%
VII.	Other Expenditures		
(19)	Refunding of Project Preparation Advance	750,000	Amount due pursuant to Section 2.02 (c) of this Agreement
(20)	Unallocated	1,000,000	
	TOTAL	21,500,000	=====

2. For the purposes of this Schedule:

(a) the term "foreign expenditures" means expenditures in the currency of any country other than that of the Borrower for goods or services supplied from the territory of any country other than that of the Borrower;

(b) the term "local expenditures" means expenditures in the currency of the Borrower or for goods or services supplied from the territory of the Borrower; provided, however, that if the currency of the Borrower is also that of another country from the territory of which goods or services are supplied, expenditures in such currency for such goods or services shall be deemed to be "foreign expenditures";

(c) the term "operating costs" means mission travel and subsistence allowances for local and expatriate staff involved in the Project, operation and maintenance of Project vehicles and equipment, and office supplies; and

(d) the term "COIC" means Cameroon Opportunities Industrialization Center.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made:

(a) in respect of payments made for expenditures prior to the date of this Agreement;

(b) in respect of Categories (1) and (2), until the Bank has received satisfactory detailed lists of materials and equipment for Part C.1 of the Project and plans for their procurement and geographic distribution;

(c) in respect of Categories (9) and (10), until: (i) all conditions precedent to the effectiveness of the AfDB Loan Agreement have been fulfilled; (ii) the Board of Directors of FNE has been constituted; (iii) FNE has adopted its organigram and operating procedures, all satisfactory to the Bank; (iv) the Subsidiary Agreement has been executed on behalf of the Borrower and FNE; and (v) the manager of the FNE division responsible for employment and training assistance, the manager of the FNE service responsible for self-employment and his adviser have been appointed, all with qualifications and experience satisfactory to the Bank;

(d) in respect of Category (10) (b), until the Bank has given its approval following an evaluation of the first phase of the self-employment program under Part D.1 (d) of the Project; and

(e) in respect of Category (12), until: (i) all conditions precedent to the effectiveness of the AfDB Loan Agreement have been fulfilled; and (ii) the operating guidelines referred to in paragraph 2 (d) of Schedule 5 to this Agreement have been adopted for Part F.1 of the Project.

SCHEDULE 2

Description of the Project

The objectives of the Project are to support the Borrower in the implementation of its strategy to improve the welfare of less favored segments of the population and shelter the interests of the most vulnerable groups from the effects of the economic crisis.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Bank may agree upon from time to time to achieve such objectives:

Part A: Population

1. Preparation and adoption of a statement of population policy, including the provision of training.

2. Carrying out of an action program to implement the Borrower's population policy (including the provision of equipment, vehicles and supplies, and of training) through:

(a) the strengthening of maternal, child health and family planning services;

(b) the development and improvement of systems for decentralized training and supervision, annual evaluation and family planning statistical reporting; and

(c) support to family planning activities carried out by non-governmental organizations.

Part B: Health

1. Preparation and adoption of a statement of health sector policy and operational strategy, including the provision of consultants' services and training.

2. Carrying out of an action program to implement the Borrower's policy and strategy (including the provision of equipment, vehicles and supplies, and of training) through:

(a) the purchase and distribution of medical and pharmaceutical supplies for primary health care and first level referral services at the district level;

(b) the development of an information, education and communication program, including the provision of equipment and vehicles, training workshops, and the provision of consultants' services;

(c) support to the Borrower's program on sexually transmitted disease/acquired immunodeficiency syndrome (STD/AIDS);

(d) the improvement of immunization coverage among children and women of childbearing age, including the provision of refrigerators and vaccines; and

(e) the maintenance of health buildings and equipment at the primary level.

3. Strengthening of the planning and programming capabilities of MINSANTE's services responsible for planning, program budgeting and statistics, and the establishment of a program budgeting system and a budget monitoring process, including the provision of consultants' services, training, equipment and vehicles.

4. Establishment and operation of a coordination mechanism for coordinating and monitoring health activities in the health and population sectors.

Part C: Education

Carrying out of an action program, including the provision of:

(1) school desks/benches, teaching manuals and materials for about 500 primary schools;

(2) workshop materials and library books and equipment for about 20 technical secondary schools; and

(3) equipment for science laboratories and libraries for about 65 general secondary schools.

Part D: Employment

1. Support to FNE's activities to promote employment relating to:

(a) collection and distribution of information on training and job opportunities;

(b) formal vocational training;

(c) on-the-job training/apprenticeship;

(d) individual initiatives aimed at self-employment; and

(e) support to the creation and expansion of micro-enterprises.

2. Operation of FNE, including the provision of consultants' services, equipment and vehicles, and of FNE staff training, and the development of operating procedures.

3. (a) Completion of a national manpower survey; carrying out of studies of the labor market, including a study of the capacity of existing vocational training centers, a study of the feasibility of creating a national voluntary service corps, and a study to estimate the job creation potential of the informal sector.

(b) The development of criteria for taking labor content into account in appraising investment projects.

4. Strengthening of the planning capabilities of MTPS, including the provision of consultants' services, equipment and vehicles, and of training.

Part E: Women in Development

1. Preparation and adoption of a statement of policy, incorporating an operational strategy and a multisector action plan to ensure the participation of women in the economic recovery and growth process by improving their welfare and ability to respond to economic changes, including the provision of consultants' services, vehicles and equipment, and of training and seminars.

2. Carrying out of an information, education and communication program on the benefits of effective integration of women in development and on the availability of economic activity opportunities made available to women, including the provision of consultants' services, vehicles and equipment, and of staff training, and the production and distribution of information materials.

3. Strengthening of MINASCOF support services through:

(a) the rationalization of its urban structures (Maisons de la Femme and Centres Sociaux) and the reorientation of their activities to develop skills and income-generating schemes and to provide assistance regarding self-employment; and

(b) improved assistance to rural women's groups in formulating and managing small projects;

including, in the case of above paragraphs (a) and (b), the provision of consultants' services and equipment, of staff training, and of seminars for adult women, and the production and distribution of manuals.

4. Strengthening of the planning, evaluation and coordination capabilities of MINASCOF, and definition and establishment of a system of institutional linkages permitting women to be taken into account throughout the public sector, including the provision of consultants' services, vehicles and equipment, and of staff training and seminars.

Part F: Community Development

1. Support to grassroot activities, through PRODEC, for the initiation and the carrying out of a program of small projects, by individuals, community groups and non-governmental organizations, mostly in urban areas, for:

(a) small-scale social infrastructure benefitting the community;

(b) social services for the community relating to hygiene, health, education, training and nutrition;

(c) training and management support in simple business skills; and

(d) small-scale income-generating activities.

2. Operation of PRODEC, including the provision of consultants' services, equipment and vehicles, and of PRODEC staff training, and the development of operating guidelines.

Part G: Planning Capacity and Information Base

1. Strengthening of the capacity of MINPAT's planning services, particularly to take into account social indicators in the elaboration of macro-economic strategies.

2. Strengthening of the capacity of MINPAT's statistics services, including the development of a system for household surveys, the conduct of such surveys and the analysis of the results thereof.

3. Strengthening of the capacity of MINPAT's services responsible for the calculation of price indices.

All including, in the case of above paragraphs 1, 2 and 3, the provision of consultants' services, vehicles and equipment, and of training.

Part H: Project Administration

Operation of CTC/DSA, including the provision of consultants' services, vehicles and equipment, and of training.

* * * *

The Project is expected to be completed by June 30, 1997.

SCHEDULE 3

Amortization Schedule

Date Payment Due	Payment of Principal (expressed in dollars)*
October 1, 1995	390,000
April 1, 1996	405,000
October 1, 1996	420,000
April 1, 1997	440,000
October 1, 1997	455,000
April 1, 1998	475,000
October 1, 1998	490,000
April 1, 1999	510,000
October 1, 1999	530,000
April 1, 2000	550,000
October 1, 2000	570,000
April 1, 2001	595,000
October 1, 2001	620,000
April 1, 2002	640,000
October 1, 2002	665,000
April 1, 2003	690,000
October 1, 2003	720,000
April 1, 2004	745,000
October 1, 2004	775,000
April 1, 2005	805,000
October 1, 2005	835,000
April 1, 2006	870,000
October 1, 2006	905,000
April 1, 2007	940,000
October 1, 2007	975,000
April 1, 2008	1,015,000
October 1, 2008	1,050,000
April 1, 2009	1,095,000
October 1, 2009	1,135,000
April 1, 2010	1,190,000

* The figures in this column represent dollar equivalents determined as of the respective dates of withdrawal. See General Conditions, Sections 3.04 and 4.03.

Premiums on Prepayment

Pursuant to Section 3.04 (b) of the General Conditions, the premium payable on

the principal amount of any maturity of the Loan to be prepaid shall be the percentage specified for the applicable time of prepayment below:

Time of Prepayment	Premium
	The interest rate (expressed as a percentage per annum) applicable to the Loan on the day of prepayment multiplied by:
Not more than three years before maturity	0.15
More than three years but not more than six years before maturity	0.30
More than six years but not more than eleven years before maturity	0.55
More than eleven years but not more than sixteen years before maturity	0.80
More than sixteen years but not more than eighteen years before maturity	0.90
More than eighteen years before maturity	1.00

SCHEDULE 4

Procurement and Consultants' Services

Section I. Procurement of Goods

Part A: International Competitive Bidding

1. Except as provided in Part C hereof, goods shall be procured under contracts awarded in accordance with procedures consistent with those set forth in Sections I and II of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1985 (the Guidelines).

2. To the extent practicable, contracts for goods shall be bulked.

Part B: Preference for Domestic Manufacturers

In the procurement of goods in accordance with the procedures described in Part A.1 hereof, goods manufactured in Cameroon may be granted a margin of preference in accordance with, and subject to, the provisions of paragraphs 2.55 and 2.56 of the Guidelines and paragraphs 1 through 4 of Appendix 2 thereto.

Part C: Other Procurement Procedures

1. Local competitive bidding:

Goods estimated to cost the equivalent of \$25,000 or more but less than the equivalent of \$100,000 per contract, up to an aggregate amount not to exceed the equivalent of \$4,200,000, may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Bank, provided that:

(i) all bids shall be opened in public and bidders' representatives shall be allowed to be present;

(ii) criteria for evaluating bids shall be set out clearly and communicated to all bidders; and

(iii) foreign companies shall not be required to be incorporated in Cameroon in order to participate in the bidding.

2. Shopping:

Items or groups of items estimated to cost less than the equivalent of \$25,000 per contract, up to an aggregate amount not to exceed the equivalent of \$600,000, may be procured under contracts awarded on the basis of comparison of price quotations solicited from a list of at least three suppliers eligible under the Guidelines, in accordance with procedures satisfactory to the Bank.

Part D: Review by the Bank of Procurement Decisions

1. Review of invitations to bid and of proposed awards and final contracts:

(a) With respect to each contract estimated to cost the equivalent of \$50,000 or more, the procedures set forth in paragraphs 2 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract required to be furnished to the Bank pursuant to said paragraph 2 (d) shall be furnished to the Bank prior to the making of the first payment out of the Special Account in respect of such contract.

(b) With respect to each contract not governed by the preceding paragraph, the procedures set forth in paragraphs 3 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, said procedures shall be modified to ensure that the two conformed copies of the contract together with the other information required to be furnished to the Bank pursuant to said paragraph 3 shall be furnished to the Bank as part of the evidence to be furnished pursuant to paragraph 4 of Schedule 6 to this Agreement.

(c) The provisions of the preceding subparagraph (b) shall not apply to contracts on account of which the Bank has authorized withdrawals on the basis of statements of expenditure.

2. The figure of 10% is hereby specified for purposes of paragraph 4 of Appendix 1 to the Guidelines.

Section II. Employment of Consultants

In order to assist the Borrower in carrying out the Project, the Borrower shall employ consultants whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Bank. Such consultants shall be selected in accordance with principles and procedures satisfactory to the Bank on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" published by the Bank in August 1981.

SCHEDULE 5

Implementation Program

1. Project Management

(a) Overall Project Coordination

For the purposes of ensuring the overall coordination and implementation of Project activities, the Borrower shall operate CTC/DSA as provided in the CDC/DSA Decree. Its members shall include senior level representatives of the Presidency, of concerned ministries, of FNE and of Caisse Autonome d'Amortissement. An Administrator, assisted by an adviser and a Deputy Administrator, all qualified and experienced, shall assume the day-to-day management of CTC/DSA and shall be supported by a Cellule de Gestion staffed with a competent accountant and other support staff in adequate

numbers.

(b) Parts A and B of the Project (Population and Health)

(i) The Population Planning Unit of MINPAT shall have the overall responsibility for the preparation of the statement of population policy, under Part A.1 of the Project, which shall be reviewed by the National Population Commission.

(ii) The Technical Unit of MINSANTE shall have the overall responsibility for the preparation of the statement of health sector policy and operational strategy under Part B.1 of the Project, which shall be reviewed by the Higher Health Commission.

(iii) A coordination mechanism shall be established not later than September 30, 1990 under the supervision of the Minister responsible for health. It shall include representatives of MINSANTE and other ministries concerned. It shall ensure the coordination of all activities in the health and population sectors and, in particular, Parts A and B of the Project.

(iv) MINSANTE's services responsible for family and child health shall be responsible for carrying out the action program under Part A.2 of the Project.

(v) MINSANTE's central services and provincial services shall be responsible for carrying out the action program under Part B.2 of the Project under the coordination of the Secretary General of MINSANTE.

(c) Part C of the Project (Education)

In order to ensure the coordination and implementation of Part C of the Project, the Borrower shall establish, not later than September 30, 1990, a Comite de Suivi chaired by MINEDUC's representative of CTC/DSA. Its members shall include the expert adviser of the Cellule d'Animation et de Suivi supporting the Groupe de Pilotage and senior level representatives of MINEDUC and other ministries concerned, particularly MINPAT and MINFI.

(d) Part D of the Project (Employment)

For the purposes of carrying out Parts D.1 and D.2 of the Project, the Borrower shall maintain FNE as a separate legal entity. Its Board of Directors shall include members of the public and private sectors. FNE shall be managed by a Director General assisted by a Deputy Director General and an adviser, all qualified and experienced. The management of FNE shall be assisted by competent support staff in adequate numbers.

(e) Part E of the Project (Women in Development)

(i) MINASCOF shall establish, not later than December 31, 1990, within its General Secretariat a Planning, Coordination and Evaluation Unit which shall have the overall responsibility for the preparation and the monitoring of the implementation of the statement of policy under Part E.1 of the Project. Not later than September 30, 1991, the Borrower shall: (A) reorient MINASCOF's mandate towards a conceptual, normative and coordination role on all women's issues, and (B) establish appropriate institutional linkages to carry out this mandate.

(ii) MINASCOF's service responsible for information and documentation shall have the responsibility for carrying out the information, education and communication program under Part E.2 of the Project.

(iii) MINASCOF's service responsible for women's education shall have

the responsibility for carrying out Part E.3 of the Project.

(f) Part F of the Project (Community Development)

The coordination and implementation of Part F.1 of the Project for support to grassroot activities (PRODEC) shall be entrusted to the Cellule de Developpement Communautaire of CTC/DSA at the central level and to provincial committees at the provincial level. This Cellule shall be headed by a chief, assisted by a deputy chief, both qualified and experienced; it shall be supported by the accountant of CTC/DSA and other competent support staff in adequate numbers.

(g) Part G of the Project (Planning Capacity and Information Base)

(i) With respect to the development and use of the Cameroonian household survey (ECAM), the Borrower shall establish, not later than September 30, 1990, a users' committee on appropriate terms and conditions.

(ii) MINPAT's services responsible for statistics shall have the overall responsibility for the calculation of price indices under Part G.3 of the Project.

2. Project Execution

(a) Parts A and B of the Project (Population and Health)

(i) The Borrower shall, at the request of the Bank, exchange views with the Bank on the progress of preparation of the statements of population policy and health sector policy. The Borrower shall adopt said statements not later than June 30, 1991, after taking into account the Bank's comments, if any, on said statements.

(ii) In the context of its health sector policy and operational strategy, the Borrower shall: (A) develop and test essential generic drugs and cost recovery systems and introduce said systems thereafter in all public health facilities not later than December 31, 1992; (B) ensure that, under the recovery systems, proceeds thereof are utilized at the level of each facility, in particular to replenish essential generic drug supplies; and (C) not later than December 31 of each year, furnish to the Bank, for its review and comments, updated lists of essential generic drugs for the different levels of services and an inventory of the health facilities concerned.

(iii) The Borrower shall ensure that the program budgeting system and the budget monitoring system included in Part B.3 of the Project are in place, in a manner acceptable to the Bank, not later than December 31, 1991, in order to be utilized in the preparation of the 1992-1993 budget for MINSANTE.

(b) Part D of the Project (Employment)

The Borrower shall cause FNE to carry out its operations in accordance with sound administrative and financial practices and appropriate operating procedures.

(c) Part E of the Project (Women in Development)

The Borrower shall, at the request of the Bank, exchange views with the Bank on the progress of preparation of the statement of policy, incorporating an operational strategy and a multisector plan to enhance the role of women in development. The Borrower shall adopt said statement not later than March 31, 1992, after taking into account the Bank's comments, if any, on said statement.

(d) Part F of the Project (Community Development)

The Borrower shall carry out Part F.1 of the Project for support to grassroot activities (PRODEC) in accordance with sound administrative and financial practices and operating guidelines for project identification, appraisal, selection and supervision, satisfactory to the Bank, which guidelines shall require, inter alia, approval by the Administrator of CTC/DSA of any project with an estimated financing of three million CFA Francs or more out of the proceeds of the Loan and, in addition, submission to the Bank for approval of any project with an estimated financing of five million CFA Francs or more out of the proceeds of the Loan.

3. Project Mid-term Review

Not later than December 31, 1992, the Borrower and the Bank shall conduct a joint review of the progress of the Project and, on the basis of this review, the Borrower shall take any measures deemed appropriate by the Borrower and the Bank.

SCHEDULE 6

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) through (18) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for Parts C.1, D.1 (a), D.1 (d), D.2, D.3, D.4, F, G.3 and H of the Project and to be financed out of the proceeds of the Loan allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and

(c) the term "Authorized Allocation" means an amount equivalent to \$500,000 to be withdrawn from the Loan Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule.

2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.

3. After the Bank has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Bank a request or requests for a deposit or deposits which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and deposit into the Special Account such amount or amounts as the Borrower shall have requested.

(b) (i) For replenishment of the Special Account, the Borrower shall furnish to the Bank requests for deposits into the Special Account at such intervals as the Bank shall specify.

(ii) Prior to or at the time of each such request, the Borrower shall furnish to the Bank the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and deposit into the Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures. All such deposits shall be withdrawn by the Bank from the Loan Account under the respective eligible Categories, and in the

respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Borrower out of the Special Account, the Borrower shall, at such time as the Bank shall reasonably request, furnish to the Bank such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Bank shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Bank shall have determined that all further withdrawals should be made by the Borrower directly from the Loan Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement; or

(b) once the total unwithdrawn amount of the Loan allocated to the eligible Categories for Parts C.1, D.1 (a), D.1 (d), D.2, D.3, D.4, F, G.3 and H of the Project, less the amount of any outstanding special commitment entered into by the Bank pursuant to Section 5.02 of the General Conditions with respect to those Parts of the Project, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the Loan Account of the remaining unwithdrawn amount of the Loan allocated to the eligible Categories for Parts C.1, D.1 (a), D.1 (d), D.2, D.3, D.4, F, G.3 and H of the Project shall follow such procedures as the Bank shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Bank shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Bank shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Bank, the Borrower shall, promptly upon notice from the Bank: (A) provide such additional evidence as the Bank may request; or (B) deposit into the Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Bank shall otherwise agree, no further deposit by the Bank into the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Bank shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Borrower shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

(c) The Borrower may, upon notice to the Bank, refund to the Bank all or any portion of the funds on deposit in the Special Account.

(d) Refunds to the Bank made pursuant to paragraph 6 (a), (b) and (c) of this Schedule shall be credited to the Loan Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions.

