

Loan Agreement No.GT-P6

LOAN AGREEMENT

For

ZONAPAZ Road Improvement Project (II)

Between

JAPAN INTERNATIONAL COOPERATION AGENCY

And

THE REPUBLIC OF GUATEMALA

Dated November 6, 2012

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Loan Agreement No. GT-P6, dated November 6, 2012, between the JAPAN INTERNATIONAL COOPERATION AGENCY and THE REPUBLIC OF GUATEMALA

On the basis of the Exchange of Notes between THE GOVERNMENT OF JAPAN and THE GOVERNMENT OF THE REPUBLIC OF GUATEMALA dated October 22, 2010 concerning a Japanese loan to be extended with a view to promoting the economic stabilization and development efforts of the Republic of Guatemala,

The JAPAN INTERNATIONAL COOPERATION AGENCY (hereinafter referred to as "JICA") 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

JICA agrees to lend the Borrower an amount not exceeding NINE BILLION NINE HUNDRED THIRTY NINE MILLION Japanese Yen (¥9,939,000,000) as principal for the implementation of ZONAPAZ Road Improvement Project (II) 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, JICA shall make no further disbursement.

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 Section 2. of 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 within the period from the effective date of the Loan Agreement to the same day and month seven (7) years after the effective date of the Loan Agreement unless otherwise agreed upon between JICA and the Borrower (hereinafter referred to as the "Disbursement Period"), and no further disbursement shall be made by JICA after the Disbursement Period has expired.
- (3) Notwithstanding the stipulation in sub-section (2) above, if the expiry date of the Disbursement Period is not a banking business day in Japan, the immediately succeeding banking business day in Japan shall be deemed the expiry date of the Disbursement Period.

Article II

Repayment, Interest and Commitment Charge

Section 1. Repayment of Principal

The Borrower shall repay the principal of the Loan to JICA 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 JICA semi-annually at the rate of one and four-tenths percent (1.4%) per annum on the principal corresponding to categories (a) and (b) below disbursed (hereinafter referred to as "Principal (I)") and outstanding:
 - (a) Principal disbursed out of the proceeds of the Loan allocated to Categories (A), (C) and (F) (provided for in Section 1. of Schedule 2 attached hereto);
 - (b) Any principal reallocated from Category (E) (provided for in Section 1. of Schedule 2 attached hereto) and disbursed with respect to (1) (a) above.
- (2) The Borrower shall pay interest to JICA semi-annually at the rate of one-hundredth percent (0.01%) per annum on the principal corresponding to categories (a) and (b) below disbursed (hereinafter referred to as "Principal (II)") and outstanding:
 - (a) Principal disbursed out of the proceeds of the Loan allocated to Categories (B) and (D) (provided for in Section 1. of Schedule 2 attached hereto);
 - (b) Any principal reallocated from Category (E) (provided for in Section 1. of Schedule 2 attached hereto) and disbursed with respect to (2) (a) above.

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

Section 3. Commitment Charge and Method of Payment thereof

- (1) The Borrower shall pay commitment charge (hereinafter referred to as the "Commitment Charge") to JICA semi-annually at the rate of one-tenth percent (0.1%) per annum on the total unused balance of the amount which falls under Categories (A) through (E) as set forth in Schedule 2 based on the calculating method as set forth in Section 1. (4) of Article III for the period from one hundred twenty (120) days after the date of signature of the Loan Agreement to the Completion Date; provided, however, if the Completion Date is not a banking business day in Japan, an immediately succeeding banking business day in Japan shall be deemed the Completion Date.
- (2) The Borrower shall pay to JICA, (i) on December 20 of each year the Commitment Charge that has accrued up to November 19 prior to the Completion Date from May 20 of that year, and on June 20 of each year the Commitment Charge that has accrued up to May 19 of that year from November 20 of the preceding year, and (ii) the last payment of the Commitment Charge, either on November 20 or May 20 immediately following the Completion Date whichever comes first, that has accrued up to the Completion Date from either May 20 or November 20 immediately preceding the Completion date whichever comes last.
- (3) Notwithstanding sub-section (2) above, the last payment of the Commitment Charge shall be made either on December 20 when the Completion Date falls within the period from September 20 to November 19 of that year, or on June 20 when the Completion Date falls within the period from March 20 to May 19 of that year.

- (4) JICA agrees to lend the Borrower the amount equivalent to the amount of the Commitment Charge, as a whole but not a part, to be calculated and referred to in sub-section (1) above as principal out of the proceeds of the Loan except for the amount equivalent to payment of the Commitment Charge due and payable after the Completion Date, unless otherwise agreed upon between JICA and the Borrower.

Section 4. Insufficient Payment

If the amount of any payment made by the Borrower under the Loan Agreement is less than the total amount due and payable, the Borrower agrees that the amount of payment made shall be applied and appropriated in the following order: (i) overdue charge, (ii) the Commitment Charge, (iii) interest and (iv) principal. Notwithstanding the foregoing, JICA may apply and appropriate the amount of payment received to the order decided by itself at its sole discretion.

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 JICA's General Terms and Conditions for Japanese ODA Loans, dated March 2009, (hereinafter referred to as the "General Terms and Conditions"), with the following supplemental stipulations:

- (1) The term "principal" wherever mentioned in the General Terms and Conditions shall be replaced by "Principal (I) and Principal (II)".
- (2) Section 3.02. (2) of the General Terms and Conditions shall be read as follows:
When all disbursements to be made under the Loan Agreement have been completed, :
 - (a) if there has been any reallocation between Categories which caused any changes in the amounts of Principal (I) and Principal (II), the amortization schedule attached to the Loan Agreement shall be recalculated and amended by JICA based on the amounts of Principal (I) and Principal (II) after such reallocation (hereinafter referred to as the "Recalculated Schedule"); and

- (b) if the cumulative total of all disbursements is less than the full amount of the Loan stipulated therein, the difference between the full amount of the Loan and the cumulative total of all disbursements shall be deducted proportionately from all subsequent installments of repayment of principal, as indicated in the amortization schedule attached to the Loan Agreement, or the Recalculated Schedule, if any reallocation as stipulated in paragraph (a) was made, as applicable, excluding any installments of repayment of principal for which JICA has already issued the notice set forth in Section 3.08. (hereinafter referred to as the "Subsequent Installments");
 - (c) provided, however, that all fractions of less than ONE THOUSAND Japanese Yen (¥ 1,000.) of such Subsequent Installments after the calculations in accordance with paragraph(s) (a) and/or (b) above, shall be added to the first installment of the Subsequent Installments.
- (3) Section 3.04. (1) of the General Terms and Conditions shall be read as follows:
Should repayment of principal or payment of interest or any other charges, excluding the Commitment Charge, required under the Loan Agreement be delayed, the interest specified in Section 3.03. of the General Terms and Conditions shall cease to accrue on such overdue amount of principal on and after the due date and an overdue charge calculated at a rate of two percent (2%) per annum over and above the interest rate specified in the Loan Agreement shall be payable on the overdue amount of principal, interest or any other charges, excluding the Commitment Charge, required under the Loan Agreement for a period from the due date to the day immediately preceding day of actual payment thereof, both inclusive.
- (4) Section 3.05. of the General Terms and Conditions shall be read as follows:
Section 3.05. Computation of Interest, Commitment Charge and Overdue Charge
Interest, the Commitment Charge and overdue charge shall accrue on a day to day basis and be computed on the basis of three hundred and sixty-five (365) days and the actual number of days elapsed.
- (5) With regard to Section 3.06. of the General Terms and Conditions, the Borrower shall have all payments of principal and of interest and other charges on the Loan credited to "JICA-Loan" account No. 0207787 with The Bank of Tokyo-Mitsubishi UFJ, Ltd., Head Office, Japan.
- (6) The first paragraph of Section 5.06. (1) of the General Terms and Conditions shall be read as follows:
When (i) the full amount of Categories (A) through (E) as set forth in Section 1. of

Schedule 2 under the Loan Agreement have been disbursed, (ii) the Disbursement Period has expired, or (iii) the Borrower notifies JICA that no further disbursement is required for the Project as set forth in the following paragraph, JICA shall send the Borrower a Notice of Completion of Disbursement (Form No. 3 attached hereto) in duplicate.

- (7) The second paragraph of Section 5.06. (1) of the General Terms and Conditions shall be read as follows:

When the cumulative total of disbursements is less than the total amount of Categories (A) through (E) as set forth in Section 1. of Schedule 2 under the Loan Agreement and no further disbursement is required for the Project, the Borrower shall give a written notice to JICA not less than thirty (30) days prior to the requested date of completion of disbursement.

- (8) The following section shall be added to Article V of the General Terms and Conditions:
Section 5.07. Conditions Precedent for Making Disbursement

JICA is not obligated to make disbursement unless all of the conditions set forth in each of the following items are satisfied at the time of making each disbursement. The satisfaction of such conditions shall be determined by JICA.

- (a) The documents set forth in Sections 5.03. and 5.04. of the General Terms and Conditions satisfy the requirements set forth in such sections (and are satisfactory to JICA).
- (b) No order or notice of provisional attachment, preservative attachment, or attachment (including any such procedure taken outside Japan) has been sent out, with respect to any receivables held by the Borrower against JICA.
- (c) No event that triggers the remedies of JICA set forth in Section 6.01. of the General Terms and Conditions has occurred.
- (d) The Borrower has not breached any provision of the Loan Agreement, and there is no threat that such breach may occur on or after the relevant disbursement.

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:

Transfer Procedure attached hereto as Schedule 5 shall apply for 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 (hereinafter referred to as "the Executing Agency") as the executing agency.
- (2) The Borrower shall cause the Executing Agency 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 Agency to furnish JICA 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 JICA 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 Agency to furnish JICA with a project completion report in such form and in such detail as JICA may reasonably request.

Section 5. Modification

Any modification of the provisions of the Loan Agreement shall be agreed in writing between JICA 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 JICA

Postal address:

JAPAN INTERNATIONAL COOPERATION AGENCY

JICA GUATEMALA OFFICE

18 Calle 5-56, Zona 10, Edificio Unicentro 12 Nivel, Oficina 12-03, Apartado

Postal 269-A, Guatemala, Guatemala

Attention: Chief Representative

For the Borrower

Postal address:

MINISTERIO DE FINANZAS PUBLICAS

8a. Avenida y 21 Calle Zona 1, Centro Civico, Guatemala, Guatemala

Attention: Minister

For the Executing Agency

Postal address:

MINISTERIO DE COMUNICACIONES, INFRAESTRUCTURA Y VIVIENDA

8a. Avenida y 15 Calle Zona 13, Guatemala, Guatemala

Attention: Minister

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.

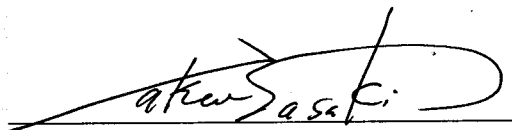
IN WITNESS WHEREOF, JICA and the Borrower, acting through their duly authorized representatives, have caused the Loan Agreement to be duly executed in their respective names and delivered in Guatemala City, Guatemala, as of the day and year first above written.

For

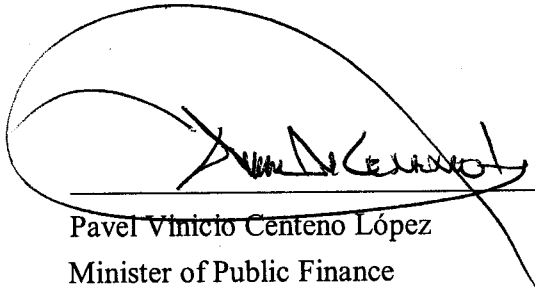
For

JAPAN INTERNATIONAL
COOPERATION AGENCY

THE REPUBLIC OF GUATEMALA



Takeo Sasaki
Chief Representative
JICA Guatemala Office



Pavel Vinicio Centeno López
Minister of Public Finance



Schedule 1

Description of Project

Section 1. Outline of the Project

(1) Objective:

The objective of the Project is to increase the level of the people's life and vitalize the regional economy by upgrading and constructing arterial roads in ZONAPAZ area, thereby contributing to the reduction of income disparity.

(2) Location:

Departments of Quiche and Alta Verapaz

(3) Executing Agency:

Ministerio de Comunicaciones, Infraestructura y Vivienda

(4) Scope of the Work:

- (a) Civil Works
- (b) Consulting Services

The proceeds of the Loan are available for the above items.

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

Section 2. Estimated necessary funds in each category

Category	for the Borrower (in million Japanese Yen)	for the Project* (in million Japanese Yen)
(A) Civil Works	1,291	8,885
(B) Consulting Services	204	1,404
(C) Interest During Construction for Category (A) and (E)	—	332
(D) Interest During Construction for Category (B)	—	1
(E) Contingencies	542	1,302
(F) Commitment Charge	—	52
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Total	2,037	11,976

* Total project amount which includes the amount for the Borrower and for the Loan.

The amount shown in the above table shall not be construed as any commitment nor decision of proceeds of the Loan stipulated in Schedule 2.

Section 3. Disbursement within the limit of the Japanese Government's annual budgetary appropriations for JICA

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

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	7,594	100%
(B) Consulting Services	1,200	100%
(C) Interest During Construction with respect to Categories (A) and (E)	332	—
(D) Interest During Construction with respect to Category (B)	1	—
(E) Contingencies	760	—
(F) Commitment Charge	52	—
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Total	9,939	

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

- (1) With regard to disbursement in any of Categories (A) and (B), the amount to be 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 JICA and the Borrower.
- (2) Categories (C) and (D) indicate the estimated cost of interest on the principal disbursed and outstanding during construction. JICA shall be entitled to disburse as principal out of the proceeds of the Loan and pay to itself, on behalf of the Borrower, the amounts required to meet payments, when due, of interest during the construction period of the Project. 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. The final date of such disbursement as described above shall be determined by JICA.
- (3) Category (F) indicates the estimated cost of the Commitment Charge. JICA shall be entitled to disburse as principal out of the proceeds of the Loan and pay to itself, on behalf of the Borrower, the amounts required to meet payments, when due, of the Commitment Charge. 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.

Section 2. Reallocation upon change in cost estimates

- (1) If the estimated cost of items included in any of Categories (A) through (D) 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 JICA, at the request of the Borrower to such Category from other Categories except Category (F), subject, however, to the requirements for contingencies, as determined by JICA, in respect of the cost of items in the other Categories.
- (2) If the estimated cost of Category (F) shall increase, the amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Loan, may be allocated by JICA at the request of the Borrower not less than thirty (30) days prior to the requested date of such reallocation to Category (F) from other Categories. The amount of Category (F) shall not be reallocated to other Categories.

- (3) If the estimated cost of items included in any of Categories (A) through (E) shall decrease, the amount then allocated to, and no longer required for, such Category may be reallocated by JICA at the request of the Borrower not less than thirty (30) days prior to the requested date of such reallocation to Category (F). The amount of Category (F) shall not be reallocated to other Categories.

Schedule 3

Amortization Schedule

1. Repayment of Principal (I)

Due Date	Amount (in Japanese Yen)
On November 20, 2019	242,000,000
On each May 20 and November 20 beginning May 20, 2020 through November 20, 2037	236,000,000

The loan amount allocated to Category (E) as stipulated in Section 1. of Schedule 2 is tentatively included in the "Principal (I)".

2. Repayment of Principal (II)

Due Date	Amount (in Japanese Yen)
On November 20, 2019	49,000,000
On each May 20 and November 20 beginning May 20, 2020 through November 20, 2037	32,000,000

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 the Guidelines for Procurement under Japanese ODA Loans dated March 2009 (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 the Guidelines for the Employment of Consultants under Japanese ODA Loans dated March 2009 (hereinafter referred to as the "Consultant Guidelines").

Section 2. Eligible Source Country(ies)

The Eligible Source Country(ies) 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. JICA'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 Category (A), as specified in Section 1. of Schedule 2 attached hereto, the following procedures shall, in accordance with Section 4.02. of the General Terms and Conditions, be subject to JICA's review and concurrence.

- (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 JICA a Request for Review of Procurement Method(s) (as per Form No.1 attached hereto). The Borrower shall submit to JICA, for JICA's reference, such other documents related to the procurement methods as JICA may reasonably request. When JICA has no objection, JICA 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 JICA, for JICA'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). The Borrower shall submit to JICA, for JICA's reference, such other documents related to the contract as JICA may reasonably request. When JICA determines the contract to be consistent with the Loan Agreement, JICA shall inform the Borrower accordingly by means of a Notice regarding Contract.
- (c) Any modification or cancellation of a contract reviewed by JICA shall require the prior written concurrence of JICA 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 JICA.

(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 pre-qualified firms have been selected, the Borrower shall submit to JICA, for JICA's 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 Pre-qualification. The Borrower shall submit to JICA, for JICA's reference, such other documents related to the pre-qualification as JICA may reasonably request. When JICA has no objection to the said documents, JICA shall inform the Borrower accordingly by means of a Notice regarding Result of Pre-qualification.
- (b) Before sending a notice of award to the successful bidder, the Borrower shall submit to JICA, for JICA's 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 JICA, for JICA's reference, such other documents related to the award, such as tender

documents, as JICA may reasonably request. When JICA has no objection to the said documents, JICA 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 JICA of its reasons, requesting prior review and concurrence. When JICA 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 sub-paragraphs (a) through (b).
- (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 pre-qualification, the Borrower shall submit to JICA, for JICA's review and concurrence, the pre-qualification evaluation criteria, together with a Request for Review of Pre-qualification Evaluation Criteria. The Borrower shall submit to JICA, for JICA's reference, such other documents related to the pre-qualification as JICA may reasonably request. When JICA has no objection to the said criteria, JICA shall inform the Borrower accordingly by means of a Notice regarding Pre-qualification Evaluation Criteria. Any further modification by the Borrower of the said criteria shall require the prior written concurrence of JICA thereto. When JICA deems it necessary, JICA's review of and concurrence regarding the pre-qualification 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 JICA, for JICA's review and concurrence, the bid evaluation criteria, together with a Request for Review of Bid

Evaluation Criteria. The Borrower shall submit to JICA, for JICA's reference, such other documents related to the tender as JICA may reasonably request. When JICA has no objection to the said criteria, JICA 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 JICA thereto. When JICA deems it necessary, JICA's review of and concurrence regarding the tender documents shall be required.

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

In the case of contracts to be financed out of the proceeds of the Loan allocated to Category (B), as specified in Section 1. of Schedule 2 attached hereto, the following procedures shall, in accordance with Section 4.02. of the General Terms and Conditions, be subject to JICA's review and concurrence.

- (1) Before proposals are invited from consultants, the Borrower shall submit to JICA, for JICA's review and concurrence, a Short List of Consultants and the Request for Proposals, together with a Request for Review of these documents. The Borrower shall submit to JICA, for JICA's reference, such other documents as JICA may reasonably request. When JICA has no objection to the said documents, JICA shall inform the Borrower accordingly by means of a Notice regarding the Short List of Consultants and the Request for Proposals. Any further modification by the Borrower of the said documents shall require the prior concurrence of JICA.
- (2) When Quality- and Cost- Based Selection (QCBS), as provided for in Section 3.02 of the Consultant Guidelines, is adopted, the Borrower shall, before opening financial proposals, submit to JICA, for JICA's review and concurrence, the Borrower's analysis of technical proposals, together with a Request for Review of Evaluation of Technical Proposals. The Borrower shall submit to JICA, for JICA's reference, such other documents as JICA may reasonably request. When JICA has no objection, JICA shall inform the Borrower accordingly by means of a Notice Regarding Evaluation of Technical Proposals.
- (3) Before initiating contract negotiations with the highest-ranked consultant, the Borrower shall submit to JICA, for JICA's review and concurrence, the results of the Borrower's evaluation of proposals, together with a Request for Review of Evaluation Report on Consultants' Proposals. The Borrower shall submit to JICA, for JICA's reference, such other documents as JICA may reasonably request. When JICA has no objection to the said documents, JICA shall inform the Borrower accordingly by means of a Notice

Regarding Evaluation Report on Consultants' Proposals.

- (4) If the Borrower wishes, as provided for in Section 3.02 (4) of the Consultant Guidelines, to use single-source selection, the Borrower shall inform JICA in writing of its reasons, for JICA's review and concurrence, together with the Letter of Invitation and the Terms of Reference. After obtaining the concurrence of JICA, the Borrower may send the Letter of Invitation and the 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.
- (5) Promptly after executing a contract, the Borrower shall submit to JICA, for JICA's review and concurrence, a duly certified copy of the contract, together with a Request for Review of Contract (as per Form No.3 attached hereto). The Borrower shall submit to JICA, for JICA's reference, such other documents as JICA may reasonably request. When JICA determines the contract to be consistent with the Loan Agreement, JICA shall inform the Borrower accordingly by means of a Notice regarding Contract.
- (6) Any modification or cancellation of a contract reviewed by JICA shall require the prior written concurrence of JICA 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 JICA.

Date:

Ref. No.

JAPAN INTERNATIONAL COOPERATION AGENCY
JICA GUATEMALA OFFICE

Attention: Chief Representative

Ladies and Gentlemen:

REQUEST FOR REVIEW OF PROCUREMENT METHOD(S)

Reference: Loan Agreement No.____, dated _____, for _____ 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.

JAPAN INTERNATIONAL COOPERATION AGENCY
JICA GUATEMALA OFFICE

Attention: Chief Representative

Ladies and Gentlemen:

REQUEST FOR REVIEW OF CONTRACT

Reference: Loan Agreement No. ____, dated ____, for _____ Project

In accordance with the relevant provisions of the Loan Agreement under reference, 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. Address of the Supplier: _____
4. Name of the Purchaser: _____
5. Contract Price: _____
6. Eligible Expenditure: _____
7. Amount of Financing Applied for: _____
(representing ___ % of eligible expenditure)
8. Description and Origin of the Goods: _____
9. (In case the Supplier is a joint venture) Name, Nationality and Address of each company of the Joint Venture:
(A company): _____
(B company): _____

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.

JAPAN INTERNATIONAL COOPERATION AGENCY
JICA GUATEMALA OFFICE
Attention: Chief Representative

Ladies and Gentlemen:

REQUEST FOR REVIEW OF CONTRACT (for consulting services)

Reference: Loan Agreement No. ____, dated ____, for _____ Project

In accordance with the relevant provisions of the Loan Agreement under reference, 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. Address of the Consultant: _____
4. Name of the Employer: _____
5. Contract Price: _____
6. Eligible Expenditure: _____
7. Amount of Financing Applied for: _____
(representing ____% of eligible expenditure)
8. (In case the Consultant is a Joint Venture) Name, Nationality and Address of each company of the Joint Venture:
(A company): _____
(B company): _____

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)

Schedule 5

Transfer Procedure

Transfer Procedure set forth in two types herein shall 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 wherever mentioned in this Schedule, shall be The Bank of Tokyo-Mitsubishi UFJ, Ltd., Tokyo, Japan (hereinafter referred to as the "Paying Bank").

The designated foreign exchange bank in the territories of the Borrower mentioned in this Schedule shall be the Bank of Guatemala (hereinafter referred to as the "Agent Bank").

1. Request for Disbursement

(1) The Borrower through the Executing Agency shall request JICA to make disbursement for a sum not exceeding the amount actually claimed by the Supplier(s) by sending to JICA a Request for Disbursement in accordance with Form JICA-TRF attached hereto, when the Borrower through the Executing Agency receives Claims for Payment from the Supplier(s) (as per Form JICA-CFP-L attached hereto when the claimed amount is stated in the currency of the Republic of Guatemala, whereas the bank account of the Supplier(s) shall be within the territories of the Republic of Guatemala; and, as per Form JICA-CFP-F attached hereto when the claimed amount is stated in the currency other than that of the Republic of Guatemala, whereas the bank account of the Supplier(s) shall be outside the territories of the Republic of Guatemala). Each request in accordance with Form JICA-TRF shall be accompanied by the following documents:

- (a) Summary Sheet of Payments as per Form JICA-SSP attached hereto
- (b) A copy of Transfer Instructions addressed to the Agent Bank, as per Form JICA-TI attached hereto
- (c) Claims for Payment as per Form JICA-CFP-L and JICA-CFP-F, evidencing the amount to be paid to the Supplier(s)
- (d) The following supporting documents evidencing each payment and its usage;
 - (i) For payments to the supplier(s) against shipment/delivery of goods and/or

services -

supplier's/suppliers' invoice specifying the goods, with their quantities and prices, which have been or are being supplied/shipped;

bill of lading or similar document evidencing shipment/delivery of the goods listed on the invoice;

(ii) For payments for consulting services -

the claim put in by the consultant(s) indicating, in sufficient details, the services rendered, period covered, and amount payable to them;

(iii) For payments under civil works contracts -

the claim, bill or invoice of the contractor(s) showing, in sufficient details, the work performed by the contractor(s) and amount claimed therefor;

a certificate to the effect that the work performed by the contractor(s) is satisfactory and in accordance with the terms of the relevant contract; such certificate shall be signed by the chief engineer or project officer of the Executing Agency 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 Agent Bank on the day immediately proceeding 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 JICA-SSP together with the evidence of such conversion rate.

(3) The Borrower through the Executing Agency shall submit to the Agent Bank Transfer Instruction as per Form JICA-TI accompanied by the copy of Request for Disbursement and Claims for Payment.

2. Disbursement

(1) When JICA finds the Request for Disbursement in order and in conformity with the provisions of the Loan Agreement, JICA shall make disbursement in Japanese Yen. Disbursement will be made within fifteen (15) business days from the date of receipt of the Request for Disbursement 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) 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(s)

- (1) Immediately after the proceeds of the Loan disbursed by JICA has been credited to the non-resident Yen account of the Agent Bank mentioned in paragraph 2. above, the Borrower through the Executing Agency shall cause the Paying Bank to transfer the same amount to the account of the Borrower with the Agent Bank under a cable advice to the Agent Bank.
- (2) Upon receiving cable advice from the Paying Bank, the Borrower through the Executing Agency shall cause the Agent Bank to immediately credit the amount actually claimed by the Supplier(s) in the Claims for Payment to the corresponding account of the Supplier(s) through the corresponding account of Ministerio de Finanzas Publicas and subsequently through the corresponding account of Ministerio de Comunicaciones, Infraestructura y Vivienda with the Agent Bank as specified in the Claims for Payment in accordance with the Transfer Instruction mentioned above.
- (3) Notwithstanding the stipulation in the above sub-paragraph (2), upon receiving cable advice from the Paying Bank, the Borrower through the Executing Agency shall cause the Agent Bank to immediately credit the amount actually claimed by the Supplier(s) in the Claims for Payment to the corresponding account of the Supplier(s) through the corresponding account of Ministerio de Finanzas Publicas and subsequently through that of Ministerio de Comunicaciones, Infraestructura y Vivienda as specified in the Claims for Payment in accordance with the Transfer Instruction mentioned above, when the claimed amount is stated in the currency of the Republic of Guatemala, whereas the bank account of the Supplier(s) shall be within the territories of the Republic of Guatemala.

4. Delegation of Authority

- (1) The Borrower through the Executing Agency hereby designates the Agent 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 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 such action was taken or such agreement was entered into by

the Borrower through the Executing Agency.

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

5. Arrangement

- (1) The Borrower through the Executing Agency shall cause the Agent Bank to make the necessary arrangement with the Paying Bank containing the following in accordance with the authorization conferred on the Agent Bank set forth in paragraph 4. above:
 - (a) To open the non-resident Yen account of the Agent Bank on behalf of the Borrower through the Executing Agency with the Paying Bank.
 - (b) To let the Paying Bank make cable advice to the Agent Bank of the disbursement by JICA.
- (2) The Borrower through the Executing Agency shall make a necessary arrangement with the Agent Bank containing the following in accordance with the authorization conferred on the Agent Bank set forth in paragraph 4. above.

After receiving cable advice from the Paying Bank, the Agent Bank shall immediately credit the amount in the currency actually claimed by the Supplier(s) to the corresponding account(s) of Supplier(s) pursuant to the Transfer Instruction issued by the Borrower through the Executing Agency, through the corresponding account of the Ministerio de Finanzas Publicas as specified in the Claims for Payment, when the claimed amount is stated in the currency other than that of the Republic of Guatemala, whereas the bank account of the Supplier(s) shall be outside the territories of the Republic of Guatemala; or, through the corresponding account of Ministerio de Finanzas Publicas and subsequently through that of Ministerio de Comunicaciones, Infraestructura y Vivienda as specified in the Claims for Payment, when the claimed amount is stated in the currency of the Republic of Guatemala, whereas the bank account of the Supplier(s) shall be within the territories of the Republic of Guatemala.

6. JICA shall not be liable for any loss incurred by the Borrower, the Executing Agency and/or the Supplier(s) at the time of exchange owing to any difference between payment claims from the Supplier(s) to the Borrower through the Executing Agency and the actual payments to the Supplier(s).

Request for Disbursement

Date: _____

Loan Agreement No.: _____

App. Serial No.: _____

To: JAPAN INTERNATIONAL COOPERATION AGENCY
JICA GUATEMALA OFFICE

Attention: Chief Representative

Ladies and Gentlemen:

1. Pursuant to the Loan Agreement No. ____, dated ____, for ____ Project between the JAPAN INTERNATIONAL COOPERATION AGENCY (hereinafter referred to as "JICA") and THE REPUBLIC OF GUATEMALA, the undersigned hereby requests for disbursement under the said Loan Agreement, of the sum of _____ (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 JICA 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 applicable eligible country(ies) for Japanese ODA Loans.
4. Please disburse the amount herein requested by paying into the non-resident Yen account of the Bank of Guatemala 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)

Date:
Serial No.:Summary Sheet of Payment

1	2	3	4	5	6	7	8
JICA Concurrence No. /C-_____	Description of goods and/or services	Name and Address of the Supplier(s)	Category	Contract Amount	Amount to be Paid in Currency of Contract	Accumulated Amount	Remarks
				JICA Concurred Amount	Amount Applied for JICA Financing (=claimed amount this time)	Amount to be Paid in Currency to be Received by Supplier(s)	Accumulated Amount of JICA Financing Already Paid

Notes : 1. The amount applied for JICA financing is calculated as follows : _____

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

2. Amount applied for JICA financing = ____ Guatemalan Quetzal equivalent to ____ Japanese Yen (Exchange Rate: _____ Guatemalan Quetzal per Japanese Yen)
3. Amount applied for JICA financing is equivalent to the claimed amount indicated in the attached copy of the Claims for Payment. (Form JICA-CFP-L or JICA-CFP-F)
4. Exchange Rate shall be rounded off to four (4) decimal places. Disregard Japanese Yen below decimal point.
5. Column 8 is to indicate whether the payment is an advance payment, or a down payment, or installment (if so, the number of installment and corresponding month/period) or the final payment in full settlement.

For: (the Name of the Borrower)

By: _____
(Authorized Signature)

Transfer Instruction

Date: _____

Loan Agreement No.: _____

App. Serial No.: _____

To: The Bank of Guatemala

Upon receipt of cable advice from the Paying Bank, the Bank of Guatemala shall immediately credit the amount in (currency unit) actually claimed by the Contractor to the corresponding account of the Supplier through the account of Ministerio de Finanzas Publicas, and that of Ministerio de Comunicaciones, Infraestructura y Vivienda in case of Currency of the Republic of Guatemala in accordance with the Claims for Payment No. dated _____.

For:

(Name and Address of the Borrower)

By:

(Authorized Signature)

encl. Request for Disbursement
Claims for Payment

Claims for Payment
(in Local Currency)

Date: _____
Loan Agreement No.: _____
App. Serial No.: _____

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. Name of Beneficiary:
2. Contract No. and date:
3. Notice regarding Contract No. and date (if any):
4. Description of goods and/or services accomplished:
5. Claimed amount for JICA financing:
6. Accumulated amount already paid:
7. Total amount (5. + 6.):

Please pay the amount claimed in 5. above into the following account through the account of Ministerio de Finanzas Publicas and subsequently that of Ministerio de Comunicaciones, Infraestructura y Vivienda.

Account number:
Account holder's name:
Name of the bank of the Supplier(s):
Address or branch name of the bank of the Supplier(s):

Account of Ministerio de Finanzas Publicas:
Account number:
Account holder's name:
Name of the bank: the Bank of Guatemala
Address or branch name of the bank:

Account of Ministerio de Comunicaciones, Infraestructura y Vivienda:
Account number:
Account holder's name:
Name of the bank: the Bank of Guatemala
Address or branch name of the bank:

For:

(Name of the Supplier(s))

By:

(Authorized Signature)

Claims for Payment
(in Foreign Currency)

Date: _____
Loan Agreement No.: _____
App. Serial No.: _____

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. Name of Beneficiary:
2. Contract No. and date:
3. Notice regarding Contract No. and date (if any):
4. Description of goods and/or services accomplished:
5. Claimed amount for JICA financing:
6. Accumulated amount already paid:
7. Total amount (5. + 6.):

Please pay the amount claimed in 5. above into the following account through the account of the Ministerio de Finanzas Publicas with the Bank of Guatemala, (Address or branch name of the bank of the Borrower), whose account number is _____.

Account number:
Account holder's name:
Name of the bank of the Supplier(s):
Address or branch name of the bank of the Supplier(s):

Account of Ministerio de Finanzas Publicas:
Account number:
Account holder's name:
Name of the bank: the Bank of Guatemala
Address or branch name of the bank:

For:

(Name of the Supplier(s))

By:

(Authorized Signature)