

Loan Agreement No. GT-P3

L O A N   A G R E E M E N T

For

Social Investment Fund Project

Between

THE OVERSEAS ECONOMIC COOPERATION FUND, JAPAN

And

THE REPUBLIC OF GUATEMALA

Dated December 27, 1995

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Loan Agreement No. GT-P3, dated December 27, 1995, between THE OVERSEAS ECONOMIC COOPERATION FUND and THE REPUBLIC OF GUATEMALA.

In the light of the contents of the Exchange of Notes between the Government of Japan and the Government of the Republic of Guatemala dated December 12, 1995, concerning a Japanese loan to be extended with a view to strengthening the friendly relations and economic cooperation between the two countries,

THE OVERSEAS ECONOMIC COOPERATION FUND (hereinafter referred to as "the Fund") and THE REPUBLIC OF GUATEMALA (hereinafter referred to as "the Borrower") herewith conclude the following Loan Agreement (hereinafter referred to as "the Loan Agreement", which includes all agreements supplemental hereto).

## Article I

### Loan

#### Section 1. Amount and Purpose of Loan

The Fund agrees to lend the Borrower an amount not exceeding THREE BILLION ONE HUNDRED TWELVE MILLION Japanese Yen (¥3,112,000,000.) as principal for the implementation of the Social Investment Fund Project described in Schedule 1 attached hereto (hereinafter referred to as "the Project") in the form of cofinancing with the Social Investment Fund Project extended by the International Bank For Reconstruction and Development (hereinafter referred to as "IBRD"), on the terms and conditions set forth in the Loan Agreement and in accordance with the relevant laws and regulations of Japan (hereinafter referred to as "the Loan"), provided, however, that when the cumulative total of disbursements under the Loan Agreement reaches the said limit, the Fund shall make no further disbursement.

Section 2.

## Section 2. Use of Proceeds of Loan

(1) The Borrower shall cause the proceeds of the Loan to be used for the purchase of eligible goods and services necessary for the implementation of the Project from suppliers, contractors or consultants (hereinafter collectively referred to as "the Supplier(s)") of the eligible source countries described in Section 2. of Schedule 5 attached hereto (hereinafter referred to as "the Eligible Source Country(ies)") in accordance with the allocation described in Schedule 2 attached hereto.

(2) The final disbursement under the Loan Agreement shall be made not later than the same day and month four (4) years after the effective date of the Loan Agreement, and no further disbursement shall be made by the Fund thereafter, unless otherwise agreed upon between the Fund and the Borrower.

## Article II

### Repayment and Interest

#### Section 1. Repayment of Principal

The Borrower shall repay the principal of the Loan to the Fund in accordance with the Amortization Schedule set forth in Schedule 3 attached hereto.

#### Section 2. Interest and Method of Payment thereof

(1) The Borrower shall pay interest to the Fund semi-annually at the rate of three percent (3.0%) per annum on the principal disbursed and outstanding.

(2) The Borrower

(2) The Borrower shall pay to the Fund on December 20 of each year the interest that has accrued up to December 19 from June 20 of that year, and on June 20 of each year the interest that has accrued up to June 19 of that year from December 20 of the preceding year, provided that, prior to the date of the final disbursement of the proceeds of the Loan, the Borrower shall pay to the Fund on January 20 of each year the interest that has accrued up to December 19 from June 20 of the preceding year, and on July 20 of each year the interest that has accrued up to June 19 of that year from December 20 of the preceding year.

### Article III

#### Particular Covenants

##### Section 1. General Terms and Conditions

Other terms and conditions generally applicable to the Loan Agreement shall be set forth in the Fund's General Terms and Conditions, dated November, 1987, with the following supplemental stipulations (hereinafter referred to as "the General Terms and Conditions"):

(1) The following (d) shall be added to Section 6.01. of the General Terms and Conditions:

(d) An event that IBRD shall, under the provision of the Loan Agreement No. 3534 GU dated September 29, 1993 between IBRD and the Borrower for the project, have suspended or cancelled or terminated the right of the Borrower to withdraw the proceeds of the Loan and/or have declared all principal then outstanding, with interest and other charges thereon, to be due and payable prior to the agreed maturity of the loan.

(2) Article VII

(2) Article VII of the General Terms and Conditions shall be disregarded, and, consequently, all references to "the Guarantee" or "the Guarantor", wherever mentioned in the General Terms and Conditions, shall be likewise disregarded.

(3) After a contract is determined to be eligible for the Fund's financing, the name of the Supplier may be made public by the Fund.

## Section 2. Procurement Procedure

The guidelines for procurement and for the employment of consultants mentioned in Section 4.01. of the General Terms and Conditions shall be as stipulated in Procurement Procedure attached hereto as Schedule 5.

## Section 3. Disbursement Procedure

The disbursement procedure mentioned in Section 5.01. of the General Terms and Conditions shall be as follows:

(1) TRANSFER PROCEDURE attached hereto as Schedule 6 shall apply in cases of disbursements to be made to the Consultants of the Eligible Source Countries.

(2) REIMBURSEMENT PROCEDURE attached hereto as Schedule 7 shall apply in cases of disbursements for the payments made to the Suppliers of the Eligible Source Countries for the implementation of SIF Subproject Component stipulated in Section 1 of Schedule 2.

Section 4.

#### Section 4. Administration of Loan

(1) The Borrower shall authorize Social Investment Fund (SIF) (hereinafter referred to as "the Executing Agency") to implement the Project.

(2) The Borrower shall cause the Executing Agency to establish and maintain an account for the Loan within itself in order to record the use of proceeds of the Loan stipulated in Section 2. (1) of Article I, which shall be separate and distinct from the other accounts for the whole duration of the Loan.

(3) (a) The Borrower shall cause the Executing Agency to be maintained records and accounts adequate to reflect, in accordance with consistently maintained sound accounting practices, the expenditures financed out of the proceeds of the Loan allocated to Category (A) of Section 1, Schedule 2.

(b) The Borrower shall cause the Executing Agency to:

(i) have the records and accounts referred to in subparagraph (a) of this paragraph for each fiscal year audited, in accordance with appropriate auditing principles consistently applied by independent auditors acceptable to the Fund; the Borrower shall cause the Executing Agency to provide information regarding the auditor to the Fund for its concurrence not later than six month after the effectuation of the Loan Agreement;

(ii) furnish to the Fund as soon as possible, but in any case not later than six months after the end of each such year, a certified copy of the report of such audit by said auditors, of such scope and in such detail as the Fund shall have reasonably requested; and

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

(c) For

(c) For all expenditures with respect to disbursements of the proceeds of the loan disbursed under Reimbursement Procedure on the basis of summary sheets, the Borrower shall cause the Executing Agency to:

(i) maintain, in accordance with sub-paragraph (a) of this paragraph, separate records and accounts reflecting such expenditures;

(ii) retain, until at least three years after the Fund has received the audit report for the fiscal year in which the final disbursement was made, records evidencing such expenditures;

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

(iv) ensure that such records and accounts are included in the annual audits referred to in sub-paragraph (b) of this paragraph and that the report of such audit contains a separate opinion by the said auditors as to whether the summary sheets submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related disbursements. Within a six month period subsequent to the reception of the audit report, the Executing Agency should adjust its accounts and follow-up the recommendations of the report, and should report their result to the Borrower and the Fund.

(4) Should the funds available from the proceeds of the Loan be insufficient for the implementation of the Project, the Borrower shall make arrangements promptly to provide such funds as shall be needed.

(5) The Borrower



(5) The Borrower shall cause the Executing Agency to furnish the Fund with progress reports for the Project on a quarterly basis (in March, June, September, and December of each year) until the Project is completed, in such form and in such detail as the Fund may reasonably request.

(6) Promptly, but in any event not later than six (6) months after completion of the Project, the Borrower shall cause the Executing Agency to furnish the Fund with a project completion report in such form and in such detail as the Fund may reasonably request.

(7) The Borrower, through government institutions and non-governmental institutions, shall at all times operate and maintain, or cause to be maintained, any facilities relevant to the Project, and promptly as needed, make or cause to be made all necessary repairs and renewals thereof.

#### Section 5. Subprojects

When the proceeds of the Loan is utilized for a Subproject under the Subproject Agreement to be entered into between the Executing Agency and an executing entity, such Subproject shall be selected in accordance with the Schedule 4 attached hereto.

Section 6.

Section 6. Notices and Requests

The following addresses are specified for the purpose of Section 9.03. of the General Terms and Conditions:

For the Fund

Postal Address:

THE OVERSEAS ECONOMIC COOPERATION FUND  
Takebashi Godo Building, 4-1, Ohtemachi 1-chome  
Chiyoda-ku, Tokyo 100, Japan

Attention: Managing Director, Operations Department III

Cable Address: COOPERATIONFUND

Tokyo

Telex: (1) Call No. J28360

Answer Back Code: COOPFUND J28360

(2) Call No. J28790

Answer Back Code: COOPFUND J28790

For the Borrower

Postal Address:

Ministry of Public Finance  
8A. Av. y 21 Calle, Zona 1  
Guatemala, C.A.

Attention: Minister of Finance

For the Executing Agency

For the Executing Agency

Postal Address:

Fondo de Inversion Social  
11 Calle 1-23, Zona 9  
Guatemala 01009  
Guatemala, C.A.

Attention: Executive President

If the above addresses and/or names are changed, the party concerned shall immediately notify the other parties hereto in writing of the new addresses and/or names.

IN WITNESS

IN WITNESS WHEREOF, the Fund and the Borrower, acting through their duly authorized representatives, have caused the Loan Agreement to be duly executed in their respective names and delivered at the office of THE OVERSEAS ECONOMIC COOPERATION FUND, Chiyoda-ku, Tokyo, Japan, as of the day and year first above written.

For

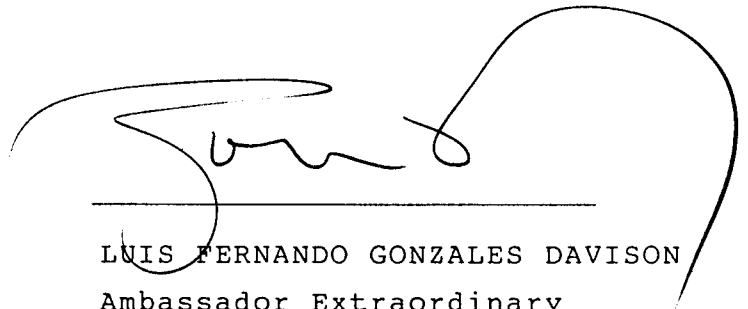
For

THE OVERSEAS ECONOMIC  
COOPERATION FUND

THE REPUBLIC OF GUATEMALA



AKIRA NISHIGAKI  
President,  
Chairman of the Board



LUIS FERNANDO GONZALES DAVISON  
Ambassador Extraordinary  
and Plenipotentiary  
to Japan

## Schedule 1

### Description of Project

#### Section 1. Outline of the Project

(1) Objective

To improve quality of life and socio-economic conditions in sectors with poor and extreme poor situations in the rural area

(2) Location

The whole territory of the Republic of Guatemala

(3) Executing Agency

Social Investment Fund (SIF)

(4) Scope of the Work

I. SIF Subprojects Component

- (a) Social Assistance (including community health, food and nutrition, and basic education)
- (b) Social Infrastructure (including health, water supply, sanitation and education)
- (c) Economic Infrastructure (including roads, bridges, small irrigation and silo)
- (d) Productive Sector

II. SIF Administration Component

- (a) Operation Cost
- (b) Equipment (vehicles, computers, etc.)
- (c) Technical Assistance
- (d) Monitoring and Evaluation

The proceeds of the Loan are available for item I. (c), water supply and sanitation portion of I. (b) and consulting services for management of the Project.

Section 2.

Section 2. Estimated annual fund requirements are as shown below.

Calendar Year	for the Loan (in million Japanese Yen)	for the Project (in thousand US Dollars)
1995	195	30,000
1996	973	30,000
1997	973	30,000
1998	971	30,000
<hr/>		
Total	3,112	120,000

(Exchange Rate: US\$ 1 = ¥98.8)

Disbursement of the proceeds of the Loan shall be made within the limit of the Japanese Government's annual budgetary appropriations for the Fund.

Section 3. The Project is expected to be completed by 1998.

Schedule 2

Allocation of Proceeds of Loan

Section 1. Allocation

Category	Amount of the Loan Allocated (in million Japanese Yen)	% of Expenditure to be Financed
(A) SIF Subproject Component	2,964	90%
(B) Consulting Services	148	100%
<hr/>		
Total	3,112	

Note: Items not eligible for financing are as shown below.

- (a) General administration expenses
- (b) Taxes and duties
- (c) Purchase of land and other real property
- (d) Compensation
- (e) Other indirect items

With regard to disbursement in each Category, the amount disbursed shall be calculated from the eligible expenditure by multiplying with the percentage of the respective Category stipulated in this Section, unless otherwise agreed upon between the Fund and the Borrower.

Section 2.

Section 2. Reallocation upon change in cost estimates

If the estimated cost of items included in any of Categories (A) or (B) shall increase, the amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Loan, will be allocated by the Fund, at the request of the Borrower, to such Category from another category, subject, however, to the requirements, as determined by the Fund, in respect of the cost of items in another category.



Schedule 3

Amortization Schedule

Semi-annual payments should be made in the following manner:

Due Date	Amount (in Japanese Yen)
On December 20, 2005	75,920,000.
On each June 20 and December 20 beginning June 20, 2006 through December 20, 2025	75,902,000.

Schedule 4

Subprojects

1. Subprojects to be financed by the Fund shall be the type of projects listed in Section 1. (4) of Schedule 1 of the Loan Agreement and approved by the Executing Agency.
  
2. Approval of the Subprojects by the Fund
  - (1) For the Subproject the estimated cost of which exceeds 10 million Yen:
    - (i) Promptly after the approval of a Subproject by the Executing Agency, the Executing Agency shall submit an application for the Fund's approval (as per attached form No. SP-1).
  
    - (ii) When presenting a Subproject to the Fund for approval, the Executing Agency shall furnish to the Fund with following documents:
      - a) a description of the executing and sponsoring entities and the beneficiary
      - b) an appraisal report of the Subproject in question, including a description of the expenditures proposed to be financed out of the proceeds of the Loan and the estimated cost thereof
      - c) such other information as the Fund shall reasonably request
  
    - (iii) When the Fund reviewed the application and have no objection to it, the Fund shall inform the Borrower and the Executing Agency accordingly.
  
  - (2) For the Subproject the estimated cost of which does not exceed 10 million Yen:
    - (i) The Borrower shall cause the Executing Agency to submit to the Fund a Summary Sheet of approved Subprojects (as per attached form No. SP-2) monthly.

(ii) The Fund

(ii) The Fund reserves the right to request the Borrower and the Executing Agency to submit documents concerning such Subproject for Fund's reference.

Date:

Ref. No.

THE OVERSEAS ECONOMIC COOPERATION FUND  
Tokyo, Japan

Attention: Managing Director, Operations Department III

Gentlemen:

REQUEST FOR REVIEW OF SUBPROJECT

In accordance with the relevant provisions of the Loan Agreement No. GT-P3, dated December 27, 1995, we hereby submit for your review a description of the subproject attached hereto. The summary of the Subproject is as follows:

1. Number of the Subproject: \_\_\_\_\_
2. Name of the Subproject: \_\_\_\_\_
3. Amount of the Subproject: \_\_\_\_\_
4. Name of the Executing Entity: \_\_\_\_\_

We should be grateful if you would notify us of your concurrence.

Very truly yours,

For: \_\_\_\_\_  
(Name of the Borrower)

By: \_\_\_\_\_  
(Authorized Signature)

Summary Sheet of Approved Subproject

Social Investment Fund Project  
For the month of \_\_\_\_\_, 19\_\_\_\_

Project No.	Name of the Project	Amount	Executing Entity	Description of the Project

The undersigned certifies that subprojects stated above are approved by the SIF.

\_\_\_\_\_  
(Authorized Signature)

Schedule 5

Procurement Procedure

Section 1. Guidelines to be used for procurement under the Loan

(1) (a) Procurement of all goods and services, except consulting services to be financed out of the proceeds of the Loan shall be in accordance with Guidelines for Procurement under OECF Loans dated November, 1987 (hereinafter referred to as "the Procurement Guidelines").

(b) With reference to the Section 1.03. of the Procurement Guidelines, following procedures shall normally be taken:

- (i) With regard to the contract the value of which is estimated to be not less than 50 million Yen, International Competitive Bidding;
- (ii) With regard to the contract the value of which is estimated to be less than 50 million Yen, and not less than 3 million Yen for goods and 5.5 million Yen for civil works, Local Competitive Bidding adopted by IBRD;
- (iii) With regard to the contract the value of which is estimated to be less than 3 million Yen for goods and 5.5 million Yen for civil works, Local or International Shopping adopted by IBRD.
- (iv) With regard to the civil work contract the value of which is estimated to be less than 3 million Yen, Direct Contract on the basis of standard regionalized unit prices agreed between the OECF and the Executing Agency may be adopted alternatively.

(c) If the Borrower

(c) If the Borrower wishes to adopt procurement Procedures other than mentioned in (b) above, the Borrower shall submit to the Fund a Request for Review of Procurement Method(s) (as per Form No. PP-1 attached hereto). The Fund shall inform the Borrower of its concurrence by means of a Notice regarding Procurement Method(s).

(2) Employment of consultants to be financed out of the proceeds of the Loan shall be in accordance with Guidelines for the Employment of Consultants by OECF Borrowers dated November, 1987 (hereinafter referred to as "the Consultant Guidelines"). The Consultant Guidelines shall apply to the selection of Local consultants as well as foreign consultants.

#### Section 2. Eligible Source Countries

The Eligible Source Countries for procurement of all goods and services to be financed out of the proceeds of the Loan are all countries and areas.

#### Section 3. The Fund's review of decisions relating to procurement of goods and services (except consulting services)

In the case of contracts to be financed out of the proceeds of the Loan allocated to the Category (A), as specified in Schedule 2 attached hereto, the following procedures shall, in accordance with Section 4.02. of the General Terms and Conditions, be subject to the Fund's review and concurrence.

(a) With regard to

(a) With regard to any contract the value of which is estimated to be not less than 10 million Yen:

(i) When the prequalified firms have been selected, the Borrower shall submit to the Fund for its review and concurrence a list of those firms and a report on the selection process, with the reasons for the choice made, attaching all relevant documents, together with a Request for Review of Result of Prequalification. The Borrower shall submit to the Fund, for the Fund's reference, such other documents related to the prequalification as the Fund shall reasonably request. When the Fund has no objection to the said documents, the Fund shall inform the Borrower accordingly by means of a Notice regarding Result of Prequalification.

(ii) Before sending a notice of award to the successful bidder, the Borrower shall submit to the Fund, for its review and concurrence, the analysis of bids and proposal for award, together with a Request for Review of Analysis of Bids and Proposal for Award. The Borrower shall submit to the Fund, for the Fund's reference, such other documents related to the award, such as tender documents, as the Fund shall reasonably request. When the Fund has no objection to the said documents, the Fund shall inform the Borrower accordingly by means of a Notice regarding Analysis of Bids and Proposal for Award.

(iii) When, as provided for in Section 5.10. of the Procurement Guidelines, the Borrower wishes to reject all bids or to negotiate with one or two of the lowest bidders with a view to obtaining a satisfactory contract, the Borrower shall inform the Fund of its reasons, requesting prior review and concurrence. When the Fund has no objection, it shall inform the Borrower of its concurrence. In the case of re-bidding, all subsequent procedures shall be substantially in accordance with the subparagraphs (i) through (iii).

(iv) Promptly



(iv) Promptly after executing a contract, the Borrower shall submit to the Fund, for the Fund's review and concurrence, a duly certified copy of the contract, together with a Request for Review of Contract (as per Form No. PP-2 attached hereto ). When the Fund determines the contract to be consistent with the Loan Agreement, the Fund shall inform the Borrower accordingly by means of a Notice regarding Contract.

(v) Any modification or cancellation of a contract reviewed by the fund shall require the prior written concurrence of the Fund thereto, provided, however, that any change which does not constitute an important modification of the contract and which does not affect the contract price shall not require such concurrence of the Fund.

(b) With regard to any contract the value of which is estimated to be less than 10 million Yen:

(i) The Executing Agency shall prepare a standard form for prequalification and tender documents, and a statement of principle and criteria of prequalification and evaluation of bids, and shall submit them to the Fund for its review and concurrence prior to inviting the Suppliers for prequalification and tender. When the Fund has no objection to the said documents, the Fund shall inform the Borrower accordingly.

(ii) The Executing Agency shall submit to the Fund, for the Fund's review, a Summary Sheet of Contract (as per Form No. PP-3 attached hereto) monthly.

(iii) The Fund reserves the right to request the Executing Agency to submit documents concerning such procurement for the Fund's reference.

(c) With regard to

(c) With regard to any contract concluded through Local or International Shopping or Direct Contract method:

(i) The Executing Agency shall submit to the Fund, for the Fund's review, a Summary Sheet of Contract (as per Form No. PP-3 attached hereto) monthly.

(ii) The Fund reserves the right to request the Executing Agency to submit documents concerning such procurement for the Fund's reference.

Section 4. The Fund's review of decisions relating to employment of consultants

(1) With reference to Section 4.02. of the General Terms and Conditions, the following procedures shall be subject to the Fund's review and concurrence.

(a) Before proposals are invited from consultants, the Borrower shall submit to the Fund, for the Funds's review and concurrence, the Terms of Reference, Short List of Consultants and Letter of Invitation, together with a Request for Review of these documents.

When the Fund has no objection to the said documents, the Fund shall inform the Borrower accordingly by means of a Notice regarding the Terms of Reference, Short List of Consultants and Letter of Invitation. Any further modification by the Borrower of the said documents requires the prior concurrence of the Fund.

(b) Before inviting the highest-ranked consultant to enter on contract negotiations, the Borrower shall send to the Fund, for the Fund's review and concurrence, the results of its evaluation of proposals received, together with a Request for Review of Evaluation Report on Consultants' proposals. When the Fund has no objection to the said documents, the Fund shall inform the Borrower accordingly by means of a Notice regarding Evaluation Report on Consultants' Proposals.

(c) When, as provided

(c) When, as provided for in Section 3.07. (2) of the Consultant Guidelines, the Borrower wishes to terminate the contract negotiations with the highest-ranked consultant and invite the second-ranked consultant to enter on negotiations, the Borrower shall, in advance, inform the Fund of this fact, stating its reasons for the Fund's reference.

(d) If the Borrower wishes, as provided for in Section 3.01. (2) of the Consultant Guidelines, to employ a specific consultant, the Borrower shall inform the Fund in writing of its reasons, for the Fund's review and concurrence, together with the Letter of Invitation and Terms of Reference. After obtaining the concurrence of the Fund, the Borrower may send the Letter of Invitation and Terms of Reference to the consultant concerned. If the Borrower finds the proposal of the consultant to be satisfactory, it may then negotiate the conditions (including the financial terms) of the contract.

(e) Promptly after executing a contract, the Borrower shall submit to the Fund, for the Fund's review and concurrence, a duly certified copy of the contract, together with a Request for Review of Contract (as per Form No. PP-4 attached hereto). When the Fund determines the contract to be consistent with the Loan Agreement, the Fund shall inform the Borrower accordingly by means of a Notice regarding Contract.

(f) Any modification or cancellation of a contract reviewed by the Fund shall require the prior written concurrence of the Fund thereto, provided, however, that any change which does not constitute an important modification of the contract and which does not affect the contract price shall not require such concurrence of the Fund.

Date:

Ref. No.

THE OVERSEAS ECONOMIC COOPERATION FUND  
Tokyo, Japan

Attention: Managing Director, Operations Department III

Gentlemen:

REQUEST FOR REVIEW OF PROCUREMENT METHOD(S)

Reference: Loan Agreement No. GT-P3, dated December 27, 1995,  
for the Social Investment Fund Project

In accordance with the relevant provisions of the Loan Agreement under reference, we hereby submit for your review the Procurement Method(s) as per attached sheet.

We should be grateful if you would notify us of your concurrence.

Very truly yours,

For: \_\_\_\_\_  
(Name of the Borrower)

By: \_\_\_\_\_  
(Authorized Signature)



Date:

Ref. No.

THE OVERSEAS ECONOMIC COOPERATION FUND  
Tokyo, Japan

Attention: Managing Director, Operations Department III

Gentlemen:

REQUEST FOR REVIEW OF CONTRACT

In accordance with the relevant provisions of the Loan Agreement No. GT-P3, dated December 27, 1995, we hereby submit for your review a certified copy of the Contract attached hereto. The details of the Contract are as follows:

1. Number and Date of Contract: \_\_\_\_\_
2. Name and Nationality of the Supplier: \_\_\_\_\_
3. Name of the Purchaser: \_\_\_\_\_
4. Contract Price: \_\_\_\_\_
5. Eligible Expenditure: \_\_\_\_\_
6. Amount of Financing Applied for: \_\_\_\_\_  
(representing \_ % of eligible expenditure)
7. Description and Origin of the Goods: \_\_\_\_\_

We should be grateful if you would notify us of your concurrence to the Contract by sending us a Notice regarding Contract.

Very truly yours,

For: \_\_\_\_\_  
(Name of the Borrower)

By: \_\_\_\_\_  
(Authorized Signature)



Date:

Ref. No.

THE OVERSEAS ECONOMIC COOPERATION FUND  
Tokyo, Japan

Attention: Managing Director, Operations Department III

Gentlemen:

REQUEST FOR REVIEW OF CONTRACT

In accordance with the relevant provisions of the Loan Agreement No. GT-P3, dated December 27, 1995, we hereby submit for your review a certified copy of the Contract attached hereto. The details of the Contract are as follows:

1. Number and Date of Contract: \_\_\_\_\_
2. Name and Nationality of the Consultant: \_\_\_\_\_
3. Name of the Purchaser: \_\_\_\_\_
4. Contract Price: \_\_\_\_\_

We should be grateful if you would notify us of your concurrence by sending us a Notice regarding Contract.

Very truly yours,

For: \_\_\_\_\_  
(Name of the Borrower)

By: \_\_\_\_\_  
(Authorized Signature)



## Schedule 6

### Transfer Procedure

Transfer Procedure set forth in two types herein shall be applied for disbursement to be made to the Consultants of the Eligible Source Countries.

The authorized foreign exchange bank in Tokyo wherever mentioned in this Schedule, shall be The Bank of Tokyo, Ltd., Tokyo, Japan (hereinafter referred to as "the Paying Bank").

Type A : In case where the currency used for the actual payment to the Supplier is Japanese Yen or United States Dollars (not Guatemalan Quetzales)

#### 1. Request for Disbursement

(1) When the Borrower receives Claims for Payment from the Consultants through the Executing Agency (as per Form CFP attached hereto), the Borrower shall request the Fund to make disbursement for a sum not exceeding the amount actually claimed by the Consultants by sending to the Fund a Request for Disbursement in accordance with the Form TRF attached hereto. Each request shall be accompanied by the following documents:

- (a) Summary Sheet of Payments as per Form TRF-a attached hereto
- (b) A copy of the Transfer Instructions sent to the Paying Bank, as per Form OECF-TI
- (c) Claims for Payment evidencing the amount to be paid to the Suppliers

(d) The following

(d) The following supporting documents evidencing each payment and its usage;

the claim put in by the consultants indicating, in sufficient details, the services rendered, period covered, and amount payable to them.

(2) The amount stated in the Request for Disbursement shall be either in Japanese Yen or United States Dollars, converted at the T/T buying rate quoted by the Banco de Guatemala (hereinafter referred to as "the Central Bank") on the day immediately preceding the day on which the Request for Disbursement is made.

The amount to be paid in the currency and the exchange rate used for conversion to Japanese Yen or United States Dollars shall be described in the Summary Sheet of Payments as per Form TRF-a.

## 2. Disbursement

(1) When the Fund finds the Request for Disbursement in order and in conformity with the provisions of the Loan Agreement, the Fund, upon receipt of an amount equal to one-tenth percent (0.1%) of the amount to be disbursed as the service charge from the Borrower, shall make disbursement in Japanese Yen. Disbursement will be made within fifteen (15) business days from the date of receipt of the Request by paying into the non-resident Yen Account of the Central Bank, which shall be opened in advance with the Paying Bank, in accordance with the relevant laws and regulations of Japan.

(2) An amount equal to such service charge shall be financed out of the proceeds of the Loan, and the Fund shall immediately pay such amount to itself as the service charge on the date of the disbursement for the Borrower. Such disbursement out of the proceeds of the Loan shall constitute a valid and binding obligation upon the Borrower under the terms and conditions of the Loan Agreement.

(3) In case

(3) In case where the amount stated in the Request for Disbursement is in United States Dollars, the amount of disbursement in Japanese Yen shall be calculated at the T/T selling rate quoted by the Paying Bank two business days before the day when the disbursement is made.

### 3. Payment to the Supplier

Immediately after the proceeds of the Loan disbursed by the Fund has been credited to the Borrower's non-resident Yen account mentioned in 2. above, the Borrower shall cause the Paying Bank to debit the same amount against the above-mentioned account for transfer to the account of the Supplier as specified in the Claims for Payment.

At the same time, the Paying Bank shall inform the Central Bank, the Supplier concerned and the Fund by cable of the above-mentioned transfer.

### 4. Delegation of Authority

(1) The Borrower hereby designates the Central Bank as its agent for the purposes of taking any action or entering into any agreement required or permitted under this Transfer Procedure.

(2) Any action taken or agreement entered into by the Central Bank pursuant to the authority conferred on the Central Bank shall be fully binding on the Borrower and shall have the same force and effect as if taken by the Borrower.

(3) The authority conferred on the Central Bank may be revoked or modified by agreement between the Borrower and the Fund.

### 5. Arrangement

## 5. Arrangement

The Borrower shall cause the Central Bank to make a necessary arrangement with the Paying Bank containing the following in accordance with the authorization conferred on the Central Bank set forth in 4. above:

- (a) The Borrower shall send to the Paying Bank Transfer Instructions (as per Form OECF-TI) accompanied by the copy of Request for Disbursement and Claims for Payment.
- (b) Immediately after the disbursement made by the Fund has been credited to the Borrower's non-resident Yen account mentioned in 2. above, the Paying Bank shall transfer the disbursed amount to the account of the Consultant pursuant to the Transfer Instructions.
- (c) When the Paying Bank has not received the Transfer Instructions from the Borrower by the time the Fund makes the disbursement, the Paying Bank shall transfer the disbursed amount to the account of the Consultant pursuant to the copy of the Transfer Instructions which the Fund has received from the Borrower.

6. The Fund shall not be liable for any loss incurred by the Borrower and/or the Consultant owing to any difference between the exchange rate to be used for conversion from Japanese Yen to the currency used for actual payment to the Consultant at the time of transfer and the exchange rate to be used for conversion from the currency used for actual payment to the Consultant and the Japanese Yen at the time of disbursement.

Type B : In case where the currency used for the actual payment to the Supplier is Guatemalan Quetzales

1. Request

## 1. Request for Disbursement

(1) When the Borrower receives Claims for Payment from the Suppliers through the Executing Agency (as per Form CFP attached hereto), the Borrower shall request the Fund to make disbursement for a sum not exceeding the amount actually claimed by the Supplier by sending to the Fund a Request for Disbursement in accordance with the Form TRF attached hereto. Each request shall be accompanied by the following documents:

- (a) Summary Sheet of Payments as per Form TRF-a attached hereto
- (b) Claims for Payment evidencing the amount to be paid to the suppliers
- (c) The following supporting documents evidencing each payment and its usage:

the claim put in by the consultants indicating, in sufficient details, the services rendered, period covered, and amount payable to them.

(2) The amount stated in the Request for Disbursement shall be either in Japanese Yen or United States Dollars, converted at the T/T buying rate quoted by the Central Bank on the day immediately preceding the day on which the Request for Disbursement is made. The amount to be paid in the currency and the exchange rate used for conversion to Japanese Yen or United States Dollars shall be described in the Summary Sheet of Payments as per Form TRF-a.

## 2. Disbursement

## 2. Disbursement

(1) When the Fund finds the Request for Disbursement in order and in conformity with the provisions of the Loan Agreement, the Fund, upon receipt of an amount equal to one-tenth percent (0.1%) of the amount to be disbursed as the service charge from the Borrower, shall make disbursement in Japanese Yen. Disbursement will be made within fifteen (15) business days from the date of receipt of the Request by paying into the non-resident Yen Account of the Central Bank, which shall be opened in advance with the Paying Bank, in accordance with the relevant laws and regulations of Japan.

(2) An amount equal to such service charge shall be financed out of the proceeds of the Loan, and the Fund shall immediately pay such amount to itself as the service charge on the date of the disbursement for the Borrower. Such disbursement out of the proceeds of the Loan shall constitute a valid and binding obligation upon the Borrower under the terms and conditions of the Loan Agreement.

(3) In case where the amount stated in the Request for Disbursement is in United States Dollars, the amount of disbursement in Japanese Yen shall be calculated at the T/T selling rate quoted by the Paying Bank two business days before the day when the disbursement is made.

## 3. Payment to the Supplier

After receiving cable advice from the Paying Bank, the Central Bank shall immediately credit the quetzal equivalent of the disbursed amount into the account of the Consultant's Bank with the Central Bank. The credited amount shall in turn be credited into the corresponding account of the Consultant by the Consultant's Bank.

## 4. Delegation

#### 4. Delegation of Authority

(1) The Borrower hereby designates the Central Bank as its agent for the purposes of taking any action or entering into any agreement required or permitted under this Transfer Procedure.

(2) Any action taken or agreement entered into by the Central Bank pursuant to the authority conferred on the Central Bank shall be fully binding on the Borrower and shall have the same force and effect as if taken by the Borrower.

(3) The authority conferred on the Central Bank may be revoked or modified by agreement between the Borrower and the Fund.

#### 5. Report

The Borrower shall submit to the Fund a copy of the Credit Memo received by the Consultant from its Bank within thirty (30) days after the date of disbursement made by the Fund.

#### 6. Arrangement

The Borrower shall cause the Central Bank to make the necessary arrangement with the Paying Bank containing the following in accordance with the authorization conferred on the Central Bank set forth in 4. above:

- (a) To open the non-resident Yen Account of the Central Bank on behalf of the Borrower with the Paying Bank
- (b) To let the Paying Bank make cable advice to the Central Bank of the disbursement by the Fund

#### 7. The Fund

7. The Fund shall not be liable for any loss incurred by the Borrower and/or the Supplier owing to any difference between the exchange rate to be used for conversion from Japanese Yen to the currency used for actual payment to the Consultant at the time of transfer and the exchange rate to be used for conversion from the currency used for actual payment to the Consultant and the Japanese Yen at the time of disbursement.



Claims for Payment

Date:

Loan No.: GT-P3

To: (Name and Address of the Executing Agency)

We hereby submit Claims for Payment to you for the progress of the work in the following content.

1. Contract No. and date:
2. Notice regarding Contract No. and date (if any):
3. Description of goods and services accomplished:
4. Claimed amount:
5. Accumulated amount already paid:
6. Total amount (4. + 5.):

Please pay the amount claimed in 4. above into our account (account number) with (name and address of the bank).

-----  
(Name of the Supplier)

By:

-----  
(Signature)

Request for Disbursement

Date:  
Loan No. : GT-P3  
App. Serial No.:

To: THE OVERSEAS ECONOMIC  
COOPERATION FUND  
Tokyo, Japan

Attention: Managing Director, Operations Department III

Gentlemen:

1. Pursuant to the Loan Agreement No. GT-P3, dated December 27, 1995, between THE OVERSEAS ECONOMIC COOPERATION FUND (hereinafter referred to as "the Fund") and the Government of the Republic of the Guatemala, the undersigned hereby requests for disbursement under the said Loan Agreement, of the sum of Japanese Yen/U.S.\$ \_\_\_\_\_ (say \_\_\_\_\_) for the payment of expenditures as described in the Summary Sheet(s) attached hereto.

2. The undersigned has not previously requested for disbursement of any amount from the Loan for the purpose of meeting the expenditures described in the Summary Sheet(s). The undersigned has not obtained nor will obtain funds for such purpose out of the proceeds of any other loan, credit or grant available to the undersigned.

3. The undersigned certifies that:
- a) the expenditures described in the Summary Sheet(s) are made for the purposes specified in the Loan Agreement;
  - b) the goods and services purchased with these expenditures have been procured in accordance with the applicable procurement procedures agreed with the Fund pursuant to the said Loan Agreement and the cost and terms of purchase thereof are reasonable;
  - c) the said goods and services were or will be supplied by the supplier(s) specified in the attached Summary Sheet(s) and were or will be produced in (or, in the case of services, supplied from) the eligible source country(ies) for the Fund's loan.

4. Please disburse the amount herein requested by paying into the non-resident Yen account of Banco de Guatemala with The Bank of Tokyo, Ltd., Tokyo.

5. This request consists of \_\_\_\_\_ page(s) and \_\_\_\_\_ signed and numbered Summary Sheet(s).

Very truly yours,

-----  
(Name of the Borrower)

By:

-----  
(Authorized Signature)

Date:  
Ref.No.  
Unit:

Summary Sheet of Payment

1	2	3	4	5	6	7
OECF Concurrence No.	Description of goods and/or services	Name and address of supplier/ contractor	Contract Amount	Amount to be Paid in Currency of Contract	Accumulated Amount	Remarks
			OECF Concurred Amount	Amount Applied for OECF Financing	Amount to be Paid in Currency to be Received by Supplier	Accumulated Amount of OECF Financing Already Paid

Note: 1. The amount applied for OECF financing is calculated as follows:

- (If any disbursement ratio is used for this calculation, please indicate it specifically.)
- 2. Amount applied for OECF financing = Q \_\_\_\_\_ quetzales equivalent to \_\_\_\_\_ Japanese Yen/U.S. Dollars  
(Exchange Rate: \_\_\_\_\_ quetzales per Japanese Yen/U.S. Dollars)
- 3. Amount applied for OECF financing is equivalent to the claimed amount indicated in the attached copy of the Claims for Payment (Form CFP)
- 4. Exchange Rate of 2 decimal point shall be rounded off. Disregard Japanese Yen below decimal point/U.S.Dollars below cents.
- 5. Column 7 is to indicate whether the payment is an advance payment, or a down payment, of installment (if so, the number of installment) or the final payment in full settlement.

FOR  
THE GOVERNMENT OF  
THE REPUBLIC OF GUATEMALA

By: \_\_\_\_\_  
(Authorized Signature)

Transfer Instructions

Date:

Loan Agreement No.: GT-P3

App. Serial No.:

To: The Bank of Tokyo, Ltd., Tokyo

Pursuant to the Banking Arrangement between The Bank of Tokyo, Ltd., Tokyo, and Banco de Guatemala dated \_\_\_\_\_, we hereby request you to transfer the amount disbursed by the Fund against our Request for Disbursement No. \_\_\_\_\_ dated \_\_\_\_\_ to the account of the relevant Supplier mentioned in the Claims for Payment No. \_\_\_\_\_ dated \_\_\_\_\_ attached to the Request for Disbursement mentioned above.

-----  
(Name and Address of the Borrower)

-----  
(Signature)

encl. Request for Disbursement  
Claims for Payment

Schedule 7

Reimbursement Procedure

REIMBURSEMENT PROCEDURE dated September 1988 shall mutatis mutandis be applied in cases of disbursement for the payments made to the Suppliers of the Eligible Source Countries for the implementation of SIF Subproject Component stipulated in Section 1 of Schedule 2, with the following supplemental stipulations:

1. The authorized foreign exchange bank in Tokyo wherever mentioned in this schedule, including REIMBURSEMENT PROCEDURE, shall be The Bank of Tokyo, Ltd., Tokyo, Japan.
2. The authorized foreign exchange bank in the territories of the Borrower mentioned in REIMBURSEMENT PROCEDURE shall be Banco de Guatemala.
3. The supporting documents evidencing each payment and its usage, as mentioned in 1. (b) of REIMBURSEMENT PROCEDURE, shall be disregarded.
4. The records evidencing expenditures as mentioned in (3)(c) (ii) of Section 4, Article III shall be invoices, bills, receipts and other documents.
5. (1) The Borrower shall pay to the Fund in Japanese Yen an amount equal to one-tenth percent (0.1%) of the amount of the disbursement for the Borrower as the service charge thereof on the date of such disbursement. The Fund's disbursement under this procedure shall be made upon receipt of the service charge from the Borrower.

(2) An amount

(2) An amount equal to such service charge shall be financed out of the proceeds of the Loan, and the Fund shall immediately pay such amount to itself as the service charge on the date of the disbursement for the Borrower. Such disbursement out of the proceeds of the Loan shall constitute a valid and binding obligation upon the Borrower under the terms and conditions of the Loan Agreement.

6. The amount in the Request for Reimbursement shall be expressed in Japanese Yen.

7. Form OECF-SSP attached hereto shall be substituted for Form OECF-SSP attached to the REIMBURSEMENT PROCEDURE.

