

Loan Agreement No. GT-P5

LOAN AGREEMENT

For

ZONAPAZ Road Improvement Project

Between

JAPAN BANK FOR INTERNATIONAL COOPERATION

And

THE REPUBLIC OF GUATEMALA

Dated February 20, 2006

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Loan Agreement No. GT-P5 dated February 20, 2006, between
JAPAN BANK FOR INTERNATIONAL COOPERATION 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 September 28, 2005, concerning a Japanese loan to be extended with
a view to promoting the economic stabilization and the development efforts
of the Republic of Guatemala,

JAPAN BANK FOR INTERNATIONAL COOPERATION
(hereinafter referred to as "the BANK") 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 BANK agrees to lend the Borrower an amount not exceeding
SEVEN THOUSAND THREE HUNDRED FIFTY SEVEN MILLION
Japanese Yen (¥ 7,357,000,000) as principal for the implementation of the
ZONAPAZ Road Improvement Project described in Schedule 1 attached
hereto (hereinafter referred to as "the Project") 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 BANK shall make no further
disbursement.

Section 2. Use

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 country(ies) described in Schedule 4 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 six (6) years after the effective date of the Loan Agreement, and no further disbursement shall be made by the BANK thereafter, unless otherwise agreed upon between the BANK and the Borrower.

Article II

Repayment and Interest

Section 1. Repayment of Principal

The Borrower shall repay the principal of the Loan to the BANK 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 BANK semi-annually at the rate of three-fourths of one percent (0.75%) per annum on the principal disbursed and outstanding.

(2) The Borrower

- (2) The Borrower shall pay to the BANK, (i) prior to the date of the completion of disbursement of the proceeds of the Loan (hereinafter referred to as the "Completion Date"), on March 20 of each year the interest that has accrued up to February 19 of that year from August 20 of the preceding year, and on September 20 of each year the interest that has accrued up to August 19 from February 20 of that year, and, (ii) after the Completion Date, on February 20 of each year the interest that has accrued up to February 19 of that year from August 20 of the preceding year, and on August 20 of each year the interest that has accrued up to August 19 from February 20 of that year.
- (3) Notwithstanding the above sub-section, when the Completion Date is not earlier than three months from March 20 or September 20, the first interest payment after the Completion Date shall be made on March 20 or on September 20, whichever comes first.

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 BANK's General Terms and Conditions for ODA Loans dated October, 1999, with the following supplemental stipulation (hereinafter referred to as "the General Terms and Conditions"):

- (1) With regard to Section 3.07. of the General Terms and Conditions, the Borrower shall have all payment of principal and of interest and other charges on the Loan credited to the "ODA-JBIC" account No. 0207787 with The Bank of Tokyo-Mitsubishi UFJ, Ltd., Head Office, Japan.

(2) Section 9.03.

(2) Section 9.03. of the General Terms and Conditions shall be read as follows:

Any notice or request required to be given or made or which one or both parties have the right to give or make under the Loan Agreement or the Guarantee, if any, shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall have been delivered by hand, received by mail or dispatched by registered airmail to the party to which it is to be given or made at such party's address specified in the Loan Agreement or at such other address as that party shall have designated by notice to the party giving the notice or making the request.

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 4.

Section 3. Disbursement Procedure

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

- (1) Commitment Procedure attached hereto as Schedule 5 shall apply in cases of disbursements of the proceeds of the Loan for the purchase of goods and services from the Supplier(s) of the Eligible Source Country(ies) with respect to the portion of contracts stated in the currency other than that of the Republic of Guatemala.
- (2) Reimbursement Procedure attached hereto as Schedule 6 shall apply in cases of disbursements of the proceeds of the Loan for the payments made to the Supplier(s) of the Eligible Source Country(ies) with respect to the portion of contracts stated in the currency of the Republic of Guatemala.

(3) Notwithstanding

- (3) Notwithstanding the provisions of the paragraph (1) and (2) mentioned above, Transfer Procedure attached hereto as Schedule 7 may apply in cases of disbursements of the proceeds of the Loan for the payments to be made to the Supplier(s) of the Eligible Source Country(ies).

Section 4. Administration of Loan

- (1) The Borrower shall authorize Ministerio de Comunicaciones, Infraestructura y Vivienda and Instituto de Fomento Municipal (hereinafter referred to as "the Executing Agencies") to implement the Project.
- (2) The Borrower shall cause the Executing Agencies to employ consultants for the implementation of the Project.
- (3) 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.
- (4) The Borrower shall cause the Executing Agencies to furnish the BANK 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 BANK may reasonably request.
- (5) Promptly, but in any event not later than six (6) months after completion of the Project, the Borrower shall cause the Executing Agencies to furnish the BANK with a project completion report in such form and in such detail as the BANK may reasonably request.
- (6) The Borrower shall make sure that ex-post procurement audit be carried out by independent auditors to be employed by the BANK in order to ensure fairness and competitiveness of the procurement procedure, in case where the Bank considers such an audit to be necessary.

Section 5. Modification

Section 5. Modification

Any modification of the provisions of the Loan Agreement shall be **agreed** in writing between the BANK and the Borrower.

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 BANK

Postal address:

JAPAN BANK FOR INTERNATIONAL COOPERATION

4-1, Ohtemachi 1-chome

Chiyoda-ku, Tokyo 100-8144, Japan

Attention: Director General, Development Assistance Department IV

For the Borrower

Postal address:

MINISTERIO DE FINANZAS PUBLICAS

8a. Avenida y 21 Calle Zona 1

Centro Civico

Guatemala, Guatemala, C. A.

Attention: Minister

For the Executing Agencies

Postal address:

MINISTERIO DE COMUNICACIONES, INFRAESTRUCTURA Y
VIVIENDA

8a. Avenida y 15 Calle Zona 13

Guatemala, Guatemala, C. A.

Attention: Minister

Postal address:

INSTITUTO DE FOMENTO MUNICIPAL

8a. Calle 1-66, Zona 9,

Guatemala, Guatemala, C. A.

Attention: General Manager

If the above addresses

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

IN WITNESS

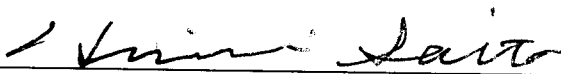
IN WITNESS WHEREOF, the BANK and the Borrower, acting through their duly authorized representatives, have caused the Loan Agreement to be duly executed in their respective names and delivered at Palacio Nacional de la Cultura, Guatemala City, Republic of Guatemala, as of the day and year first above written.

For


For

JAPAN BANK FOR
INTERNATIONAL COOPERATION

THE
REPUBLIC OF GUATEMALA



Hiroshi Saito
Senior Executive Director



Maria Antonieta del Cid de Bonilla
Minister of Public Finance

Schedule 1

Description of Project

Section 1. Outline of the Project

(1) Objective :

The Project is to contribute to build peace and reduce poverty through improving the standard of living of the population and stimulating the regional economy, by means of enhancing RN-7E and related access roads, and rehabilitating rural roads in the ZONAPAZ area, which was greatly affected by the civil war in Guatemala.

(2) Location :

Departments of Alta Verapaz and Izabal

(3) Executing Agencies :

Ministerio de Comunicaciones, Infraestructura y Vivienda for the item (4) (a) i) and (b) mentioned below and, Instituto de Fomento Municipal for the item (4) (a) ii) mentioned below.

(4) Scope of the Work :

(a) Civil Works

i) Improvement of RN-7E and Senahu Access Road

ii) Rehabilitation of Rural Roads

(b) Consulting Services for (a) i) and ii) above

The proceeds of the Loan are available for the above items (a) i) and (b).

Any balance remaining on the aforementioned items and all other items are to be financed by the Borrower.

Section 2. Estimated

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

Calendar Year (January- December)	For the Loan (in million Japanese Yen)	For the Project (in million Japanese Yen)
2005	—	72
2006	94	505
2007	2,802	3,601
2008	1,992	2,563
2009	2,469	3,069
<hr/>		
Total	7,357	9,810

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

Section 3. Completion of the Project

The Project is expected to be completed by December 31, 2009.

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) Civil Works	6,308	99
(B) Consulting Services	894	100
(C) Contingencies	155	—
Total	7,357	

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 BANK and the Borrower.

Section 2. Reallocation

Section 2. Reallocation upon change in cost estimates

- (1) If the estimated cost of items included in any of Categories (A) and (B) shall decrease, the amount then allocated to, and no longer required for, such Category will be reallocated by the BANK to Category (C).

- (2) If the estimated cost of items included in any of Categories (A) and (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 BANK, at the request of the Borrower, to such Category from Category (C), subject, however, to the requirements for contingencies, as determined by the BANK, in respect of the cost of items in the other Categories.

Schedule 3

Amortization Schedule

Repayment of Principal

Due Date	Amount (in Japanese Yen)
On February 20, 2016	120,640,000
On each February 20 and August 20 beginning August 20, 2016 through February 20, 2046	120,606,000

Schedule 4

Procurement Procedure

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

- (1) 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 JBIC ODA Loans dated October, 1999 (hereinafter referred to as "the Procurement Guidelines").
- (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 under JBIC ODA Loans dated October, 1999 (hereinafter referred to as "the Consultant Guidelines").

Section 2. Eligible Source Countries

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

Section 3. The BANK'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 BANK's review and concurrence.

(1) With regard to

- (1) With regard to any contract the value of which is estimated to be less than FIVE HUNDRED MILLION Japanese Yen (¥500,000,000)
 - (a) If the Borrower wishes to adopt procurement procedures other than International Competitive Bidding, the Borrower shall submit to the BANK a Request for Review of Procurement Method(s) (as per Form No. 1 attached hereto). When the BANK has no objection to the said request, the BANK shall inform the Borrower of its concurrence by means of a Notice regarding Procurement Method(s).
 - (b) Promptly after executing a contract, the Borrower shall submit to the BANK, for the BANK's review and concurrence, a duly certified copy of the contract, together with a Request for Review of Contract (as per Form No.2 attached hereto). When the BANK determines the contract to be consistent with the Loan Agreement, the BANK shall inform the Borrower accordingly by means of a Notice regarding Contract.
 - (c) Any modification or cancellation of a contract reviewed by the BANK shall require the prior written concurrence of the BANK 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 BANK.
- (2) With regard to any contract the value of which is estimated to be not less than FIVE HUNDRED MILLION Japanese Yen (¥500,000,000):

In addition to all the procedures stipulated in (1)(a) through (c) above, the following steps shall be taken.

(a) When the prequalified

- (a) When the prequalified firms have been selected, the Borrower shall submit to the BANK 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 (as per Form No.3 attached hereto). The Borrower shall submit to the BANK, for the BANK's reference, such other documents related to the prequalification as the BANK may reasonably request. When the BANK has no objection to the said documents, the BANK shall inform the Borrower accordingly by means of a Notice regarding Result of Prequalification.
- (b) Before sending a notice of award to the successful bidder, the Borrower shall submit to the BANK 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 (as per Form No.4 attached hereto). The Borrower shall submit to the BANK, for the BANK's reference, such other documents related to the award, such as tender documents, as the BANK may reasonably request. When the BANK has no objection to the said documents, the BANK shall inform the Borrower accordingly by means of a Notice regarding Analysis of Bids and Proposal for Award.
- (c) When, as provided for in Section 5.10 of the Procurement Guidelines, the Borrower wishes to reject all bids or to negotiate with the lowest evaluated bidder (or, failing a satisfactory result of such negotiation, with the next-lowest evaluated bidder) with a view to obtaining a satisfactory contract, the Borrower shall inform the BANK of its reasons, requesting prior review and concurrence.

(3) With regard to

- (3) With regard to any contract the value of which is estimated to be not less than ONE BILLION Japanese Yen (¥1,000,000,000):

In addition to all the procedures stipulated in (1)(a) through (c) and (2)(a) through (c) above, the following step shall be taken.

Before advertisement and/or notification of prequalification, the Borrower shall submit to the BANK for its review and concurrence the prequalification evaluation criteria, together with a Request for Review of Prequalification Evaluation Criteria. The BANK reserves the right to request the Borrower to submit documents relevant to prequalification for the BANK's reference. When the BANK has no objection to the said criteria, the BANK shall inform the Borrower accordingly by means of a Notice regarding Prequalification Evaluation Criteria. Any further modification by the Borrower of the said criteria shall require the prior written concurrence of the BANK thereto. When the BANK deems it necessary, the BANK's review and concurrence regarding the prequalification documents shall be required.

- (4) With regard to any contract the value of which is estimated to be not less than THREE BILLION Japanese Yen (¥3,000,000,000):

In addition to all the procedures stipulated in (1)(a) through (c), (2)(a) through (c) and (3) above, the following step shall be taken.

Before inviting bids, the Borrower shall submit to the BANK for its review and concurrence the bid evaluation criteria, together with a Request for Review of Bid Evaluation Criteria. The BANK reserves the right to request the Borrower to submit documents related to the bidding for the BANK's reference. When the BANK has no objection to the said criteria, the BANK shall inform the Borrower accordingly by means of a Notice regarding Bid Evaluation Criteria. Any further modification by the Borrower of the said criteria shall require the prior written concurrence of the BANK thereto. When the BANK deems it necessary, the BANK's review and concurrence regarding the bidding documents shall be required.

Section 4. The

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

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

- (1) Before proposals are invited from consultants, the Borrower shall submit to the BANK, for the BANK'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 BANK has no objection to the said documents, the BANK 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 BANK.
- (2) Before inviting the highest-ranked consultant to enter on contract negotiations, the Borrower shall send to the BANK, for the BANK'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 BANK has no objection to the said documents, the BANK shall inform the Borrower accordingly by means of a Notice regarding Evaluation Report on Consultants' Proposals.
- (3) 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 BANK in writing of its reasons, for the BANK's review and concurrence, together with the Letter of Invitation and Terms of Reference. After obtaining the concurrence of the BANK, 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.

(4) Promptly after

- (4) Promptly after executing a contract, the Borrower shall submit to the BANK, for the BANK's review and concurrence, a duly certified copy of the contract, together with a Request for Review of Contract (as per Form No.5 attached hereto). When the BANK determines the contract to be consistent with the Loan Agreement, the BANK shall inform the Borrower accordingly by means of a Notice regarding Contract.

- (5) Any modification or cancellation of a contract reviewed by the BANK shall require the prior written concurrence of the BANK 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 BANK.

Form No. 1

Date:

Ref. No.

JAPAN BANK FOR INTERNATIONAL COOPERATION
Tokyo, Japan

Attention: Director General, Development Assistance Department IV

Gentlemen:

REQUEST FOR REVIEW OF PROCUREMENT METHOD(S)

Reference: Loan Agreement No. GT-P5, dated February 20, 2006, for
ZONAPAZ Road Improvement 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)

Attached sheet No.

1. Name of the Project
2. Method(s) of Procurement
 Limited International (Local) Bidding
 International (Local) Shopping
 Direct Contracting
 Others ()
3. Reason for Selection of Method(s) of Procurement in detail
(For example: technical considerations, economic factors, experiences and capabilities)
4. Name and Nationality of the Supplier
(in the cases of Limited International (Local) Bidding and Direct Contracting)
5. Estimated Contract Amount
Foreign Currency :
Local Currency :
6. Main Items Covered by the Contract
7. Type of Contract
 Turnkey Contract
 Procurement of Goods/Equipment/Materials
 Civil Works Contract
 Procurement of Services
 Others ()
8. Schedule
 - i) Date of Execution of Contract
 - ii) Shipping Date and/or Date for Commencement of Works/Services
 - iii) Completion Date (for delivery or construction)

Form No. 2

Date:

Ref. No.

JAPAN BANK FOR INTERNATIONAL COOPERATION
Tokyo, Japan

Attention: Director General, Development Assistance Department IV

Gentlemen:

REQUEST FOR REVIEW OF CONTRACT

In accordance with the relevant provisions of the Loan Agreement No. GT-P5 dated February 20, 2006, 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)

SUMMARY SHEET
(Result of Prequalification)

1. Description of Goods and/or Services:
2. Date of P/Q Announcement:
3. Closing Date for P/Q Proposal:
4. Evaluation Criteria:
 - (1)
 - (2)
 - (3)
 - (4)
5. Rating of Each Prospective Bidder:

Name of Bidders	Rating			Result	Remarks
	Criteria(1)	Criteria(2)	Criteria(3)		

SUMMARY SHEET
(Analysis of Bids and Proposal for Award)

1. Description of Goods and/or Services:
2. Date of Bid Announcement:
3. Date of Bid Opening:
4. Evaluation Criteria:
5. Rating of Each Bidder:

Name of Bidders	Bid Price (A)	Evaluated Price (B)	Ranking	Remarks (Explanation on the difference between (A) and (B))

Form No. 5

Date:

Ref. No.

JAPAN BANK FOR INTERNATIONAL COOPERATION
Tokyo, Japan

Attention: Director General, Development Assistance Department IV

Gentlemen:

REQUEST FOR REVIEW OF CONTRACT
(for consulting services)

In accordance with the relevant provisions of the Loan Agreement No. GT-P5 dated February 20, 2006, 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 Employer: _____
4. Contract Price: _____
5. Eligible Expenditure: _____
6. Amount of Financing Applied for: _____
(representing _____% of eligible expenditure)

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 5

Commitment Procedure

Commitment Procedure for ODA Loans dated October, 1999 (hereinafter referred to as "the Commitment Procedure") shall mutatis mutandis be applied for disbursement of the proceeds of the Loan for the purchase of goods and services from the Supplier(s) of the Eligible Source Country(ies) with respect to the portion of contracts stated in the currency other than that of the Republic of Guatemala, with the following supplemental stipulations:

1. With regard to Section 1. (3) of the Commitment Procedure, the Japanese Bank and the Issuing Bank shall be The Bank of Tokyo-Mitsubishi UFJ, Ltd., Japan.
2. (a) The Borrower shall pay to the BANK in Japanese Yen an amount equal to one-tenth percent (0.1%) of the amount of the Letter of Commitment as the service charge thereof on the issuing date of the relative Letter of Commitment. The BANK shall issue to the Japanese Bank the Letter of Commitment upon receipt of the service charge from the Borrower.

(b) An amount equal to such service charge shall be financed out of the proceeds of the Loan, and the BANK shall immediately pay such amount to itself as the service charge on the issuing date of the Letter of Commitment. 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.

Schedule 6

Reimbursement Procedure

Reimbursement Procedure for ODA Loans dated October, 1999 (hereinafter referred to as "the Reimbursement Procedure") shall mutatis mutandis be applied for disbursement of the proceeds of the Loan for the payments made to the Supplier(s) of the Eligible Source Country(ies) with respect to the portion of contracts stated in the currency of the Republic of Guatemala, with the following supplemental stipulations:

1. The designated foreign exchange bank in Tokyo, wherever mentioned in this Schedule, including the Reimbursement Procedure, shall be The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo, Japan.
2. The authorized foreign exchange bank in the territories of the Borrower mentioned in the Reimbursement Procedure shall be the Banco de Guatemala.
3. The supporting documents evidencing each payment and its usage, as mentioned in 2. (b) of the Reimbursement Procedure, shall be as follows:
 - (1) For payments to suppliers against delivery/shipment of goods—
 - (a) Supplier's invoice specifying the goods, with their quantities and prices, which have been or are being supplied/shipped;
 - (b) bill of lading or similar document evidencing shipment/delivery of the goods and/or services listed on the invoice;
 - (c) bill of exchange or similar document evidencing the date and amount of payment made to the supplier; a simple receipt from the supplier showing the date and amount of payment would also suffice.

(2) For payments

(2) For payments to suppliers made prior to delivery/shipment of goods—

bill of exchange or similar document evidencing the date and amount of payment made to the supplier; a simple receipt from the supplier showing the date and amount of payment would also suffice.

(3) For payments for consultants' services —

- (a) the claim put in by the consultants indicating, in sufficient details, the services rendered, period covered, and amount payable to them;
- (b) cancelled bank check, demand draft or similar document evidencing the date and amount of payment made to the consultants; a simple receipt from the consultants showing the date and amount of payment would also suffice.

(4) For payments for other services rendered —

- (a) the bill, claim or invoice specifying the nature of services rendered and amounts charged thereof;
- (b) cancelled bank check, demand draft or similar document evidencing the date and amount of payment made; a simple receipt showing the date and amount of payment would also suffice.

If such services related to importation of goods (e.g. freight, insurance payments), adequate references shall be given to enable the BANK to relate each of these items to the specific goods the cost which has been or is to be financed by the BANK.

(5) For payments

(5) For payments under civil works contracts –

- (a) the claim, bill or invoice of the contractor showing, in sufficient detail, the work performed by the contractor and amount claimed therefore;
 - (b) a certificate to the effect that the work performed by the contractor is satisfactory and in accordance with the terms of the relevant contract; such certificate shall be signed by the chief engineering or project officer of the Executing Agency assigned to the Project.
 - (c) cancelled bank check or similar document evidencing the date and amount of payment made to the contractor; a simple receipt from the contractor showing the date and amount of payment would also suffice.
4. (1) The Borrower shall pay to the BANK 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 BANK's disbursement under this procedure shall be made upon receipt of the service charge from the Borrower.
- (2) An amount equal to such service charge shall be financed out of the proceeds of the Loan, and the BANK shall immediately pay such amount to itself as the service charge on the date of 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.
5. With regard to Section 4. of the Reimbursement Procedure, the amount stated in the Request for Reimbursement shall be in Japanese Yen or U.S. Dollars.
6. Form JBIC-SSP attached hereto shall be substituted for Form JBIC-SSP attached to the Reimbursement Procedure.

Summary Sheet of Payment

Date: _____
Serial No.: _____

1. Transaction	2. Purchaser	3. Supplier	4. * Nationality of Supplier	5. Description of Goods and/or services	6. ** Category	7. Origin	8. Contract Amount and Contract No.	9. Date of Payment	10. *** Amount of Payment	11. Amount Applied for Financing	12. **** Disbursement Ratio	13. JBIC Currency No. for Contract
1												
2												
3												
4												
Total												

The undersigned certifies that the Supplier(s) and goods and/or services stated above are eligible under the Loan Agreement.

- * Note for 4. Nationality of Supplier: Country in which the Supplier is incorporated and registered.
- ** Note for 6. Category: Category described in Section 1. of Schedule 2.
- *** Note for 10. Amount of Payment: If not in Japanese Yen, state both the amount in which the payment was made to the Supplier(s), and its converted amount(s) calculated in accordance with 4. of the Reimbursement Procedure and 5. of Schedule 6 of the Loan Agreement, as well as the conversion rate(s).
- **** Note for 12. Disbursement Ratio: Ratio of Amount Applied for Financing against Amount of Payment in the currency in which the Payment was made to the Supplier(s).

Authorized Signature

Schedule 7

Transfer Procedure

Transfer Procedure set forth herein may be applied for disbursement of the proceeds of the Loan for the payments to be made to the Supplier(s) of the Eligible Source Country(ies) .

The designated foreign exchange bank in Tokyo shall be The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo, Japan (hereinafter referred to as "the Paying Bank").

Immediately after the signing of the Loan Agreement, the Borrower shall designate an agent bank as its agent for the purposes of taking any action or entering into any agreement required or permitted under this Transfer Procedure (hereinafter referred to as "the Agent Bank") and with no delay furnish the BANK a notice regarding the name of the Agent Bank.

1. Request for Disbursement

(1) When the Borrower receives Claims for Payment from the Supplier(s) (as per Form CFP attached hereto), the Borrower shall request the Bank to make disbursement for a sum not exceeding the amount actually claimed by the Supplier(s) by sending to the Bank 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-SSP attached hereto
- (b) A copy of the Transfer Instructions addressed to the Agent Bank, as per Form JBIC-TI attached hereto
- (c) Claims for Payment evidencing the amount to be paid to the Supplier(s)
- (d) The following supporting documents evidencing each payment and its usage:

(i) For payments

- (i) For payments to supplier(s) against delivery/shipment of goods and/or services
 - bill of lading or similar document evidencing shipment/delivery of the goods and/or services listed on the invoice;
 - (ii) For payments for consultants' services
 - claim put in by the consultants indicating, in sufficient details, the services rendered, period covered, and amount payable to them;
 - (iii) For payments under civil works contracts
 - claim, bill or invoice of the contractor showing, in sufficient detail, work performed by the contractor and amount claimed thereof;
 - a certificate to the effect that the work performed by the contractor is satisfactory and in accordance with the terms of the relevant contract; such certificate shall be signed by the chief engineering or project officer of the Borrower assigned to the Project.
- (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 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-SSP together with the evidence of such conversion rate.
- (3) The Borrower shall send to the Agent Bank Transfer Instruction as per Form JBIC-TI accompanied by the copy of Request for Disbursement and Claims for Payment.

2. Disbursement

2. Disbursement

- (1) When the BANK finds the Request for Disbursement in order and in conformity with the provisions of the Loan Agreement, the BANK, 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 Agent 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 BANK 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) If 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(s)

Immediately after the proceeds of the Loan disbursed by the BANK have been credited to the non-resident Yen account of the Agent Bank mentioned in 2. above, the Borrower shall cause the Paying Bank to make cable advice to the Agent Bank.

Upon receiving cable advice from the Paying Bank, the Agent Bank shall immediately transfer the amount actually claimed by the Supplier(s) in the Claims for Payment to the corresponding account of the Supplier(s) in accordance with the Transfer Instruction mentioned above.

4. Delegation of Authority

4. Delegation of Authority

- (1) Any action taken or agreement entered into by the Agent Bank pursuant to the authority conferred on the Agent Bank shall be fully binding on the Borrower and shall have the same force and effect as if taken by the Borrower.
- (2) The authority conferred on the Agent Bank may be revoked or modified by agreement between the BANK and the Borrower.

5. Arrangement

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

- (1) To open the non-resident Yen account of the Agent Bank on behalf of the Borrower with the Paying Bank
- (2) To let the Paying Bank make cable advice to the Agent Bank of the disbursement by the BANK.

6. The BANK shall not be liable for any loss incurred by the Borrower and/or the Supplier(s) 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 Supplier(s) at the time of transfer and the exchange rate to be used for conversion from the currency used for actual payment to the Supplier(s) to the Japanese Yen at the time of disbursement.

Claims for Payment

Date:
Loan No.: GT-P5
Ref. No.

To: (Name and Address of the Borrower)

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

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

Please pay the amount claimed in 4. above into the following account.

Name of the beneficiary: _____

Account Number: _____

Name and address of the bank of the Supplier(s): _____

By: (Name of Supplier)

(Signature)

Certified by: (Name of the Borrower)

(Signature)

Request for Disbursement

Date:
Loan No.: GT-P5
App. Serial No.:

To: JAPAN BANK FOR INTERNATIONAL COOPERATION

Attention: Director General, Development Assistance Department IV

Gentlemen:

1. Pursuant to the Loan Agreement No. GT-P5, dated February 20, 2006, between JAPAN BANK FOR INTERNATIONAL COOPERATION (hereinafter referred to as "the BANK") and THE REPUBLIC OF GUATEMALA, the undersigned hereby requests for disbursement under the said Loan Agreement, of the sum of Japanese Yen/United States Dollars _____ (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 BANK 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 BANK's loan.

4. Please disburse the amount herein requested by paying into the non-resident Yen account of the (name of the Agent Bank) with The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo, Japan.

5. This request consists of ___page(s) and signed and numbered Summary Sheet(s).

Very truly yours,

For: _____
(Name of the Borrower)

By: _____
(Authorized Signature)
(Name and Title of the Authorized Signer)

(Form TRF-SSP)

Date:

Ref.No.

Summary Sheet of Payment

1	2	3	4	5	6	7	8
JBIC Concurrence No. GT-P5/C-	Description of Goods and/or Services and its Origin	Name, Address and Nationality of the Supplier(s)	Contract Amount	Amount to be Paid in Currency of Contract	Accumulated Amount	Description of Goods and/or Services Accomplished	Remarks
			JBIC Concurred Amount	Amount Applied For JBIC Financing (=claimed amount this time)	Amount to be Paid in Currency to be Received by Supplier(s)	Accumulated Amount of JBIC Financing Already Paid	

The undersigned certifies that the Supplier(s) and goods and/or services stated above are eligible under the Loan Agreement.

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

(If any disbursement ratio is used for this calculation, please indicate it specifically.)

2. Amount applied for JBIC financing = _____ equivalent to _____ Japanese Yen/U.S. Dollars (Exchange Rate: _____ per Japanese Yen/U.S. Dollars)

3. Amount applied for JBIC financing is equivalent to the claimed amount indicated in the attached copy of the Claims for Payment (Form CFP)

4. Exchange Rate shall be rounded off to four (4) decimal places. Disregard Japanese Yen below one (1) Yen/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 and corresponding month/period) or the final payment in full settlement and the Category described in Section 1 of Schedule 2.

For: (Borrower's Name)

By: (Authorized Signature)

(Name and Title of the Authorized Signer)

Transfer Instructions

Date:

Loan Agreement No.: GT-P5

App. Serial No.:

To: (Name of the Agent Bank)

Upon receipt of disbursement by JAPAN BANK FOR INTERNATIONAL COOPERATION pursuant to our Request for Disbursement No.____dated ____, we hereby request you to transfer the amount actually claimed by the Supplier(s) into the account of the relevant Supplier(s) with the Supplier(s)'s Bank as specified in the Claim for Payment No.____ dated ____.

(Name and Address of the Borrower)

(Authorized Signature)

(Name and Title of the Authorized Signer)

encl. Request for Disbursement
Claims for Payment