

THE OVERSEAS ECONOMIC COOPERATION FUND

TAKEBASHI GODO BUILDING
4-1. OHTEMACHI 1-CHOME, CHIYODA-KU, TOKYO 100
JAPAN

CABLE ADDRESS:
"COOPERATIONFUND" TOKYO

TELEX:
CALL NO. J28790 J28360 J28430
A.A.B. COOPFUND TOKYO

Side Letter

Date: February 9, 1990
Ref. NO.: FLIII-3/GT-P1

Empresa Guatemalteca de
Telecomunicaciones

Attention: Gerente

Gentlemen:

Reference: Metropolitan Guatemala City Telecommunication
Expansion Project under Loan Agreement NO. GT-P1

With reference to the Loan Agreement No. GT-P1 dated February 9, 1990, between THE OVERSEAS ECONOMIC COOPERATION FUND (hereinafter referred to as "the Fund") and EMPRESA GUATEMALTECA DE TELECOMUNICACIONES (hereinafter referred to as "the Borrower"), we have the pleasure to confirm the following agreement between the Fund and the Borrower.

1. The following of Schedule 5, 6 and 7 shall be disregarded:

(1) Section 3. of Schedule 5 (Commitment Procedure (II))

"The Fund shall issue to the Japanese Bank the Letter of Commitment upon receipt of an amount equal to one-tenth percent (0.1%) thereof as the issuing charge from the Japanese Bank."

(2) Section 7. of Schedule 6 (Transfer Procedure)

"The Fund's disbursement under this procedure shall be made upon its receipt from the Paying Bank of an amount equal to one-tenth percent (0.1%) of the disbursement amount as the handling charge."

(3) Section 4.

(3) Section 4. of Schedule 7 (Reimbursement Procedure)

" The Fund's reimbursement under this procedure shall be made upon the receipt from The Bank of Tokyo, Ltd., Tokyo of an amount equal to one-tenth percent (0.1%) of the reimbursement amount as the handling charge."

2. The following shall be added to Schedule 5, 6 and 7:

(1) Section 3. of Schedule 5 (Commitment Procedure (II))

"The Borrower shall pay to the Fund 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 Fund shall issue to the Japanese Bank the Letter of Commitment upon receipt of the service charge from the Borrower.

An amount equal to such service charge shall be financed out of the proceeds of the Loan, and the Fund shall immediately pay such amount to itself as the service charge on the 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."

(2) Section 7. of Schedule 6 (Transfer Procedure) and Section 4. of Schedule 7 (Reimbursement Procedure) respectively

"The Borrower shall pay to the Fund in Japanese Yen an amount equal to one-tenth percent (0.1%) of the amount of the disbursement for the Borrower as the service charge thereof on the date of such disbursement. The Fund's disbursement under this procedure shall be made upon receipt of the service charge from the Borrower.

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


3. This letter

3. This letter shall not be construed to authorize any amendment other than that mentioned above.

Please confirm your consent to the foregoing by signing two copies of this letter, retaining one for your records and returning the other to the Fund.

Very truly yours,

For: THE OVERSEAS ECONOMIC
COOPERATION FUND


BY _____
Kaitoku Yamamoto
Managing Director
Loan Department III

Confirmed:

On the date of February 9, 1990

For: Empresa Guatemalteca de
Telecomunicaciones

By: 

Francisco Ramirez Castillo
Gerente

Loan Agreement No.GT-P1

L O A N A G R E E M E N T

For

Metropolitan Guatemala City
Telecommunication Expansion Project

Between

THE OVERSEAS ECONOMIC COOPERATION FUND, JAPAN

And

EMPRESA GUATEMALTECA DE TELECOMUNICACIONES

Dated February 9, 1990

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Loan Agreement No. GT-P1, dated February 9, 1990, between
THE OVERSEAS ECONOMIC COOPERATION FUND and EMPRESA GUATEMALTECA
DE TELECOMUNICACIONES

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 February 9, 1988, concerning a Japanese loan to be extended with a view to strengthening the friendly relations and the economic cooperation between the two countries, THE OVERSEAS ECONOMIC COOPERATION FUND (hereinafter referred to as "the Fund") and EMPRESA GUATEMALTECA DE TELECOMUNICACIONES (hereinafter referred to as "the Borrower") herewith conclude the following Loan Agreement (hereinafter referred to as "the Loan Agreement", which includes all agreements supplemental hereto).

Article I

Loan

Section 1. Amount and Purpose of Loan

The Fund agrees to lend the Borrower an amount not exceeding FIVE BILLION EIGHT HUNDRED SEVENTY FIVE MILLION Japanese Yen (¥5,875,000,000.) as principal for the implementation of the Metropolitan Guatemala City Telecommunication Expansion 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 Fund shall make no further disbursement.

Section 2. Use of Proceeds of Loan

(1) The Borrower shall use the proceeds of the Loan for the purchase of eligible goods and services necessary for the implementation of the Project from suppliers, contractors or consultants (hereinafter collectively referred to as "the Supplier(s)") of the eligible source countries described in 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 7 years after the effective date of the Loan Agreement, and no further disbursement shall be made by the Fund thereafter, unless otherwise agreed upon between the Fund and the Borrower.

Article II

Repayment and Interest

Section 1. Repayment of Principal

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

Section 2. Interest and Method of Payment thereof

(1) The Borrower shall pay interest to the Fund semi-annually at the rate of three and three quarters percent (3.75%) per annum on the principal other than consulting services, referred to in Section 1 of Schedule 2 attached hereto, (hereinafter referred to as "Principal (I)") disbursed and outstanding, and at the rate of three and a quarter percent (3.25%) per annum on the principal of consulting services (hereinafter referred to as "Principal (II)") disbursed and outstanding.

(2) The Borrower shall pay to the Fund 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, provided that, prior to the date of the final disbursement of the proceeds of the Loan, the Borrower shall pay to the Fund 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.

Article III

Particular Covenants

Section 1. General Terms and Conditions

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

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

(2) The last sentence of Section 3.02. (3) of the General Terms and Conditions, that is, "Any such prepayment shall be applied to the instalments in inverse order of maturity." shall be read as follows;

"Any such prepayment shall be applied to the instalments of Principal (I) and Principal (II) in accordance with the ratio of the repayment amount of Principal (I) to that of Principal (II) in inverse order of maturity."

Section 2. Guarantee for Loan

The Borrower shall, in accordance with Section 7.01. of the General Terms and Conditions, cause a Guarantee for the Loan (hereinafter referred to as "the Guarantee") executed by the Government of the Republic of Guatemala (hereinafter referred to as "the Guarantor") to be given to the Fund immediately after the conclusion of the Loan Agreement.

Section 3. 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 4. Disbursement Procedure

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

(1) Commitment Procedure (II) attached hereto as Schedule 5 shall apply in cases of disbursements to the Suppliers of the Eligible Source Countries other than the Republic of Guatemala.

(2) Notwithstanding the provision of the paragraph (1) mentioned above, Transfer Procedure attached hereto as Schedule 6 may apply in cases of disbursements to consultants of the Eligible Source Countries other than the Republic of Guatemala.

(3) Reimbursement Procedure attached hereto as Schedule 7 shall apply in cases of disbursements to Guatemalan Suppliers.

Section 5. Administration of Loan

(1) The Borrower shall employ consultants for the implementation of the Project.

(2) 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.

(3) The Borrower shall furnish the Fund with progress reports for the Project on a quarterly basis (in January, April, July and October of each year), in such form as agreed separately between the Fund and the Borrower, until the Project is completed.

(4) Promptly, but in any event not later than six(6) months after completion of the Project, the Borrower shall furnish the Fund with a Project Completion Report in such form and in such detail as the Fund may reasonably request.

Section 6. Notices and Requests

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

For the Fund

Postal address:

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

Attention: Managing Director, Loan Department III

Cable address: COOPERATIONFUND Tokyo

Telex: (1) Call No.J28360

Answer Back Code: COOPFUND J28360

(2) Call No.J28790

Answer Back Code: COOPFUND J28790

For the Borrower

Postal address:

EMPRESA GUATEMALTECA DE TELECOMUNICACIONES
7a. Avenida 12-39, ZONA 1 50 NIVEL
Guatemala City, Guatemala

Attention: Gerente

Telex: Call No.9209

Answer Back Code: 9209 PLANDI GU

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

For

THE OVERSEAS ECONOMIC
COOPERATION FUND

Shoichi Tanimura

Shoichi Tanimura
President,
Deputy Chairman of the Board

For

EMPRESA GUATEMALTECA
DE TELECOMUNICACIONES

Francisco Ramirez Castillo

Francisco Ramirez Castillo
Gerente

Schedule 1

Description of Project

Section 1. Outline of the Project

(1) Objectives

Construction and expansion of the Metropolitan telephone network including digital switching equipment, digital transmission systems and subscriber cables in order to improve and extend the Metropolitan telecommunication service in the Republic of Guatemala.

(2) Location

Metropolitan Guatemala City in the Republic of Guatemala

(3) Executing Agency

Empresa Guatemalteca de Telecomunicaciones (GUATEL)

(4) Scope of the Work

- (a) Digital switching equipment and power plants
- (b) Subscriber cables
- (c) Transmission equipment and optical fiber cables
- (d) Consulting services

The proceeds of the Loan are available for the foreign currency portion of items (a), (b), (c) and (d). The foreign currency portion shall be determined by the Fund.

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

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

Calendar Year	Foreign Currency (in million Japanese Yen)	Local Currency (in million Quetzals)
1991	2,306	5.80
1992	2,350	8.52
1993	1,175	2.24
1994	44	-
Total	5,875	16.56

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

Section 3. The Project is expected to be completed by 1994.

Schedule 2

Allocation of Proceeds of Loan

Section 1. Allocation

Category	Estimated Amount (in million Japanese yen)
Foreign Currency Portion of:	
(A) Switching equipment, power plants, subscriber cables, transmission equipment and optical fiber cables	5,434
(B) Consulting services (See Note)	169
(C) Contingencies	272
Total	5,875

Note: The amount equivalent to the banking charges and/or fees for disbursement of the proceeds of the Loan regarding the consulting services is included.

Section 2. Reallocation upon change in cost estimates

- (1) If the estimated cost of items included in Categories (A) and (B) shall decrease, the amount then allocated to, and no longer required for, such Category will be reallocated by the Fund to Category (C).
- (2) If the estimated cost of items included in 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 Fund, at the request of the Borrower, to such Category from Category (C), subject, however, to the requirements for contingencies, as determined by the Fund, in respect of the cost of items in another Category.

Schedule 3

Amortization Schedule

1. Payment of Principal (I) (Unit: in Japanese Yen)

On February 20, 2000	139,200,000
On each February 20 and August 20 beginning August 20, 2000 through February 20, 2020	139,170,000

2. Payment of Principal (II)

On February 20, 2000	4,160,000
On each February 20 and August 20 beginning August 20, 2000 through February 20, 2020	4,121,000

3. Total of Payment (1. + 2. both mentioned above)

On February 20, 2000	143,360,000
On each February 20 and August 20 beginning August 20, 2000 through February 20, 2020	143,291,000

Schedule 4

Procurement Procedure

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

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

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

Section 2. Eligible Source Countries

(1) 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 the following:

- (a) Japan;
- (b) All the developing countries, as defined in I.1.(b) of the Memorandum of Understanding on Untying of Bilateral Development Loans in Favour of Procurement in Developing Countries agreed among the eight members of the Development Assistance Committee on June 7, 1974.

(2) The Suppliers shall be nationals of the Eligible Source Countries or juridical persons incorporated and registered in the Eligible Source Countries, and which have its appropriate facilities for producing or providing the goods or services in the Eligible Source Countries and actually conduct its business there.

When consulting firms are employed, such firms shall satisfy all of the following conditions:

(a) A majority of the subscribed shares shall be held by nationals of the Eligible Source Countries;

(b) A majority of the full-time directors shall be nationals of the Eligible Source Countries;

(c) Such firms shall be incorporated and registered in the Eligible Source Countries.

Section 3. The Fund's Review of Decisions relating to Procurement of Goods and Services

(1) In the case of contracts to be financed wholly or in part out of the proceeds of the Loan allocated to the foreign currency portion, specified in Schedule 2 attached hereto, the following procedures shall be subject to the Fund's review and concurrence, in accordance with Section 4.02. of the General Terms and Conditions.

(a) If the Borrower wishes to adopt procurement procedures other than International Competitive Bidding, the Borrower shall submit to the Fund a Request for Review of Procurement Method (as per Form No.1 attached hereto). The Fund shall inform the Borrower of its concurrence by means of a Notice regarding Procurement Method.

(b) Before inviting bids, the Borrower shall submit to the Fund for its review and concurrence the notices and instructions to bidders, bid form, proposed draft contract, specifications, drawings and all other documents related to the bidding, together with a Request for Review of Tender Documents. When the Fund has no objection to the said documents, the Fund shall inform the Borrower accordingly by means of a Notice regarding Tender Documents. Where the Borrower wishes to make any subsequent alteration to any of the said documents, the Fund's concurrence is to be obtained before the addendum is sent to prospective bidders.

(c) Before sending a notice of award to the successful bidder, the Borrower shall submit to the Fund for its review and concurrence the analysis of bids and proposal for award, together with a Request for Review of Proposal of Award. When the Fund has no objection to the said documents, the Fund shall inform the Borrower accordingly by means of a Notice regarding Proposal of Award.

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

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

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

(2) The following declarations as to the eligibility of goods and supplier, signed and dated by the supplier, shall be attached to each contract:

"I, the undersigned, hereby certify that the goods to be supplied are produced in _____ (name of Eligible Source Country).

I, the undersigned, further certify that, to the best of my knowledge and belief, the portion imported from non-Eligible Source Countries is less than fifty percent (50%) in accordance with the following formula:

$$\frac{\text{Imported CIF Price} + \text{Import Duty}}{\text{Supplier's FOB Price (where applicable, Ex-factory Price)}} \times 100." \text{ and}$$

"I, the undersigned, hereby certify that (name of company) is incorporated and registered in (name of Eligible Source Country) and has its appropriate facilities for producing or providing the goods or services in (name of Eligible Source Country) and actually conducts its business there."

Section 4. The Fund's Review of Decisions relating to Employment of Consultants

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

(a) Before proposals are invited from consultants, the Borrower shall submit to the Fund, for the Fund's review and concurrence, the Terms of Reference, Short List of Consultants and Letter of Invitation, together with a Request for Review of these documents. When the Fund has no objection to the said documents, the Fund shall inform the Borrower accordingly by means of a Notice regarding the Terms of Reference, Short List of Consultants and Letter of Invitation. Any further modification by the Borrower of the said documents requires the prior concurrence of the Fund.

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

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

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

(e) Promptly after executing a contract, the Borrower shall submit to the Fund, for the Fund's review and concurrence, a duly certified copy of the contract, together with a Request for Review of Contract (as per Form No.3 attached hereto). When the Fund determines the contract to be consistent with the Loan Agreement, the Fund shall inform the Borrower accordingly by means of a Notice regarding Contract.

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

(2) The following declaration as to the eligibility of the consultant, signed and dated by the consultant, shall be attached to each contract:

"I, the undersigned, hereby certify that _____ (name of firm) has been incorporated and registered in _____ (name of Eligible Source Country), and is an eligible consulting firm, _____ percent (___ %) of the subscribed shares being held by nationals of _____ (name of Eligible Source Country) and _____ percent (___ %) of the full-time directors being nationals of _____ (name of Eligible Source Country)."

Date:

Ref. No.

THE OVERSEAS ECONOMIC COOPERATION FUND

Tokyo, Japan

Attention: Managing Director, Loan Department III

Gentlemen:

REQUEST FOR REVIEW OF PROCUREMENT METHOD(S)

Reference: Loan Agreement No.GT-P1, dated February 9, 1990,
for Metropolitan Guatemala City Telecommunication
Expansion Project

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

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

Very truly yours,

By: _____
(Name of the Borrower)

(Authorized Signature)

1. Name of Project

2. Method(s) of Procurement

- () Limited International Bidding
- () International Shopping
- () Direct Contracting
- () Others ()

3. Reasons for Selection of Method(s) of Procurement in detail

(For example: technical considerations, economic factors, experience and capabilities)

4. Name and Nationality of Contractor or Supplier

(in the cases of Limited International 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)

Date:

Ref.No.

THE OVERSEAS ECONOMIC
COOPERATION FUND
Tokyo, Japan

Attention: Managing Director
Loan Department III

Gentlemen:

REQUEST FOR REVIEW OF CONTRACT

In accordance with the relevant provisions of the Loan Agreement No. GT-P1, dated February 9, 1990, 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 Supplier:
3. Name of Purchaser:
4. Contract Price: _____
5. Amount of Financing Applied for: _____
6. Description and origin of the goods:
(For each item, the total percentage represented by the portion of that item, if any, imported from non-eligible Source Countries is to be stated.)

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,

(Name of the Borrower)

Date:

Ref.No.

THE OVERSEAS ECONOMIC
COOPERATION FUND
Tokyo, Japan

Attention: Managing Director
Loan Department III

Gentlemen:

REQUEST FOR REVIEW OF CONTRACT

In accordance with the relevant provisions of the Loan Agreement No.GT-P1, dated February 9, 1990, 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. (1) Percentage of the subscribed shares held by nationals of the Eligible Source Countries:
(2) Percentage of the full-time directors who are nationals of the Eligible Source Countries:
3. Name of Purchaser:
4. Contract Price: _____
5. Amount of Financing Applied for: _____
6. Origin of Goods:

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

Very truly yours,

(Name of the Borrower)

Schedule 5

Commitment Procedure (II)

The procedure used for disbursement of the proceeds of the Loan for the purchase of goods and services from the Suppliers of the Eligible Source Countries other than the Republic of Guatemala shall be in accordance with COMMITMENT PROCEDURE (II) dated March 1985, with the following supplemental stipulations:

1. With regard to Section 1 of COMMITMENT PROCEDURE (II), the Japanese Bank shall be The Bank of Tokyo, Ltd., Tokyo.
2. With regard to Section 2, (1) of COMMITMENT PROCEDURE (II), the designated authority of the Borrower shall be the Banco de Guatemala (hereinafter referred to as "the Central Bank").
3. The Fund shall issue to the Japanese Bank the Letter of Commitment upon receipt of an amount equal to one-tenth percent (0.1%) thereof as the issuing charge from the Japanese Bank.
4. The following shall be added to COMMITMENT PROCEDURE (II).

When the amount of the L/C is not fully covered by the amount of the Letter of Commitment owing to exchange rate fluctuation between the date of issuance of the Letter of Commitment and the date of disbursement, that amount not covered by the Letter of Commitment may be covered, within the limit of the proceeds of the Loan, allocated for the category in question, by means of amendment of the Letter of Commitment.

In the event that the amount of the L/C cannot be fully covered by this method, the Borrower shall bear the amount not covered by the Letter of Commitment.

The amount stated in the Request for Disbursement shall be the equivalent in Japanese Yen, converted at the T/T selling rate of the Japanese Bank on the day two business days before the date of disbursement, of the amount in United States Dollars requested by the Supplier's bank, provided that the total Yen amount shall not exceed the amount of the Letter of Commitment.

Schedule 6

Transfer Procedure

The Transfer Procedure set forth herein may mutatis mutandis apply for disbursement of the proceeds of the Loan for the purchase of goods and services from consultants of the Eligible Source Countries other than the Republic of Guatemala (hereinafter referred to as "the Consultant(s)").

1. Request for Disbursement and Transfer

When the Borrower receives Claims for Payment from the Consultant (as per Form CFP attached hereto), the Borrower shall submit to the Fund a Request for Disbursement and Transfer (as per Form DRP attached hereto) accompanied by documents including the Claims for Payment and the Statement of Performance (as per Form SPD attached hereto) evidencing the amount to be paid to the Consultant. The Request for Disbursement and Transfer shall be signed by the Borrower. The amount of the Request for Disbursement and Transfer shall be stated in Japanese Yen. The exchange rate for Japanese Yen against the currency of the contract to be used for the Request for Disbursement and Transfer shall be the T/T buying rate quoted by an authorized foreign exchange bank in the country of the currency in question on the day on which the Request for Disbursement and Transfer is made.

2. Disbursement

When the Fund, after examination, finds the Request for Disbursement and Transfer in order and in conformity with the provisions of the Loan Agreement and the terms of the Contract concerned, the Fund shall disburse the requested amount out of the proceeds of the Loan by crediting to the Borrower's non-resident Yen account to be opened by the Central Bank on behalf of the Borrower with The Bank of Tokyo, Ltd., Tokyo (hereinafter referred to as "the Paying Bank") in accordance with the relevant Japanese laws and regulations.

3. Payment to the Consultant

Immediately after the proceeds of the Loan disbursed by the Fund has been credited to the Borrower's non-resident Yen account mentioned in 2. above, the Borrower shall cause the Paying Bank to debit the same amount against the above-mentioned account for transfer to the account of the Consultant as specified in the instruction contained in the Request for Disbursement and Transfer.

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

4. Banking Arrangement

Appropriate Banking Arrangement for the handling of the above-mentioned matters shall be agreed on by the Paying Bank and the Central Bank (the latter acting on behalf of and under authorization of the Borrower) immediately after the signing of the Loan Agreement. A copy of the Banking Arrangements shall be submitted to the Fund.

5. Delegation of Authority

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

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

6. Arrangement

The Borrower shall cause the Central Bank to make a necessary arrangement with the Paying Bank containing the following in accordance with the authorization conferred on the Central Bank set forth 5 above:

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

7. The Fund's disbursement under this procedure shall be made upon its receipt from the Paying Bank of an amount equal to one-tenth percent (0.1%) of the disbursement amount as the handling charge.

(Form CFP)

Claims for Payment

Date:

Loan No.: GT-Pl

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

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

.....
(Name of the Consultant)

By: _____
(Signature)

Date:

Loan No.: GT-P1

App. Serial No.:

THE OVERSEAS ECONOMIC
COOPERATION FUND
Tokyo, Japan

Attention: Managing Director, Loan Department III

Gentlemen:

1. Pursuant to the Loan Agreement No. GT-P1 dated February 9, 1990, between THE OVERSEAS ECONOMIC COOPERATION FUND (hereinafter referred to as "the Fund") and EMPRESA GUATEMALTECA DE TELECOMUNICACIONES and under the notice regarding the Contract No. _____, the undersigned hereby requests for disbursement under the said Loan Agreement, of the sum of Japanese Yen _____ (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 attached 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 Claims for Payment attached hereto submitted by the Consultant(s) duly comply with the terms and conditions of the Contract concerned;
 - c) as of the date of this request there is no existing default under the Loan Agreement.
4. Please disburse the amount herein requested by paying into the non-resident Yen account of Banco de Guatemala with the Bank of Tokyo, Ltd., Tokyo.

For
EMPRESA GUATEMALTECA
DE TELECOMUNICACIONES

(Authorized Signature)

Special Instruction to The Bank of Tokyo, Ltd., Tokyo:

Date: _____

Upon receipt of this instruction together with the proceeds disbursed by the Fund, please transfer the same immediately to the account of Messrs. _____ held with _____ under advice to them, the Fund and ourselves in accordance with the Banking Arrangements dated _____ concluded between Banco de Guatemala and the Bank of Tokyo, Ltd., Tokyo.

For
BANCO DE GUATEMALA

(Authorized Signature)

(Form DRP-a)
 Date:
 Ref.No.

Summary Sheet of Payment

1 Contract No.	2 Description of Goods and/or Services	3 Name and address of Consultant	4 Contract Amount	5 Amount to be paid	6 Accumulated amount	7 Remarks
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

Total

Note: Column 7 is to indicate, against each item, whether the payment is an advance payment, or a down payment, or instalment payment (if so, the number of instalment) or the final payment in full settlement.

For (Name of the Borrower)

By: _____
 (Authorized Signature)

Statement of Performance

Date:

Ref.No.:

To: (Name and address of
the Consultant)

Re: Notice regarding Contract No. _____
dated _____
for (Amount of Contract) _____
in favor of (Name of Consultant) _____
concerning Metropolitan Guatemala City Telecommunication
Expansion Project under Loan Agreement No.GT-Pl

I, the undersigned, representing _____
_____ on behalf of the Borrower, hereby issue a Statement
of Performance to entitle (Name of Consultant) to receive the sum
of _____ (Say _____ only) from
THE OVERSEAS ECONOMIC COOPERATION FUND in accordance with the
payment terms stipulated in the Contract No. _____,
dated _____, between _____,
_____ and (Name of Consultant).

The details of the actual performance shall be stated in the
sheet attached hereto.

For (Name of the Borrower)

(Authorized Signature)

Schedule 7

Reimbursement Procedure

The procedure used for disbursement of the proceeds of the Loan for the purchase of goods and services from the Guatemalan Suppliers shall be in accordance with REIMBURSEMENT PROCEDURE dated March, 1985, with the following supplemental stipulations:

1. With regard to Section 2. (1) of REIMBURSEMENT PROCEDURE, when the Contract price is stated and payable in the currency of the Borrower's country, the amount of the Request for Reimbursement shall be stated in United States Dollars. The exchange rate for the United States Dollars against the currency of the Borrower's country to be used for the Request for Reimbursement shall be the T/T buying rate quoted by an authorized foreign exchange bank in the country of the Borrower on the day on which the Request for Reimbursement is made.

2. With regard to Section 3 of REIMBURSEMENT PROCEDURE, where the amount of the Request for Reimbursement is stated in United States Dollars, the exchange rate for the United States Dollars against the Japanese Yen to be used in calculating the amount in Japanese Yen to be reimbursed equivalent to the amount in United States Dollars shall be the T/T selling rate quoted by the authorized foreign exchange bank designated under the provisions of Section 3 of REIMBURSEMENT PROCEDURE on the business day immediately preceding the day on which the reimbursement is made.

3. With regard to Section 3 of REIMBURSEMENT PROCEDURE, the authorized foreign exchange bank in Tokyo shall be The Bank of Tokyo Ltd., Tokyo.

4. The Fund's reimbursement under this procedure shall be made upon the receipt from The Bank of Tokyo Ltd., Tokyo of an amount equal to one-tenth percent (0.1%) of the reimbursement amount as the handling charge.