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Investing in rural people

Republic of Cameroon

Commodity Value Chain Development Support
Project – Phase II (PADFA II)

Addendum

Executive Board — 128th Session
Rome, 10-12 December 2019

For: Approval

Republic of Cameroon

Commodity Value Chain Development Support Project – Phase II (PADFA II)

Addendum

The attention of the Executive Board is drawn to the amendments outlined below, which are being made to the President's report on the Proposed Loan to the Republic of Cameroon for the Commodity Value Chain Support Project – Phase II (PADFA II) (EB 2019/128/R.31). The amendments are attributable mainly to the borrower's request to receive the project financing in special drawing rights (SDR) rather than the United States dollars initially selected under the Project pre-Financing Facility (PFF), granted to the Republic of Cameroon, and the Proposal for Faster Implementation of Start-up (FIPS) Instruments approved by the Executive Board at its 125th session in December 2018 (EB 2018/125/R.38). In accordance with the provisions of this document, the choice of the currency in which the PFF is denominated dictates the currency of the related project loan. Consequently, since the borrower chose the United States dollar as the PFF currency and subsequently opted for special drawing rights for the project financing as the relevant terms and conditions were deemed by the borrower to be more favourable, the currency in which the PFF and the corresponding financing agreement are denominated must now be harmonized to conform to the provisions of the aforementioned document approved by the Executive Board at its 125th session.

In the interests of clarity, changes to the text of the report are indicated in bold while strikethrough indicates deleted text.

Page iv, financing summary:

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| Amount of IFAD loan: | SDR 34.105 million, equivalent to approximately US\$47 million US\$47 million |
| Terms of IFAD loan: | <p>A loan in the amount of SDR 22,850,000 (equivalent to approximately US\$31,500,000) US\$31,500,000 is extended under highly concessional terms and is exempt from interest but subject to a fee of 0.75 per cent 1.54 per cent per year and a repayment term of forty (40) years, with a grace period of ten (10) years, calculated from the date of the loan's approval by the IFAD Executive Board. The loan principal will be repaid at a rate of 4.5 per cent of the total principal per annum beginning in year eleven (11) and continuing until year thirty (30), and at a rate of one (1) per cent of the total principal per annum beginning in year thirty-one (31) and until year forty (40).</p> <p>A second loan, in the amount of SDR 11,255,000 (equivalent to approximately US\$15,500,000) US\$15,500,000, on blend terms, is extended at a fixed interest rate of 1.25 per cent 2.94 per cent of the outstanding principal, with a service fee of 0.75 per cent 2.94 per cent and a repayment period of twenty-five (25) years and a grace period of five (5) years, calculated from the date of approval by the Executive Board.</p> |

Page 14, paragraph 61: the recommendation is amended as follows:

"RESOLVED: that the Fund shall make a loan on highly concessional terms to the Republic of Cameroon in an amount equivalent to twenty-two million eight hundred fifty thousand special drawing rights (SDR 22,850,000) ~~thirty-one million five hundred thousand United States dollars (US\$31,500,000)~~, and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a loan on blend terms to the Republic of Cameroon in an amount equivalent to eleven million two hundred fifty-five thousand special drawing rights (SDR 11,255,000) ~~fifteen million five hundred thousand United States dollars (US\$15,500,000)~~, and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein."