

12/92

Loan Agreement No. GT-P2

L O A N   A G R E E M E N T

For

Guatemala City Groundwater

Development Project

Between

THE OVERSEAS ECONOMIC COOPERATION FUND, JAPAN

And

THE MUNICIPALITY OF GUATEMALA

Dated June 16, 1992

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## 6. Losses

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

## 7. Banking charges or fees

All banking charges or fees accrued in connection with the aforementioned transactions are for the Borrower's account.

## 8. Claims and disputes

Claims and disputes in connection with the aforementioned transactions shall be settled among the parties concerned, exclusive of the Fund, and such claims or disputes shall not exempt the Borrower from any obligation incurred under the Loan Agreement.

Claims for Payment

Date:  
Loan No: GT-P2

To: \_\_\_\_\_  
(Name and Address of the Executing Agency)

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

- 1. Contract No. and date:
- 2. Concurrence of Contract No. and date:
- 3. Description of goods and service accompanied:
- 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 an address of a commercial bank  
\_\_\_\_\_ in Guatemala)

.....  
(name of the Supplier)

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

Request for Disbursement

(Form TRF)

Date:

Loan No.: GT-P2

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-P2 dated \_\_\_\_\_ between THE OVERSEAS ECONOMIC COOPERATION FUND (hereinafter referred to as "the Fund") and the Municipality of Guatemala, the undersigned hereby requests for disbursement under the said Loan Agreement, of the sum of United States Dollars \_\_\_\_\_ (Say \_\_\_\_\_) for the payment of expenditures as described in the attached Summary sheet(s) hereto.
2. The undersigned has not previously requested for disbursement of any amount from the Loan for the purpose of meeting the expenditures described in the Summary Sheet(s). The undersigned has not obtained nor will obtain funds for such purpose out of the proceeds of any other loan, credit or grant available to the undersigned.
3. The undersigned certifies that:
  - a) the expenditures described in the Summary Sheet(s) are made for the purposes specified in the Loan Agreement;
  - b) the goods and services purchased with these expenditures have been procured in accordance with the applicable procurement procedures agreed with the Fund pursuant to the said Loan Agreement and the cost and terms of purchase thereof are reasonable;
  - c) the Claims for Payment attached hereto submitted by the Supplier(s) duly comply with the terms and conditions of the Contract concerned;
4. Please disburse the amount herein requested by paying into the non-resident yen account of the Central Bank with The Bank of Tokyo, Ltd., Tokyo.
5. This request consists of \_\_\_\_\_ page(s) and \_\_\_\_\_  
(number) (number)  
signed and numbered Summary Sheet(s).

Very truly yours,  
For (Name of the Borrower)

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

Summary Sheet of Payment

Unit:

6 7

1	2	3	4	5	6	7
Contract No.	Description of goods and/or service	Name and address of supplier/contractor	Contract Amount	Amount to be paid	Accumulated Amount	Remarks

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Total

Note: 1. 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.

2. The amount of disbursement is calculated as follows:

Total = \_\_\_\_\_ Quetzal (es) : (Exchange Rate: \_\_\_\_\_ Quetzal(es) per United States Dollar)  
 The amount of disbursement : \_\_\_\_\_ United States Dollar(s)

FOR  
(Name of the Borrower)

BY: \_\_\_\_\_  
(Authorized Signature)

Loan Agreement No. GT-P2, dated June 16, 1992, between THE OVERSEAS ECONOMIC COOPERATION FUND and THE MUNICIPALITY OF GUATEMALA.

In the light of the contents of the Exchange of Notes between the Government of Japan and the Government of the Republic of Guatemala dated December 5, 1990, 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 THE MUNICIPALITY OF GUATEMALA (hereinafter referred to as "the Borrower") herewith conclude the following Loan Agreement (hereinafter referred to as "the Loan Agreement", which includes all agreements supplemental hereto).

## Article I

### Loan

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

The Fund agrees to lend to the Borrower an amount not exceeding FOUR BILLION SEVEN HUNDRED ELEVEN MILLION Japanese Yen (¥ 4,711,000,000) as principal for the implementation of the Guatemala City Groundwater Development 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.

(2) The exchange rate for the United States Dollar against the Japanese Yen shall be the T/T selling rate quoted by the Paying Bank two business days before the day when the disbursement is made.

(3) 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.

(4) 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 from 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. Payment to the Suppliers

After receiving cable advice from the Paying Bank, the Borrower shall immediately pay the claimed amount in Quetzales to the Supplier.

### 4. Report

The Borrower shall cause the Executing Agency to submit to the Fund within thirty (30) days after each payment to the Suppliers made by the Borrower a copy of the receipt issued by the Suppliers.

### 5. Arrangement

The Borrower shall cause the Central Bank to make necessary arrangement with the Paying Bank containing the following:

- (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 and the Borrower of the disbursement by the Fund.



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 Suppliers") of the eligible source countries described in Schedule 4 attached hereto (hereinafter referred to as "the Eligible Source Countries") 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 five (5) 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 two point seven percent (2.7 %) per annum on the principal disbursed and outstanding.

(2) The Borrower

2) The Borrower shall pay to the Fund on June 20 of each year the interest that has accrued up to June 19 of that year from December 20 of the preceding year, and on December 20 of each year the interest that has accrued up to December 19 from June 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 July 20 of each year the interest that has accrued up to June 19 of that year from December 20 of the preceding year, and on January 20 of each year the interest that has accrued up to December 19 from June 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.

##### 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.

### 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 attached hereto as Schedule 5 shall apply in cases of disbursement made to the Suppliers of the Eligible Source Countries other than the Republic of Guatemala with respect to the portion of contract stated in the currency other than that of the Republic of Guatemala.

(2) TRANSFER PROCEDURE, attached hereto as Schedule 6 shall apply in cases of disbursement of the proceeds of the Loan for payments to be made to the Suppliers of the Republic of Guatemala and to the Suppliers of the Eligible Source Countries other than the Republic of Guatemala with respect to the portion of contract stated in the currency of the Republic of Guatemala.

### Section 5. Administration of Loan

(1) The Borrower shall authorize Empresa Municipal de Agua de la Ciudad de Guatemala (EMPAGUA)(hereinafter referred to as "the Executing Agency") to implement the Project.

(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

4) The Borrower shall cause the Executing Agency to furnish the Fund with progress report for the Project on a quarterly basis (in February, May, August and November of each year) until the Project is completed, in such form and in such details as the Fund may reasonably request.

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

6) The Borrower shall at all times operate and maintain, or cause to be operated and maintained, any facilities relevant to the Project, and promptly as needed, make or cause to be made all necessary repairs and renewals thereof.

Section 6.

Section 6. Notices and Requests

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

For the Fund

Postal address:

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

Attention: Managing Director, 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:

THE MUNICIPALITY OF GUATEMALA  
21 Calle 6-77, Zona 1  
Ciudad de Guatemala,  
Guatemala

Attention: Mayor

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

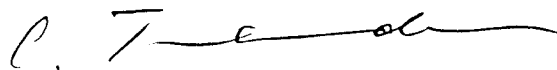
IN WITNESS

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

For

THE OVERSEAS ECONOMIC  
COOPERATION FUND

THE MUNICIPALITY OF  
GUATEMALA



Masao Tsukuda  
Senior Vice President,  
Deputy Chairman of the Board



Oscar Jose Rafael Berger Perdomo  
Mayor

## Schedule 1

### Description of Project

#### Section 1. Outline of the Project

##### Objective

The objective of this project is to meet the increasing water demand of Metropolitan Guatemala Area through development of groundwater and rehabilitation of the existing wells.

##### Location

Metropolitan Guatemala Area

##### Executing Agency

Empresa Municipal de Agua de la Ciudad de Guatemala (EMPAGUA)

#### 2) Scope of the Work

##### I. Construction works

- (a) Rehabilitation
  - Rehabilitation of the existing wells
- (b) Groundwater development
  - Deep wells
  - Water transmission facilities
  - Power transmission facilities
  - Operation and maintenance facilities
  - Groundwater monitoring system

##### II. Consulting Service

- (a) Detailed design
- (b) Supervision of construction

The proceeds of the Loan are available for items I (a) through II (b).

The proceeds of the Loan are available for the foreign currency portion of items I (a) through II (b) and for a part of the local currency portion of items I (a) through II (b). However, the proceeds of the Loan shall not be used for the local currency portion of such items in excess of a total of ONE BILLION ONE HUNDRED TWENTY MILLION Japanese Yen (¥1,120,000,000). The foreign and local currency portions shall be determined by the Bank.

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 shown below.

Calendar Year	Foreign Currency		Local Currency	
	(in million Japanese Yen)		(in thousand Quetzales)	
1992	133	(133)	2,806	(860)
93	83	(83)	3,309	(895)
94	1,353	(1,353)	9,018	(7,279)
95	1,679	(1,679)	12,069	(10,877)
96	343	(343)	3,610	(2,717)
Total	3,591 (3,591)		30,812 (22,628)	

(Exchange Rate: US\$1=Q2.7=¥134)

Note: The parentheses mean the amount to be applied for OECF loan.

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

Section 3. The Project is expected to be completed by 1996.



Schedule 2

Allocation of Proceeds of Loan

Section 1. Allocation

Category	Amount of the Loan allocated (in million Japanese Yen)
(A) Construction	3,835
-Rehabilitation	
-Groundwater development	
(B) Consulting Service	492
(C) Contingencies	384
	Total 4,711

Note: Items not eligible for financing under the local currency portion are as shown below.

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

Section 2. Reallocation upon change in cost estimates

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

2) If the estimated cost of items included in any of Categories (A) and (B) shall increase, the amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Loan, will be allocated by the 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 the other Categories.

Schedule 3

Amortization Schedule

Due Date	Amount (in Japanese Yen)
On June 20, 2002	114,920,000
On each June 20 and December 20 beginning December 20, 2002 through June 20, 2022	114,902,000

## Schedule 4

### Procurement Procedure

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

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

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

#### Section 2. Eligible Source Countries

1) The Eligible Source Countries for procurement of all goods and 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 except consulting firms shall be nationals of the Eligible Source Countries or juridical persons incorporated and registered in the Eligible Source Countries, and which have their appropriate facilities for producing or providing the goods and services in the Eligible Source Countries and actually conduct their 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 (except consulting service)

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

(a) 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(s) (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 documents are 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 Analysis of Bids and Proposal for Award. When the Fund has no objection to the said documents, the Fund shall inform the Borrower accordingly by means of a Notice regarding Analysis of Bids and Proposal for Award.

3) 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 subsequent procedures shall be made substantially in accordance with the abovementioned sub-paragraphs (a) through (e).

4) 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.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.

5) 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 the 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 the 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 the Supplier) has been incorporated and registered in (name of the Eligible Source Country), 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 Consultants' Proposals. When the Fund has an 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 consulting firm, signed and dated by the consulting firm, shall be attached to each contract:

"I, the undersigned, hereby certify that \_\_\_\_\_ (name of the firm) has been incorporated and registered in \_\_\_\_\_ (name of the Eligible Source Country), and is an eligible consulting firm, \_\_\_\_\_ percent ( \_\_\_\_\_ %) of the subscribed shares being held by nationals of \_\_\_\_\_ (name of the Eligible Source country) and \_\_\_\_\_ percent ( \_\_\_\_\_ %) of the full-time directors being nationals of \_\_\_\_\_ (name of the 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-P2, dated 1991,  
for Guatemala City Groundwater Development 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)

1. Name of the 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, experiences and capabilities)
4. Name and Nationality of the Supplier  
(in the cases of Limited International Bidding and Direct Contracting)
5. Estimated Contract Amount
  - Foreign Currency
  - / Local Currecny
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-P2, dated \_\_\_\_\_ 1991, we hereby submit for your review a certified copy of the Contract attached hereto. The details of the Contract are as follows:

1. Number and Date of Contract: \_\_\_\_\_
2. Name and Nationality of the Supplier: \_\_\_\_\_
3. Name of the Purchaser: \_\_\_\_\_
4. Contract Price: \_\_\_\_\_
5. 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,

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

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

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-P2, dated 1991, 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) Name and Nationality of the Consultant \_\_\_\_\_  
(2) Percentage of the subscribed shares held by nationals of the Eligible Source Countries: \_\_\_\_\_  
(3) Percentage of the full-time directors who are nationals of the Eligible Source Countries: \_\_\_\_\_
3. Name of the Purchaser: \_\_\_\_\_
4. Contract Price: \_\_\_\_\_
5. Amount of Financing Applied for: \_\_\_\_\_

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

Very truly yours,

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

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

## Schedule 5

### Commitment Procedure

COMMITMENT PROCEDURE dated July 1988 shall mutatis mutandis be applied for disbursement of the proceeds of the Loan made for the purchase of goods and services from the Suppliers of the Eligible Source Countries other than the Republic of Guatemala with respect to the portion of contract stated in the currency other than that of the Republic of Guatemala, with the following supplemental stipulations:

1. With regard to Section 1.(2) of COMMITMENT PROCEDURE, the Japanese Bank and the Issuing Bank shall be the Bank of Tokyo, Ltd, Tokyo.
2.
  - (a) 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.
  - (b) 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.

## Schedule 6

### Transfer Procedure

Transfer Procedure set forth herein shall mutatis mutandis apply for disbursement of the proceeds of the Loan for the purchase of goods and services from the Suppliers of the Republic of Guatemala and the Suppliers of the Eligible Source Countries other than the Republic of Guatemala with respect to the portion of contract stated in Guatemalan Quetzales.

#### 1. Request for Disbursement

(1) When the Borrower receives Claims for Payment from the Suppliers (as per Form CFP attached hereto), the Borrower shall submit to the Fund a Request for Disbursement (as per Form TRF attached hereto) with a Summary Sheet (as per Form TRF-a attached hereto) accompanied by documents including the Claims for Payment evidencing the amount to be paid to the Suppliers. The Request for Disbursement shall be signed by the Borrower.

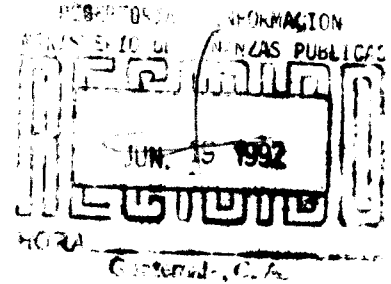
(2) Where the Contract price is fixed and payable in Quetzales, the amount of the Request for Disbursement shall be stated in United States Dollars. The exchange rate for the United States Dollar against Quetzal shall be the T/T buying rate quoted by the Banco de Guatemala (hereinafter referred to as "the Central Bank") on the day immediately preceding the day on which the Request for Disbursement is made.

#### 2. Disbursement

(1) When the Fund, after examination, finds the Request for Disbursement in order and in conformity with the provisions of the Loan Agreement and the terms of the Contract concerned, the Fund shall determine the amount of the disbursement in Yen and shall disburse within fifteen (15) business days from the date of receipt of the Request for such amount into the non-resident Yen account to be opened by the Central Bank on behalf of the Borrower with the Bank of Tokyo, Ltd., Tokyo, Japan (hereinafter referred to as "the Paying Bank").



EMPRESA MUNICIPAL DE AGUA  
PRESIDENTE



Junio, 22 de 1992

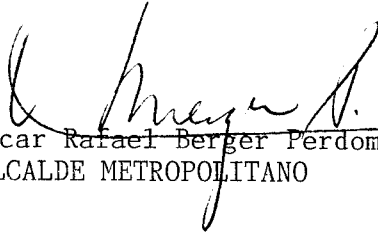
Ref: Contrato de Prestamo GT-P2. Proyecto  
Desarrollo de Agua Subterránea del  
Valle de la Ciudad de Guatemala  
-EMERGENCIA I-.

Excelentísimo Señor Ministro:

Adjunto a usted una (1) copia del Contrato de Préstamo GT-P2, suscrito entre el FONDO DE COOPERACION ECONOMICA A ULTRAMAR DEL JAPON-OECF- y la MUNICIPALIDAD DE GUATEMALA, por un monto de 4,711 millones de Yenes Japonéses, para el Proyecto "DESARROLLO DEL AGUA SUBTERRANEA DEL VALLE DE LA CIUDAD DE GUATEMALA -EMERGENCIA I-". El Préstamo fue aprobado mediante Decreto Legislativo No. 12-92 del Congreso de la República con fecha 18 de marzo de 1992, sancionado por el Ejecutivo y ordenada su publicación el 7 de abril y publicado en el Diario Oficial el 13 de abril de 1992.

En base a lo anterior, solicito al Señor Ministro se proceda a emitir la Garantía del Préstamo en Representación del Gobierno de la República, por el Monto antes señalado, en cumplimiento al Artículo 3 del Decreto No. 12-92, previo a solicitar las opiniones legales respecto de la Garantía y Préstamo, al Procurador General de la Nación, que constituyen parte de las Condiciones Previas a la vigencia del Préstamo.

Sin otro particular, aprovecho para reiterarle las muestras de mi consideración y estima.

  
Lic. Oscar Rafael Berger Perdomo  
ALCALDE METROPOLITANO

Señor  
MINISTRO DE FINANZAS  
Lic. Richard Aitkenhead  
Su Despacho.

c.c. Dirección de Financiamiento Externo  
Gerencia de EMPAGUA.

