



Treaty Series No. 50 (2002)

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of the Republic of Cameroon

concerning Certain Commercial Debts

(The United Kingdom/Cameroon
Debt Agreement No. 6 (2001))

Yaoundé, 13 August 2002

[The Agreement entered into force on 13 August 2002]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
November 2002*

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**EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF THE UNITED
KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE
GOVERNMENT OF THE REPUBLIC OF CAMEROON CONCERNING CERTAIN
COMMERCIAL DEBTS (THE UNITED KINGDOM/CAMEROON DEBT
AGREEMENT NO 6 (2001))**

No. 1

*The British High Commissioner at Yaoundé to the Minister of Economy and Finances of
the Republic of Cameroon*

Yaoundé

13 August 2002

I have the honour to refer to the Agreed Minute on the Consolidation of the Debt of the Republic of Cameroon which was signed in Paris on 24 January 2001, and to inform Your Excellency that the Government of the United Kingdom of Great Britain and Northern Ireland is prepared to provide debt relief to the Government of the Republic of Cameroon on the terms and conditions set out in the attached Annex.

If these terms and conditions are acceptable to the Government of the Republic of Cameroon, I have the honour to propose that this Note together with its Annex, and your reply to that effect, shall constitute an Agreement between our two Governments in this matter which shall be known as the 'United Kingdom/Cameroon Debt Agreement No 6 (2001)' and which shall enter into force on the date of your reply.

I have the honour to convey to Your Excellency the assurance of my highest consideration.

RICHARD WILDASH

ANNEX

SECTION 1

Definitions and Interpretation

- (1) In this Annex, unless the contrary intention appears:
 - (a) "the Agreed Minute" means the Agreed Minute on the Consolidation of the Debt of the Republic of Cameroon which was signed in Paris on 24 January 2001;
 - (b) "Appropriate Market Rate" means the Reference Rate plus 0.5 per cent;
 - (c) "Business Day" means a day on which dealings are carried on in the London interbank market and (if payment is required to be made on such day) on which banks are open for domestic and foreign exchange business in London in the case of sterling and in both London and New York City in the case of US dollars;
 - (d) "Cameroon" means the Republic of Cameroon;
 - (e) "the Consolidation Period" means:
 - (i) the period from 01 October 2000 to 31 December 2001 inclusive;
 - (ii) the period from 01 January 2002 to 31 December 2002 inclusive (if the conditions set forth under Article IV paragraph 3(b) of the Agreed Minute have been met) and;
 - (iii) the period from 01 January 2003 to 31 December 2003 inclusive (if the conditions set forth under Article IV paragraph 3(c) of the Agreed Minute have been met);

- (f) “Contract” means a contract, including any agreement supplemental thereto, entered into before 31 December 1988, the parties to which include the Debtor and a Creditor and which either was for the sale of goods and/or services from outside Cameroon to a buyer in Cameroon, or was for the financing of such a sale, and which in either case granted or allowed credit to the Debtor for a period exceeding one year;
- (g) “Creditor” means a person or body of persons or corporation resident or carrying on business in the United Kingdom, the Channel Islands or the Isle of Man, or any successor in title thereto;
- (h) “Currency of the Debt” means the currency specified in the relevant Contract or in the Second, Third, Fourth and Fifth Agreements as being the currency in which that Debt is to be paid;
- (i) “Debt” means any debt to which, by virtue of the provisions of Section 2(1), the provisions of this Annex apply;
- (j) “Debtor” means the Government of Cameroon whether as primary debtor or as guarantor or any successor in obligation to that debtor;
- (k) “the Department” means the Export Credits Guarantee Department or any other Department of the Government of the United Kingdom which that Government may subsequently nominate for the purpose hereof;
- (l) “the Fifth Agreement” means the Agreement between the Government of the United Kingdom and the Government of Cameroon on Certain Commercial Debts signed on 11 September 1998;¹
- (m) “the Fourth Agreement” means the Agreement between the Government of the United Kingdom and the Government of Cameroon on Certain Commercial Debts signed on 09 December 1996²;
- (n) “Maturity” in relation to a Debt:
 - (i) specified in Section 2(1)(a), 2(1)(b), 2(1)(c), 2(1)(d), 2(1)(e) and 2(1)(f) means either 30 September 2000 or the date for payment specified in the Previous Agreements if that date is later;
 - (ii) specified in Section 2(1)(g) and 2(1)(h) means the due date for the payment or repayment thereof under the relevant Contract or on a promissory note or bill of exchange drawn up pursuant thereto;
- (o) “the Ministry” means the Ministry of Finance of the Republic of Cameroon or any other institution which the Government of Cameroon may nominate for this purpose;
- (p) “the Previous Agreements” means collectively the Second Agreement, the Third Agreement, the Fourth Agreement and the Fifth Agreement;
- (q) “Reference Rate” means the rate (rounded upwards where necessary to the nearest multiple of 1/16 (one sixteenth) of one per cent) quoted to the Department by a bank to be agreed upon by the Department and the Ministry, as the rate at which that bank is offering six-month eurodollar deposits, in the case of a Debt denominated in US dollars, or six-month sterling deposits, in the case of a Debt denominated in sterling or any other currency, in the London interbank market at 11am (London time) two Business Days before the commencement of the relevant interest period;

¹ Treaty Series No. 20 (1999) Cm 4316.

² Treaty Series No. 22 (1997) Cm 3621.

- (r) “the Second Agreement” means the Agreement between the Government of the United Kingdom and the Government of Cameroon on Certain Commercial Debts signed on 03 November 1993¹;
 - (s) “the Third Agreement” means the Agreement between the Government of the United Kingdom and the Government of Cameroon on Certain Commercial Debts signed on 12 September 1995²;
 - (t) “United Kingdom” means the United Kingdom of Great Britain and Northern Ireland.
- (2) All interest payable pursuant to this Annex shall be calculated on the basis of actual days elapsed and a year of 360 days, in the case of Debts denominated in US dollars, and 365 days, in the case of Debts denominated in any other currency.
- (3) Where the context of this Annex so allows, words importing the singular include the plural and vice versa.
- (4) Unless otherwise indicated, reference to a specified Section shall be construed as a reference to that Section of this Annex.
- (5) The headings to the Sections are for ease of reference only.

SECTION 2

The Debt

- (1) The provisions of this Annex shall, subject to the provisions of paragraph (2) of this Section and Article IV paragraphs 3 and 4 of the Agreed Minute, apply to:
- (a) any amount, whether of principal or of interest (excluding interest accrued on interest), payable under the Second, Third and Fourth Agreements which fell due on or before 30 September 2000 and remains unpaid; and
 - (b) any amount, whether of principal or of interest, payable under the Second, Third and Fourth Agreements which has fallen due or will fall due during the Consolidation Period and remains unpaid; and
 - (c) any amount, whether of principal or of interest (excluding interest accrued on interest), payable under Section 2(1)(a) or 2(1)(f) of the Fifth Agreement which fell due on or before 30 September 2000 and remains unpaid; and
 - (d) any amount, whether of principal or of interest, payable under Section 2(1)(a) or 2(1)(f) of the Fifth Agreement which has fallen due or will fall due during the Consolidation Period and remains unpaid; and
 - (e) any amount, whether of principal or of interest (excluding interest accrued on interest), payable under Section 2(1)(d) or 2(1)(e) of the Fifth Agreement which fell due on or before 30 September 2000 and remains unpaid; and
 - (f) any amount, whether of principal or of interest, payable under Section 2(1)(d) or 2(1)(e) of the Fifth Agreement which has fallen due or will fall due during the Consolidation Period and remains unpaid; and
 - (g) any other amount, whether of principal or of contractual interest accruing up to Maturity, which is owed by the Debtor to a Creditor and:
 - (i) arises under or in relation to a Contract;
 - (ii) is guaranteed by the Department as to payment according to the terms of the Contract;
 - (iii) is not expressed by the terms of the Contract to be payable in CFA francs;

¹ Treaty Series No. 26 (1994) Cm 2543.

² Not published.

- (iv) fell due for payment on or before 30 September 2000 and remains unpaid; or
 - (v) does not arise from an amount payable upon or as a condition of the cancellation or termination of the Contract; and
- (h) any other amount, whether of principal or of contractual interest accruing up to Maturity, which is owed by the Debtor to a Creditor and:
- (i) arises under or in relation to a Contract;
 - (ii) is guaranteed by the Department as to payment according to the terms of the Contract;
 - (iii) is not expressed by the terms of the Contract to be payable in CFA francs;
 - (iv) does not arise from an amount payable upon or as a condition of the cancellation or termination of the Contract; or
 - (v) has fallen due or will fall due for payment during the Consolidation Period; and
- (i) any amount, whether of principal or of interest (excluding interest accrued on interest), payable under Section 2(1)(b) or 2(1)(c) of the Fifth Agreement which fell due on or before 30 September 2000 and remains unpaid; and
- (j) any amount, whether of principal or of interest, payable under Section 2(1)(b) or 2(1)(c) of the Fifth Agreement which has fallen due or will fall due during the Consolidation Period and remains unpaid; and
- (k) any amount of late interest payable up to 30 September 2000 in accordance with any of the Previous Agreements which has not been paid.

(2) The Department and the Ministry shall, as soon as possible, agree and draw up a list of Debts (“the Debt List”) to which this Annex shall apply. The Debt List may be reviewed from time to time at the request of the Department or of the Ministry, but may not be added to or amended without the agreement of both the Department and the Ministry. Delay in the completion of the Debt List shall neither prevent nor delay the implementation of the other provisions of this Annex.

SECTION 3

Payments under the Second, Third, Fourth and Fifth Agreements

The provisions of the Second, Third, Fourth and Fifth Agreements insofar as they relate to the payment of any Debt as defined herein shall cease to apply upon the entry into force of this Agreement.

SECTION 4

Debt Reduction and Payment

- (1) The Department waives or undertakes to waive as the case may be on Maturity
- (a) 67 per cent of the amount of each Debt specified in Sections 2(1)(a), 2(1)(e) and 2(1)(g);
 - (b) 34 per cent of the amount of each Debt specified in Section 2(1)(c);
 - (c) 90 per cent of the amount of each Debt specified in Sections 2(1)(b) and 2(1)(h);
 - (d) 80 per cent of the amount of each Debt specified in Sections 2(1)(d) and 2(1)(f).
- (2) The Government of Cameroon shall pay to the Department, in accordance with the provisions of Section 6(1), the remainder of each of the Debts specified in paragraph (1) of this Section on the following dates and in the following percentages:

<i>Repayment Date</i>	<i>Percentage to be repaid</i>
31 December 2008	0.12
30 June 2009	0.20
31 December 2009	0.28
30 June 2010	0.38
31 December 2010	0.48
30 June 2011	0.58
31 December 2011	0.70
30 June 2012	0.82
31 December 2012	0.94
30 June 2013	1.08
31 December 2013	1.22
30 June 2014	1.36
31 December 2014	1.52
30 June 2015	1.70
31 December 2015	1.86
30 June 2016	2.06
31 December 2016	2.26
30 June 2017	2.46
31 December 2017	2.68
30 June 2018	2.92
31 December 2018	3.18
30 June 2019	3.44
31 December 2019	3.70
30 June 2020	4.00
31 December 2020	4.30
30 June 2021	4.64
31 December 2021	4.98
30 June 2022	5.34
31 December 2022	5.72
30 June 2023	6.12
31 December 2023	6.54
30 June 2024	7.00
31 December 2024	7.46
30 June 2025	7.96

(3) The Government of Cameroon shall also pay to the Department, in accordance with the provisions of Section 6(1), 100 per cent of the Debt specified in Section 2(1)(i), 2(1)(j) and 2(1)(k) on or before 30 April 2001.

SECTION 5

Interest

(1) Interest on the balance of each Debt shall be deemed to have accrued and shall accrue during, and shall be payable in respect of, the period from Maturity until the settlement of that Debt by payment to the Department.

(2) The Government of Cameroon shall pay to the Department interest on each Debt in accordance with the provisions of Section 6(1) to the extent that such Debt has not been settled by payment to the Department. Such interest shall be paid to the Department first on 30 June 2001 and then half-yearly on 31 December and 30 June (the “Due Dates”) each year commencing on 31 December 2001.

(3) If any amount of interest payable in accordance with the provisions of paragraph (2) of this Section is not paid on the Due Date, the Government of the Republic of Cameroon shall pay to the Department interest on such amount of overdue interest. Such additional interest shall be payable on the outstanding amount of overdue interest from day to day from the Due Date in accordance with the provisions of paragraph (2) of this Section to the date of receipt of the payment by the Department, and shall be due without further notice or demand.

(4) If any amount of Debt payable in accordance with the provisions of Section 4 is not paid on the Due Date, the Government of the Republic of Cameroon shall pay to the Department interest on such amount which shall accrue and be payable from day to day from the Due Date to the date of receipt thereof, and shall be due and payable without further notice or demand.

(5) All interest payable in accordance with the provisions of this Section shall be paid at the Appropriate Market Rate applicable to each half-yearly interest period commencing with the half-yearly interest period within which the Maturity of the Debt concerned occurs.

SECTION 6

Payments to the Department

(1) When payment becomes due under the terms of Section 4 or 5, the Ministry shall arrange for the necessary amounts, without deduction of taxes, fees, other public charges or any other costs incurred outside the United Kingdom, to be paid in the Currency of the Debt to an account notified by the Department to the Ministry.

(2) If the day on which such a payment falls due is not a Business Day payment shall be made on the next succeeding Business Day.

(3) The Ministry shall give the Department full particulars of the Debts and/or interest to which the payments relate.

SECTION 7

Exchange of Information

The Department and the Ministry shall exchange all information required for the implementation of this Annex.

SECTION 8

Other Debt Settlements

(1) The Government of Cameroon undertakes to fulfil its commitments under Article III of the Agreed Minute and agrees to accord to the Government of the United Kingdom terms no less favourable than those agreed with any other creditor, notwithstanding any provision of this Annex to the contrary.

(2) The provisions of paragraph (1) of this Section shall not apply to matters relating to the payment of interest determined by Section 5.

SECTION 9

Preservation of Rights and Obligations

This Annex and its implementation shall not affect the rights or obligations of any Creditor or Debtor under a Contract other than those rights and obligations in respect of which the Government of the United Kingdom and the Government of Cameroon are authorised to act respectively on behalf of and to bind such Creditor and Debtor.

SECTION 10

Debt Conversion Option

The Department shall give prior notification to the Government of Cameroon if it wishes to exercise the option given in Article II paragraph 3 of the Agreed Minute to sell or exchange Debt. This option may only be implemented with the consent of the Government of Cameroon and will only be exercised on condition that the Debt sold or exchanged is discharged in CFA francs.

SECTION 11

Conditionality

Unless the Department otherwise agrees, the conditions of Article IV paragraphs 3b and 3c of the Agreed Minute shall apply to this Annex. If this Annex ceases to apply because any of these conditions has not been fulfilled, all outstanding payments shall be due according to the original Contracts or according to the payment schedules in the Previous Agreements as the case may be, as if this Annex had never existed.

No. 2

The Minister of Economy and Finances of Republic of Cameroon to the British High Commissioner at Yaoundé

Yaoundé

13 August 2002

I have the honour to acknowledge receipt of Your Excellency's Note of 13 August 2002 which in translation¹ reads as follows:

[As in No. 1]

I have the honour to confirm that the terms and conditions set out in the Annex to your Note are acceptable to the Government of the Republic of Cameroon, and that your Note together with its Annex, and this reply, shall constitute an Agreement between our two Governments in this matter which shall be known as 'The United Kingdom/Cameroon Debt Agreement No 6 (2001)' and which shall enter into force today.

I have the honour to convey to Your Excellency the assurance of my highest consideration.

MICHEL MEVA'A M'EBOUTOU

¹ sic. There is no French text of this Agreement.



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