



The Opec Fund for International Development

LOAN NO. 532P

ZACAPA - CHIQUIMULA  
SMALLHOLDERS RURAL  
DEVELOPMENT PROJECT

LOAN AGREEMENT

BETWEEN

THE REPUBLIC OF  
GUATEMALA

AND

THE OPEC FUND FOR  
INTERNATIONAL DEVELOPMENT

DATED

JUNE 6, 1991

# The Opec Fund for International Development

AGREEMENT, dated June 6, 1991, between the Republic of Guatemala (hereinafter called the Borrower) and the OPEC Fund for International Development (hereinafter called the Fund).

Whereas OPEC Member Countries, being conscious of the need for solidarity among all developing countries and aware of the importance of financial cooperation between them and other developing countries, have established the Fund to provide financial support to the latter countries on concessional terms, in addition to the existing bilateral and multilateral channels through which OPEC Member Countries extend financial assistance to other developing countries;

Whereas the Borrower has requested assistance from the Fund in the financing of the Project described in Schedule 1 to this Agreement;

Whereas the Borrower has also inter alia requested the International Fund for Agricultural Development (IFAD) to assist in the financing of the Project by extending a loan thereto for which the loan agreement has been signed or is to be signed;

Whereas the Governing Board of the Fund has approved the extension of a loan to the Borrower in the amount of Two Million Two Hundred and Eighty-Seven Thousand US Dollars (US\$ 2,287,000) upon the terms and conditions set forth hereinafter;

Now, therefore, the parties hereto hereby agree as follows:

## Article 1

### DEFINITIONS

1.01 Wherever used in this Agreement, unless the context otherwise requires, the following terms shall have the following meanings:

# The Opec Fund for International Development

- a) "Fund" means the OPEC Fund for International Development established by the States Members of the Organization of the Petroleum Exporting Countries (OPEC) by virtue of the Agreement signed in Paris on January 28, 1976, as amended.
- b) "Fund Management" means the Director-General of the Fund or his authorized representative.
- c) "Loan" means the loan provided by virtue of this Agreement.
- d) "Dollars" and the sign "\$" mean the currency of the United States of America.
- e) "Project" means the project or program for which the Loan is granted as described in Schedule 1 to this Agreement and as the description thereof may be amended from time to time by agreement between the Borrower and the Fund Management.
- f) "Goods" means equipment, supplies and services required for the Project. Reference to the cost of goods shall be deemed to include also the cost of importing such goods in the territories of the Borrower.
- g) "Closing Date" means the date specified under or pursuant to Section 2.11 of this Agreement.
- h) "Effective Date" means the date on which this Agreement shall come into force and effect.

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## Article 2

### THE LOAN

2.01 A Loan in the amount of Two Million Two Hundred and Eighty-Seven Thousand Dollars (\$ 2,287,000) is hereby extended by the Fund to the Borrower on the terms and conditions set forth in this Agreement.

## The Opec Fund for International Development

2.02 The Borrower shall pay interest at the rate of four and a half per cent (4.5 %) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

2.03 The Borrower shall pay from time to time a service charge at the rate of one per cent (1%) per annum on the principal amount of the Loan withdrawn and outstanding, to meet the expenses of administering the Loan.

2.04 Interest and service charges shall be paid in Dollars semi-annually on January 15 and July 15 in each year into an account of the Fund designated for this purpose by the Fund Management.

2.05 After this Agreement has been declared effective pursuant to Section 7.01, and unless the Borrower and the Fund shall otherwise agree, the proceeds of the Loan may be withdrawn from time to time to meet expenditures made after March 19, 1990 or to be made on later dates in respect of the reasonable cost of goods required for the Project which are to be financed out of the Loan proceeds as outlined in Schedule 2 to this Agreement and in the amendments of such a Schedule duly approved by the Fund Management.

2.06 Except as the Fund Management shall otherwise agree, withdrawals from the Loan may be made in the currencies in which the expenditures referred to in Section 2.05 have been paid or are payable. In case payment shall be requested in a currency other than Dollars, such payment shall be effected on the basis of the actual Dollar cost incurred by the Fund in meeting the request. The Fund Management shall act in the purchase of currencies as the Borrower's agent. Withdrawals in respect of expenditures in the currency of the Borrower, if any, shall be made in Dollars according to the official rate of exchange at the time of withdrawal, and in the absence of such a rate, according to a reasonable rate as the Fund Management shall, from time to time, decide upon.

2.07 Applications for withdrawal shall be submitted to the Fund Management by the representative of the Borrower designated in, or in accordance with, Section 8.02. Each application

## The Opec Fund for International Development

submitted to the Fund Management shall be accompanied with such documents and other evidence sufficient in form and substance to satisfy the Fund Management that the Borrower is entitled to withdraw from the Loan the amount applied for and that the amount to be withdrawn will be used exclusively for the purposes specified in this Agreement.

2.08 Upon the Borrower's request and on such terms and conditions as shall be agreed upon by the Borrower and the Fund Management, the Fund Management may issue guarantees to commercial banks for letters of credit requested by the Borrower in favour of the Project's contractors, or to enter into other qualified or special commitments with third parties to pay amounts in respect of expenditures to be financed under the Loan. Under a qualified commitment, the obligation of the Fund to pay shall cease immediately upon any subsequent suspension or cancellation of the Loan. Under a special commitment, the obligation of the Fund shall not be affected by any subsequent suspension or cancellation. In case of issuance of a special commitment, the Borrower shall pay a commitment charge at the rate of one half of one per cent ( $\frac{1}{2}$  of 1%) per annum, payable in Dollars, from time to time on the principal amount of the special commitment entered into and outstanding.

2.09 The Borrower shall repay the principal of the Loan in Dollars, or in any other freely convertible currency acceptable to the Fund Management in an amount equivalent to the Dollar amount due, according to the market exchange rate prevailing at the time and place of repayment. Repayment shall be effected in twenty-four semi-annual instalments commencing on July 15, 1996 after a grace period running up to that date, and thereafter in accordance with the Amortization Schedule annexed to this Agreement. Each instalment shall be in the amount of Ninety-Five Thousand Two Hundred and Ninety Dollars (\$ 95,290) except for the last and twenty-fourth instalment which shall be in the amount of Ninety-Five Thousand Three Hundred and Thirty Dollars (\$ 95,330). All such instalments shall be transferred on the date of repayment to the Fund's Account as requested by the Fund Management.

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2.10 (a) The Borrower undertakes to ensure that no other external debt shall have priority over this Loan in the allocation, realization or distribution of foreign exchange held under the control or for the benefit of the Borrower. To that end, if any lien shall be created on any public assets (as defined in Section 2.10(c)), as security for any external debt, which will or might result in a priority for the benefit of the creditor of the external debt in the allocation, realization or distribution of foreign exchange, the lien shall, ipso facto and at no cost to the Fund, equally and ratably secure the principal of, and the charges on, the Loan, and the Borrower, in creating or permitting the creation of such lien, shall make express provision to that effect; provided, however, that, if for any constitutional or other legal reason that provision cannot be made with respect to any lien created on assets of any of its political or administrative subdivisions, the Borrower shall promptly and at no cost to the Fund secure the principal of, and the charges on, the Loan by an equivalent lien on other public assets satisfactory to the Fund.

(b) The foregoing undertaking shall not apply to:

- (i) any lien created on property, at the time of purchase thereof, solely as security for payment of the purchase price of that property; and
- (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

(c) As used in this Section, the term "public assets" means assets of the Borrower, of any political or administrative subdivision thereof or of any entity owned or controlled by, or operating for the account or benefit of, the Borrower or any such subdivision, including gold and other foreign exchange assets held by any institution performing the functions of a central bank or exchange stabilization fund, or similar functions, for the Borrower.

2.11 The Borrower's right to make withdrawals from the loan proceeds shall terminate on December 31, 1995 or such

# The Opec Fund for International Development

later date as shall be established by the Fund Management. The Fund Management shall promptly inform the Borrower of such later date.

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## Article 3

### EXECUTION OF THE PROJECT; PROCUREMENT

3.01 The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound administrative, financial and engineering practices, and shall provide, promptly as needed, the funds, facilities, services and other resources, in addition to the proceeds of the Loan, required for the purpose.

3.02 The Borrower shall ensure that the activities of its departments and agencies with respect to the carrying out of the Project are conducted and coordinated in accordance with sound administrative policies and procedures.

3.03 (a) The Borrower undertakes to insure, or make adequate provision for the insurance of, the imported goods to be financed out of the Loan against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

(b) Except as the Fund shall otherwise agree, all the goods and services financed out of the proceeds of the Loan shall be used exclusively for the Project.

3.04 (a) The Borrower shall furnish to the Fund Management, promptly upon their preparation, the plans, specifications, contract documents and construction and procurement schedules for the Project and any material modifications thereof or additions thereto, in such detail as the Fund Management shall

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reasonably request.

(b) The Borrower: (i) shall maintain records and procedures adequate to record and monitor the progress of the Project (including its cost and the benefits to be derived from it), to identify the goods and services financed out of the proceeds of the Loan, and to disclose their use in the Project; (ii) shall enable the Fund Management's representatives to visit the facilities and construction sites included in the Project and to examine the goods and works financed out of the proceeds of the Loan and any relevant records and documents; and (iii) shall furnish to the Fund Management at regular intervals all such information as the Fund Management shall reasonably request concerning the Project, its cost and, where appropriate, the benefits to be derived from it, the expenditure of the proceeds of the Loan and the goods, works and services financed out of such proceeds.

(c) Promptly after completion of the Project, but in any event not later than six months after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Fund Management, the Borrower shall prepare and furnish to the Fund Management a report, of such scope and in such detail as the Fund Management shall reasonably request, on the execution and initial operation of the Project, its cost and the benefits derived and to be derived from it, the performance by the Borrower and the Fund of their respective obligations under this Agreement and the accomplishment of the purposes of the Loan.

3.05 The Borrower shall maintain or cause to be maintained records adequate to reflect in accordance with consistently maintained appropriate accounting practices, the operations, resources and expenditures, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out of the Project or any part thereof and shall make such records available to the Fund Management upon request.

3.06 (a) The Borrower and the Fund shall cooperate fully to ensure that the purposes of the Loan will be accomplished.



# The Opec Fund for International Development

(b) The Borrower shall promptly inform the Fund Management of any condition which interferes with, or threatens to interfere with, the progress of the Project, the performance of its obligations under this Agreement, or the accomplishment of the purposes of the Loan.

(c) The Borrower and the Fund shall from time to time, at the request of either party, exchange views through their representatives with regard to any matters relating to the Project and the Loan.

\* \* \*

## Article 4 EXEMPTIONS

4.01 This Agreement and any supplementary agreement between the Parties to it shall be free from any taxes, levies or duties levied by, or in the territory of, the Borrower on or in connection with the execution, delivery or registration thereof.

4.02 The principal of, the interest and the service charges on, the Loan shall be paid without deduction for, and free from, any charges and restrictions of any kind imposed by or in the territory of, the Borrower.

4.03 All Fund documents, records, correspondence and similar material shall be considered as confidential by the Borrower, unless otherwise agreed by the Fund.

4.04 The Fund and its assets shall not be subject to any measures of expropriation, nationalization, sequestration, custody or seizure in the territory of the Borrower.

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# The Opec Fund for International Development

## Article 5

### ACCELERATION OF MATURITY; SUSPENSION AND CANCELLATION

5.01 If any of the following events shall occur and shall continue for the period specified below, then at any subsequent time during the continuance of that event, the Fund Management may by notice to the Borrower declare the principal of the Loan then outstanding to be due and payable immediately together with the interest and service charges thereon and in that case the principal, together with the interest and all charges, shall become due and payable immediately:

- (a) A default shall occur and continue for a period of thirty days in the payment of any instalment of the principal or the interest or of the service charges under this Agreement or under any other loan agreement by virtue of which the Borrower has or shall have received a loan from the Fund;
- (b) A default shall occur in the performance of any other obligation on the part of the Borrower under this Agreement or under the Project Agreement, if any, and such default shall continue for a period of sixty days after notice thereof shall have been given by the Fund to the Borrower.

5.02 The Borrower may by notice to the Fund cancel any amount of the Loan which the Borrower shall not have withdrawn prior to the giving of such notice. The Fund may by notice to the Borrower suspend or terminate the Borrower's right to make withdrawals from the loan if any of the events mentioned in Section 5.01(a) and (b) shall occur or if the Borrower's right to make withdrawals under the IFAD loan referred to in the Preamble to this Agreement shall have been suspended or cancelled or if any other extraordinary situation shall have arisen which shall make it improbable for the Project to be successfully carried out or for the Borrower to be able to perform its obligations under this Agreement.

5.03 Notwithstanding the acceleration of maturity of the Loan pursuant to Section 5.01 or its suspension or cancellation pursuant to Section 5.02, all the provisions of this Agreement

# The Opec Fund for International Development

shall continue in full force and effect except as specifically provided in this Article.

5.04 No cancellation or suspension shall apply to amounts subject to any special commitment entered into pursuant to Section 2.08 except as expressly provided for in such commitment.

5.05 Any cancellation shall be applied pro rata to the several maturities of the principal amount of the Loan which shall mature after the date of such cancellation.

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## Article 6

### ENFORCEABILITY, TERMINATION OF FUND, ARBITRATION

6.01 The rights and obligations of the Parties to this Agreement shall be valid and enforceable in accordance with their terms notwithstanding any local law to the contrary. No party to this Agreement shall be entitled under any circumstances to assert any claim that any provision of this Agreement is invalid or unenforceable for any reason.

6.02 The Fund Management shall promptly inform the Borrower whenever any decision is taken for the dissolution of the Fund in accordance with the Agreement Establishing the Fund. In the event of such dissolution, this Loan Agreement shall remain in force and the Fund Management shall advise the Borrower of any substitute arrangements for the repayment of the Loan as may be devised by the appropriate authority of the Fund on such occasion.

6.03 The Parties to this Agreement shall endeavour to settle amicably all disputes or differences between them, arising out of this Agreement or in connection therewith. If the dispute or difference cannot be amicably settled, it shall be submitted to arbitration by the Arbitral Tribunal as herein-

# The Opec Fund for International Development

after provided:

- (a) Arbitration proceedings may be instituted by the Borrower against the Fund or vice versa. In all cases, arbitration proceedings shall be instituted by a notice given by the complainant party to the respondent party.
- (b) The Arbitral Tribunal shall consist of three arbitrators appointed as follows: one by the claimant party, a second by the respondent party and the third (hereinafter called the Umpire) by agreement of the two arbitrators. If within thirty days after notice of the institution of arbitration proceedings the respondent party fails to appoint an arbitrator, such arbitrator shall be appointed by the President of the International Court of Justice upon the request of the party instituting the proceedings. If the two arbitrators fail to agree on the Umpire within sixty days after the date of the appointment of the second arbitrator, such Umpire shall be appointed by the President of the International Court of Justice.
- (c) The Arbitral Tribunal shall convene at the time and place fixed by the Umpire. Thereafter, it shall determine where and when it shall sit. The Arbitral Tribunal shall determine all questions of procedure and questions relating to its competence.
- (d) All decisions of the Arbitral Tribunal shall be reached by majority vote. The award of the Tribunal, which may be rendered even if one party defaults, shall be final and binding on both parties to the arbitration proceedings.
- (e) Service of any notice or process in connection with any proceedings under this Section or in connection with any proceedings to enforce any award rendered pursuant to this Section shall be made in the manner provided in Section 8.01.
- (f) The Arbitral Tribunal shall decide on the manner in which the cost of arbitration shall be borne by either or both parties to the dispute.

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# The Opec Fund for International Development

## Article 7

### EFFECTIVE DATE; TERMINATION OF THIS AGREEMENT

7.01 This Agreement shall become effective on the date upon which the Fund dispatches to the Borrower notice of its acceptance of the evidence required by Sections 7.02 and 7.03.

7.02 The Borrower shall furnish the Fund with satisfactory evidence that:

- (a) the execution and delivery of this Agreement on behalf of the Borrower have been duly authorized and ratified according to the constitutional requirements of the Borrower; and
- (b) the loan agreement with IFAD referred to in the Preamble of this Agreement has been declared effective or will be declared effective concurrently with this Agreement.

7.03 In keeping with Section 7.02, the Borrower shall also furnish the Fund with a certificate issued by the Minister of Justice, or the Attorney General, or the Government's competent legal department showing that this Agreement has been duly authorized and ratified by the Borrower and constitutes a valid and binding obligation of the Borrower in accordance with its terms.

7.04 If this Agreement shall not have come into force and effect by September 15, 1991, this Agreement and all obligations of the parties hereunder shall terminate, unless the Fund, after consideration of the reasons for the delay, shall establish a later date for the purposes of this Section.

7.05 When the entire principal amount of the Loan shall have been repaid and the interest and all charges which shall have accrued on the Loan shall have been paid, this Agreement and all obligations of the parties thereunder shall forthwith terminate.

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# The Opec Fund for International Development

## Article 8

### NOTICE; REPRESENTATION, MODIFICATION

8.01 Any notice or request required or permitted to be given or made under this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it has been delivered by hand, mail, cable, telex or telefax to the party to which it is required to be given or made, at the party's address specified below or at any other address as the party shall have specified in writing to the party giving the notice or making the request.

8.02 Any action required or permitted to be taken, and any documents required or permitted to be executed under this Agreement on behalf of the Borrower shall be taken or executed by the Minister of Finance of the Borrower or another officer authorized by him in writing.

8.03 Any modification of the provisions of this Agreement may be agreed to on behalf of the Fund by the Chairman of the Fund's Governing Board and on behalf of the Borrower by written instrument executed on behalf of the Borrower by the representative designated by, or pursuant to, Section 8.02; provided, that in the opinion of such representative the modification is reasonable in the circumstances and will not substantially increase the obligations of the Borrower under this Agreement. The Fund may accept the execution by such representative of any such instrument as conclusive evidence that in the opinion of the Borrower the modification or amplification requested by such instrument will not substantially increase the obligations of the Borrower thereunder.

8.04 Any document delivered pursuant to this Agreement shall be in the English language. Documents in any other language shall be accompanied by an English translation thereof certified as being an approved translation and such approved translation shall be conclusive between the parties hereto.

## The Opec Fund for International Development

In witness whereof the parties hereto acting through their duly authorized representatives, have caused this Agreement to be signed and delivered at Vienna in six copies in the English language, each considered an original and all to the same and one effect as of the day and year first above written.

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# The Opec Fund for International Development

FOR THE BORROWER:

*Lucrecia R. de Ampuero*

Name: H.E. Mrs. Lucrecia Rivera de Ampuero  
Ambassador of Guatemala to the Federal Republic of Germany

Address: Ministry of Finance  
Guatemala City  
Republic of Guatemala

Cable:

Telex: 9207 MINFIP GU

Telefax: 502 - 224139

FOR THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT:

~~Name:~~ H.E. Osama Faquih  
Chairman of the Governing Board

Address: The OPEC Fund for International Development  
P.O. Box 995  
A-1011 Vienna  
Austria

Cable: OPECFUND

Telex: 131734 FUND A

Telefax: (222) 513 92 38

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## ANNEXES

- Schedule 1: Description of the Project
- Schedule 2: Loan Allocation
- Schedule 3: Amortization Schedule

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# The Opec Fund for International Development

## THE REPUBLIC OF GUATEMALA

### ZACAPA-CHIQUIMULA SMALLHOLDERS RURAL DEVELOPMENT PROJECT

#### SCHEDULE 1

#### DESCRIPTION OF THE PROJECT

The Project aims at improving the productive capacity of smallholders in the Zacapa and Chiquimula departments in the Borrower's territories by increasing their productivity and production of traditional food crops and promoting the introduction of cash crops. The components of the Project are as follows:

- (a) Credit, covering the provision of credit to peasant producers for investment and working capital for the diversification and intensification of production and ancillary matters;
- (b) Production support services, encompassing the strengthening of six different existing institutions specializing in production support services, provision of incremental staff and construction of extension centers;
- (c) Rural roads, covering the construction of all-weather roads as well as upgrading existing gravel roads to all-weather roads together with their maintenance;
- (d) Project management, including the provision of a project execution unit in Chiquimula town for the coordination of Project activities and provision of accommodation, vehicles and equipment for the unit; and
- (e) Monitoring and evaluation, covering the establishment of a monitoring and evaluation unit to provide Project management with required information on the Project execution and studies related thereto, as well as vehicles and equipment.

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# The Opec Fund for International Development

## THE REPUBLIC OF GUATEMALA

### ZACAPA-CHIQUIMULA SHALLHOLDERS RURAL DEVELOPMENT PROJECT

#### SCHEDULE 2

#### LOAN ALLOCATION

1. Unless otherwise agreed between the Borrower and the Fund Management, the entire proceeds of the Loan in the amount of US\$ 2,287,000 would be allocated towards financing 100 % of the foreign expenditures and 96.6 % of the local expenditures of the rural roads component described in paragraph (c) of Schedule 1 of this Agreement.
2. The term "foreign expenditures" as used above means expenditures in the currency of any country other than the Borrower and for goods and services supplied from the territory of any country other than the Borrower.
3. Notwithstanding the allocation of the Loan proceeds or the disbursement percentages set forth in paragraph 1 above, if the Fund Management has reasonably estimated that the amount of the Loan then allocated to the component specified above will be insufficient to finance the agreed percentages of all expenditures for that component, the Fund Management may, by notice to the Borrower, reduce either or both of the disbursement percentages then applicable to such expenditures in order that further withdrawals in respect of that component may continue until all expenditures thereunder shall have been made.

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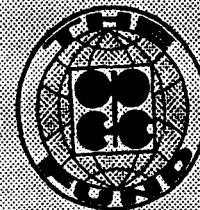
# The Opec Fund for International Development

THE REPUBLIC OF GUATEMALA  
ZAPACA-CHIQUIMULA SMALLHOLDERS RURAL DEVELOPMENT PROJECT

SCHEDULE 3  
AMORTIZATION SCHEDULE

<u>Date of Repayment</u>	<u>Amount Due</u>
	(Expressed in US Dollars)
July 15, 1996	95,290
January 15, 1997	95,290
July 15, 1997	95,290
January 15, 1998	95,290
July 15, 1998	95,290
January 15, 1999	95,290
July 15, 1999	95,290
January 15, 2000	95,290
July 15, 2000	95,290
January 15, 2001	95,290
July 15, 2001	95,290
January 15, 2002	95,290
July 15, 2002	95,290
January 15, 2003	95,290
July 15, 2003	95,290
January 15, 2004	95,290
July 15, 2004	95,290
January 15, 2005	95,290
July 15, 2005	95,290
January 15, 2006	95,290
July 15, 2006	95,290
January 15, 2007	95,290
July 15, 2007	95,290
January 15, 2008	95,330
Total:	<u>2,287,000</u> =====

# The Opec Fund for International Development



P.O. Box 995 - 1011 Vienna, Austria ; Tel: 51564-0  
Telex: 1-31734 Fund A; 1-34831 Fund A; Cable: Opecfund; Fax No. 513 92 38

Press release no. 91/21

## GUATEMALA SIGNS US\$2.287 MILLION LOAN AGREEMENT WITH OPEC FUND FOR RURAL DEVELOPMENT PROJECT

Vienna, June 6, 1991

An agreement was signed today between the Republic of Guatemala and the OPEC Fund for International Development for a loan of US\$2.287 million to help finance the Zacapa-Chiquimula Rural Development Project.

The objective of the project is to improve the social and economic conditions of small-scale farmers living in the Zacapa and Chiquimula provinces of northeastern Guatemala. The project will directly benefit some 5,200 farming families (about 30,000 people), by increasing agricultural, livestock and poultry production. The farmers will gain from the introduction of new crops and forestry development.

This loan is the fourth to be extended by the OPEC Fund to Guatemala. One previous loan was for balance of payments support, while the other two were used for the East-West Highway CA-9 North project and a geothermal pre-feasibility study in the Amatitlan region. In addition, an OPEC Fund grant of US\$120,000 was provided for the national program for child survival in Guatemala, implemented by the United Nations Children's Fund.

Today's loan agreement was signed at the Fund's headquarters by H.E. Mrs. Lucrecia Rivera de Ampuero, Ambassador of Guatemala to the Federal Republic of Germany, and by H.E. Mr. Osama Faquih, Chairman of the Governing Board of the Fund and Deputy Minister for International Economic Cooperation, Ministry of Finance and National Economy of Saudi Arabia.

### Data Summary

<u>Sector:</u>	Agriculture
<u>Project:</u>	Zacapa-Chiquimula Smallholders Rural Development
<u>OPEC Fund loan:</u>	US\$2.287 million

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For use by information media - not an official record.

For greater detail on the project, contractors and suppliers are kindly advised to contact the executing agency or agencies directly.

The OPEC Fund is a development finance institution established by the 13 member states of OPEC to help promote South-South solidarity and strengthen cooperation between countries of the developing world.

Lending terms:

Interest rate of 4.5 percent per annum with annual service charge of 1 percent on amounts withdrawn and outstanding; maturity of 17 years, including a 5-year grace period.

Borrower:

Republic of Guatemala

Executing agency:

Ministry of Agriculture, Livestock and Nutrition

Implementation period:

6 years

Total cost of project:

US\$18.81 million

Other sources of finance:

International Fund for Agricultural Development, World Food Program and Governments of Guatemala and the Netherlands

Project description:

The main components of the project are :

- (i) provision of credit and extension and training service;
- (ii) provision of agricultural experts and technicians;
- (iii) construction of extension centers and livestock sheds;
- (iv) strengthening and expanding marketing facilities in the project area;
- (v) purchase of equipment and vehicles;
- (vi) construction of 22.5 km of all-weather roads and improvement of 160 km of gravel roads;
- (vii) maintenance of the road network in the project area; and
- (viii) project management and evaluation unit

Loan administrator:

OPEC Fund