

Loan Agreement No. GT-P4

RESTRICTED  
C O P Y

02

LOAN AGREEMENT

For

Rural and Main Roads Rehabilitation Project

Between

THE OVERSEAS ECONOMIC COOPERATION FUND, JAPAN

And

THE REPUBLIC OF GUATEMALA

Dated September 30, 1999

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Loan Agreement No. GT-P4. dated September 30. 1999. between THE OVERSEAS ECONOMIC COOPERATION FUND and THE REPUBLIC OF GUATEMALA

In the light of the contents of the Exchange of Notes between the Government of Japan and the Government of the Republic of Guatemala dated October 30, 1998, concerning a Japanese loan to be extended with a view to promoting economic stabilization and development efforts of the Government of the Republic of Guatemala,

THE OVERSEAS ECONOMIC COOPERATION FUND (hereinafter referred to as "the Fund") and THE REPUBLIC OF GUATEMALA (hereinafter referred to as "the Borrower") herewith conclude the following Loan Agreement (hereinafter referred to as "the Loan Agreement", which includes all agreements supplemental hereto).

## Article I

### Loan

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

The Fund agrees to lend the Borrower an amount not exceeding FIVE BILLION SEVEN HUNDRED EIGHTY ONE MILLION Japanese Yen (¥5,781,000,000) as principal for the implementation of the Rural and Main Roads Rehabilitation Project described in Schedule 1 attached hereto (hereinafter referred to as "the Project") in the form of cofinancing with the Rural and Main Roads Project extended by the International Bank for Reconstruction and Development (hereinafter referred to as "IBRD"), 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.

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 and two-tenths percent (2.2%) per annum on the principal corresponding to categories (i), (ii) and (iii) below disbursed (hereinafter referred to as "Principal (I)") and outstanding:

- (i) Principal disbursed out of the proceeds of the Loan allocated to Category (A) provided for in Section 1 of Schedule 2, attached hereto;
- (ii) Service charges disbursed out of the proceeds of the Loan with respect to the disbursement of (1) (i) above;
- (iii) Any principal reallocated from Category (C) provided for in Section 1. of Schedule 2, attached hereto and disbursed with respect to (1) (i) or (1) (ii) above.

(2) The Borrower

(2) The Borrower shall pay interest to the Fund semi-annually at the rate of three-fourths of one percent ( $3/4$  of 1%) per annum on the principal corresponding to categories (i), (ii) and (iii) below disbursed (hereinafter referred to as "Principal (II)") and outstanding:

- (i) Principal disbursed out of the proceeds of the Loan allocated to Category (B) provided for in Section 1. of Schedule 2, attached hereto;
- (ii) Service charges disbursed out of the proceeds of the Loan with respect to the disbursement of (2) (i) above;
- (iii) Any principal reallocated from Category (C) provided for in Section 1. of Schedule 2, attached hereto and disbursed with respect to (2) (i) or (2) (ii) above.

(3) The Borrower shall pay to the Fund on September 20 of each year the interest that has accrued up to September 19 from March 20 of that year, and on March 20 of each year the interest that has accrued up to March 19 of that year from September 20 of the preceding 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 October 20 of each year the interest that has accrued up to September 19 from March 20 of that year, and on April 20 of each year the interest that has accrued up to March 19 of that year from September 20 of the preceding 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 stipulations (hereinafter referred to as "the General Terms and Conditions"):

(1) The following

(1) The following shall be substituted for Section 3.07. of the General Terms and Conditions:

"Section 3.07. Method of Payment

The Borrower shall have all payments of principal and of interest and other charges on the Loan credited to the Fund's account with The Bank of Tokyo - Mitsubishi, Ltd., Uchisaiwai-cho Office, Tokyo, Japan."

(2) The term "principal" wherever mentioned in the General Terms and Conditions shall be replaced by "Principal (I) and Principal (II)".

(3) When the Borrower makes repayment of principal or payment of interest or other charges without specifying the order of appropriation, the Fund may decide the order of appropriation among principal, interest or other charges for Principal (I) or Principal (II).

(4) Article VII of the General Terms and Conditions shall be disregarded, and, consequently, all references to "the Guarantee" or "the Guarantor", wherever mentioned in the General Terms and Conditions, shall be likewise disregarded.

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

(6) The following shall be substituted for Section 3.05. of the General Terms and Conditions:

"Section 3.05. Overdue Charge

Should repayment of principal or payment of interest or any other charges required under the Loan Agreement be delayed, the interest specified in Section 3.03. shall cease to accrue on such overdue amount of principal on and after the due date and an overdue charge calculated at a rate of two percent (2%) per annum over and above the interest rate specified in the Loan Agreement shall be payable on the overdue amount of principal, interest or other charges for a period from the due date to the day immediately preceding the day of actual payment thereof, both inclusive."

(7) The following (d)

(7) The following (d) shall be added to Section 6.01. of the General Terms and Conditions:

(d) An event that IBRD shall, under the provision of the Loan Agreement No. 4260, dated September 11, 1998, between IBRD and the Borrower for the Project, have suspended or canceled or terminated the right of the Borrower to withdraw the proceeds of the Loan and/or have declared all principal then outstanding, with interest and other charges thereon, to be due and payable prior to the agreed maturity of the loan.

#### Section 2. Procurement Procedure

The guidelines for procurement and for the employment of consultants mentioned in Section 4.01. of the General Terms and Conditions shall be as stipulated in Procurement Procedure attached hereto as Schedule 4.

#### Section 3. Disbursement Procedure

The disbursement procedure mentioned in Section 5.01. of the General Terms and Conditions shall be Transfer Procedure, attached hereto as Schedule 5.

#### Section 4. Administration of Loan

(1) The Borrower shall authorize Ministry of Communication, Transport, Public Works and Housing through the General Bureau of Roads (Ministerio de Comunicaciones, Transportes, Obras Publicas y Vivienda a través Dirección General de Caminos, 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 through the Executing Agency 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 reports for the Project on a quarterly basis (in January, April, July and October of each year) until the Project is completed, in such form and in such detail as the Fund may reasonably request.

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

(6) The Borrower shall at all times cause the Executing Agency to operate and maintain any facilities relevant to the Project, and promptly as needed, cause to make all necessary repairs and renewals thereof.

(7) Official communication in writing among parties concerned with the Fund shall be made in English and Spanish. In case of discrepancy, English shall govern.

#### Section 5. Modification

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

#### Section 6. Notices and Requests

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

##### For the Fund

Postal address:

THE OVERSEAS ECONOMIC COOPERATION FUND

Takebashi Godo Building, 4-1, Ohtemachi 1-chome

Chiyoda-ku, Tokyo 100-0004, Japan

Attention: Managing Director, Operations Department IV

Cable address: COOPERATIONFUND Tokyo

Telex: Call No. J28430

Answer Back Code: COOPFUND J28430

For the Borrower



For the Borrower

Postal address:

MINISTERIO DE FINANZAS PÚBLICAS  
(MINISTRY OF PUBLIC FINANCE)

Address of External Financing and Trust

8a Avenida y 21 Calle Zona 1, Nivel 15

Edificio de Finanzas Públicas

Guatemala, C.A.

Attention: Ministro de Finanzas Públicas (Minister of Public Finances)

Cable address: No. 9207 MINFIP

For the Executing Agency

Postal address:

MINISTERIO DE COMUNICACIONES, TRANSPORTE, OBRAS  
PÚBLICAS Y VIVIENDA

(MINISTRY OF COMMUNICATION, TRANSPORT, PUBLIC  
WORKS AND HOUSING)

Finca Nacional La Aurora, zona 13

Guatemala, C.A.

Attention: Ministro de Comunicaciones, Transporte, Obras Públicas y

Vivienda (Minister of Communications, Transport, Public Works and  
Housing)

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

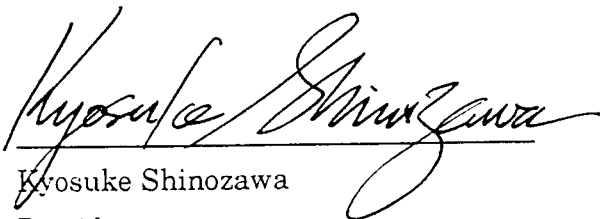
IN WITNESS WHEREOF, the Fund and the Borrower, acting through their duly authorized representatives, have caused the Loan Agreement to be duly executed in their respective names and delivered at the office of THE OVERSEAS ECONOMIC COOPERATION FUND, Chiyoda-ku, Tokyo, Japan, as of the day and year first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

For

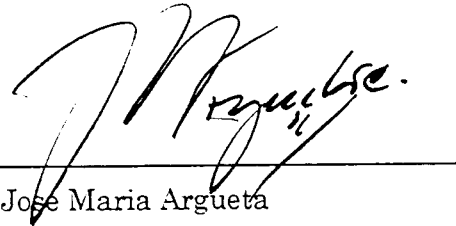
For

THE OVERSEAS ECONOMIC  
COOPERATION FUND

THE REPUBLIC OF  
GUATEMALA



Kyosuke Shinozawa  
President,  
Chairman of the Board



Jose Maria Argueta  
Ambassador Extraordinary and  
Plenipotentiary to Japan

## Schedule 1

### Description of Project

#### Section 1. Outline of the Project

##### (1) Objective

To improve the conditions of the main and secondary national road network in Altiplano region and in the ZONAPAZ\* region, in which providing access to social services and fostering economic development are crucial, in the context of 1997-2000 road investment plan

\*ZONAPAZ is a region, where the Government of the Republic of Guatemala is focusing on a major post-conflict development effort.

##### (2) Location

Altiplano region and ZONAPAZ region

##### (3) Executing Agency

Ministry of Communication, Transport, Public Works and Housing (MCTOPV) through the General Bureau of Roads

##### (4) Scope of the Work

###### (a) Civil Works

- i) Improvement of CA 01W
- ii) Improvement of RN 7W

###### (b) Consulting Services

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

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

Section 2.

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

Calendar Year (January - December)	for the Loan (in million Japanese Yen)	for the Project (in million Japanese Yen)
2000	2,872	3,323
2001	2,381	2,755
2002	528	612
	.....	.....
Total	5,781	6,690

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 December 31, 2002.

Schedule 2

Allocation of Proceeds of Loan

Section 1. Allocation

Category	Amount of the Loan Allocated (in million Japanese Yen)	% of expenditure to be financed
(A) Civil Works	4,428	100
(B) Consulting Services	545	100
(C) Contingencies	808	—
	-----	
Total	5,781	

Note: Items not eligible for financing are as shown below.

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

With regard to disbursement in each Category, the amount disbursed shall be calculated from the eligible expenditure by multiplying with the percentage of the respective Category stipulated in this Section, unless otherwise agreed upon between the Fund and the Borrower.

Section 2. Reallocation upon change in cost estimates

(1) If the estimated cost of items included in any of Categories (A) and/or (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

(2) If the estimated cost of items included in any of Categories (A) and/or (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 Category.

### Schedule 3

#### Amortization Schedule

##### 1.Repayment of Principal (I)

Due Date	Amount (in Japanese Yen)
On September 20, 2009	127,720,000
On each September 20 and March 20 beginning March 20, 2010 through September 20, 2029	127,707,000

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

##### 2.Repayment of Principal (II)

Due Date	Amount (in Japanese Yen)
On September 20, 2009	8,960,000
On each September 20 and March 20 beginning March 20, 2010 through September 20, 2039	8,931,000

## Schedule 4

### Procurement Procedure

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

(1) Procurement of all goods and services to be financed out of the proceeds of the Loan, except consulting services, shall be in accordance with Guidelines for Procurement under OECF Loans dated December, 1997 (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 December, 1997 (hereinafter referred to as "the Consultant Guidelines").

#### Section 2. Eligible Source Countries

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

(2) The Eligible Source Countries for procurement of consulting services, to be financed out of the proceeds of the Loan, are the Republic of Guatemala and Japan.

(3) 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; and

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

(4) Consulting



- (4) Consulting services supplied in part by consulting firms which do not satisfy the conditions in the above paragraph (3) may be eligible for financing if the total man-months supplied by those firms are less than 50% of those required for those consulting services.

Section 3. The Fund's review of decisions relating to procurement of goods and services except consulting services

The following procedure 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(s).
- (b) Before inviting bids, the Borrower shall submit to the Fund, for its review and concurrence, the bid evaluation criteria, 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. When 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.

(d) When

- (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 subsequent 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, for its 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.
- (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.

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

- (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 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, consult with the Fund prior to taking this step, stating its reasons. When the Borrower wishes to reject all bids, the Borrower shall inform the Fund of its reasons, requesting 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 above-mentioned sub-paragraphs (a) through (b).
- (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

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

“I, the Undersigned, hereby certify that (name of the consulting 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(s) of the Eligible Source Country/Countries) and percent(\_\_\_%) of full-time directors being nationals of (name of the Eligible Source Country/Countries). I, the Undersigned, further certify that the total man-months supplied by consulting firms which do not satisfy the conditions specified in Section 2. (3), Schedule 4 of the Loan Agreement will be \_\_\_\_ percent (\_\_\_%) of those required for the consulting services.”

Form No.1

Date:

Ref. No.

THE OVERSEAS ECONOMIC COOPERATION FUND

Tokyo, Japan

Attention: Managing Director, Operations Department IV

Gentlemen:

REQUEST FOR REVIEW OF PROCUREMENT METHOD(S)

Reference: Loan Agreement No. GT-P4, dated September 30, 1999 for RURAL AND  
MAIN ROADS REHABILITATION 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)

-----  
(Name and Title of the Authorized Signer)

Attached sheet No.\_\_\_\_

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(s)  
  
(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, Operations Department IV

Gentlemen:

REQUEST FOR REVIEW OF CONTRACT

In accordance with the relevant provisions of the Loan Agreement No. GT-P4, dated September 30, 1999, 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(s): \_\_\_\_\_
3. Name of the Purchaser: \_\_\_\_\_
4. Contract Price: \_\_\_\_\_
5. Amount of Financing Applied for: \_\_\_\_\_  
(representing \_\_\_\_% of eligible expenditure)
6. Description and Origin of the Goods: \_\_\_\_\_

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

Very truly yours,

For:

-----

(Name of the Borrower)

By: (Authorized Signature)

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(Name and Title of the Authorized Signer)

Date:

Ref. No.

THE OVERSEAS ECONOMIC COOPERATION FUND

Tokyo, Japan

Attention: Managing Director, Operations Department IV

Gentlemen:

REQUEST FOR REVIEW OF CONTRACT

In accordance with the relevant provisions of the Loan Agreement No. GT-P4, dated September 30, 1999, we hereby submit for your review a certified copy of the Contract attached hereto. The details of the Contract are as follows:

1. Number and Date of Contract: \_\_\_\_\_
2. Name and Nationality of the Consultant: \_\_\_\_\_
3. (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: \_\_\_\_\_
4. Name of the Purchaser: \_\_\_\_\_
5. Contract Price: \_\_\_\_\_
6. Amount of Financing Applied for: \_\_\_\_\_  
(representing \_\_\_\_% of eligible expenditure)

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

Very truly yours,

For:

-----

(Name of the Borrower)

By: (Authorized Signature)

-----

(Name and Title of the Authorized Signer)



## Schedule 5

### Transfer Procedure

Transfer Procedure set forth herein shall be applied for disbursement of the proceeds of the Loan for the payment to be made to the Suppliers of Eligible Source Countries.

The authorized foreign exchange bank in Tokyo, wherever mentioned in this Schedule, shall be The Bank of Tokyo-Mitsubishi, Ltd., Tokyo, Japan (hereinafter referred to as "the Paying Bank").

The authorized foreign exchange bank in the territories of the Borrower mentioned in this Schedule, shall be the Banco de Guatemala (hereinafter referred to as "the Central Bank").

Type A : When the currency used for the actual payment to the Suppliers is Japanese Yen or United States Dollars (not 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 request the Fund to make disbursement for a sum not exceeding the amount actually claimed by the Suppliers by sending to the Fund a Request for Disbursement in accordance with the Form TRF attached hereto. The Request for Disbursement shall be signed by the Borrower. Each request shall be accompanied by the following documents:

- (a) Summary Sheet of Payments as per Form TRF-SSP attached hereto
- (b) A copy of Transfer Instructions sent to the Paying Bank, as per Form OECF-TI-SWIFT attached hereto
- (c) Claims for Payment as per Form CFP attached hereto evidencing the amount to be paid to the Suppliers

(d) The following

- (d) The following supporting documents evidencing each payment and its usage:
- i) For payments to Suppliers against delivery/shipment of goods and/or services-  
bill of lading or similar document evidencing shipment/delivery of the goods and/or services listed on the invoice;
  - ii) For payments for consultant's services-  
the claim submitted by the consultants indicating, in sufficient detail, the services rendered, period covered, and amount payable to them;
  - iii) For payments under civil works contracts-
    - the claim, bill or invoice of the contractor showing, in sufficient detail, work performed by the contractor and amount claimed therefor;
    - a certificate to the effect that the work performed by the contractor is satisfactory and in accordance with the terms of the relevant contract ; such certificate shall be signed by the chief engineer or project officer of the Executing Agency assigned to the Project.
- (2) The amount stated in the Request for Disbursement shall be either in Japanese Yen or United States Dollars, converted at the telegraphic transfer (T/T) buying rate quoted by the Central Bank on the day immediately preceding the day on which the Request for Disbursement is made. The amount to be paid in the currency and the exchange rate used for conversion to Japanese Yen or United States Dollars shall be described in the Summary Sheet of Payments as per Form TRF-SSP together with the evidence of such conversion rate.

## 2. Disbursement

## 2. Disbursement

- (1) When the Fund finds the Request for Disbursement in order and in conformity with the provisions of the Loan Agreement, the Fund, upon receipt of an amount equal to one-tenth percent (0.1%) of the amount to be disbursed as the service charge from the Borrower, shall make disbursement in Japanese Yen. Disbursement will be made within fifteen (15) business days from the date of receipt of the Request by paying into the non-resident Yen Account of the Central Bank on behalf of the Borrower which shall be opened in advance with the Paying Bank, in accordance with the relevant laws and regulations of Japan.
- (2) 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) In case where the amount stated in the Request for Disbursement is in United States Dollars, the amount of disbursement in Japanese Yen shall be calculated at the T/T selling rate quoted by the Paying Bank two business days before the day when the disbursement is made.

## 3. Payment to the Suppliers

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 Suppliers as specified in the Claims for Payment.

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

## 4. Delegation of Authority

#### 4. Delegation of Authority

- (1) The Borrower hereby designates the Central Bank as its agent for the purposes of taking any action or entering into any agreement required or permitted under this Transfer Procedure.
- (2) Any action taken or agreement entered into by the 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.

#### 5. Arrangement

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

- (1) To open the non-resident Yen Account of the Central Bank on behalf of the Borrower with the Paying Bank
- (2) To receive and execute Transfer Instructions (via SWIFT) as per Form OECF-TI-SWIFT such that, immediately after the disbursement made by the Fund has been credited to the Borrower's non-resident Yen account mentioned in 2. above, the Paying Bank shall transfer the disbursed amount to the account of the Suppliers pursuant to said Transfer Instructions
- (3) To let the Paying Bank make cable advice to the Central Bank, the Fund and the Suppliers concerned of the above-mentioned transfer

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

Type B:

Type B: When the currency used for the actual payment to the Suppliers is 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 request the Fund to make disbursement for a sum not exceeding the amount actually claimed by the Suppliers by sending to the Fund a Request for Disbursement in accordance with the Form TRF attached hereto. Each request shall be accompanied by the following documents:

- (a) Summary Sheet of Payments as per Form TRF-SSP attached hereto
- (b) A copy of the Transfer Instructions sent to the Central Bank, as per Form OECF-TI attached hereto
- (c) Claims for Payment evidencing the amount to be paid to the Suppliers
- (d) The following supporting documents evidencing each payment and its usage:
  - i) For payments to Suppliers against delivery/shipment of goods and/or services -  
  
bill of lading or similar document evidencing shipment/delivery of the goods and/or services listed on the invoice;
  - ii) For payments for consultants' services-  
  
the claim put in by the consultants indicating, in sufficient details, the services rendered, period covered, and amount payable to them;
  - iii) For payments

iii) For payments under civil works contracts-

- the claim, bill or invoice of the contractor showing, in sufficient detail, work performed by the contractor and amount claimed therefore;
- a certificate to the effect that the work performed by the contractor is satisfactory and in accordance with the terms of the relevant contract; such certificate shall be signed by the chief engineer or project officer of the Executing Agency assigned to the Project.

(2) The amount stated in the Request for Disbursement shall be either in Japanese Yen or United States Dollars, converted at the T/T buying rate quoted by the Central Bank on the day immediately preceding the day on which the Request for Disbursement is made. The amount to be paid in the currency and the exchange rate used for conversion to Japanese Yen or United States Dollars shall be described in the Summary Sheet of Payments as per Form TRF-SSP together with the evidence of such conversion rate.

## 2. Disbursement

(1) When the Fund finds the Request for Disbursement in order and in conformity with the provisions of the Loan Agreement, the Fund, upon receipt of an amount equal to one-tenth percent (0.1%) of the amount to be disbursed as the service charge from the Borrower, shall make disbursement in Japanese Yen. Disbursement will be made within fifteen (15) business days from the date of receipt of the Request by paying into the non-resident Yen Account of the Central Bank, which shall be opened in advance with the Paying Bank, in accordance with the relevant laws and regulations of Japan.

(2) 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) If the amount

- (3) If the amount stated in the Request for Disbursement is in United States Dollars, the amount of disbursement in Japanese Yen shall be calculated at the T/T selling rate quoted by the Paying Bank two business days before the day when the disbursement is made.

### 3. Payment to the Suppliers

Immediately after the proceeds of the Loan disbursed by the Fund has been credited to the Borrower's non-resident Yen account mentioned above 2., the Borrower shall cause the Paying Bank to make cable advise of disbursement by the Fund to the Central Bank.

After receiving cable advice from the Paying Bank, the Central Bank shall immediately exchange and credit the disbursed amount to the account of the Executing Agency in the Central Bank. Thereafter, the Executing Agency shall cause the Central Bank to transfer the amount actually claimed by the Suppliers in the Claims for Payment to the corresponding account of the Suppliers in accordance with the Transfer Instructions, as per Form OECF-TI mentioned above.

### 4. Delegation of Authority

- (1) The Borrower hereby designates the Central Bank as its agent for the purposes of taking any action or entering into any agreement required or permitted under this Transfer Procedure.
- (2) Any action taken or agreement entered into by the 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.

### 5. Arrangement

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

- (1) To open the non-resident Yen Account of the Central Bank on behalf of the Borrower with the Paying Bank

(2) To let

- (2) To let the Paying Bank make cable advice to the Central Bank of the disbursement by the Fund
  - (3) To let the Central Bank immediately exchange and credit the disbursed amount to the account of the Executing Agency in the Central Bank
6. The Fund shall not be liable for any loss incurred by the Borrower and/or the Suppliers owing to any difference between the exchange rate to be used for conversion from Japanese Yen to the currency used for actual payment to the Suppliers at the time of transfer and the exchange rate to be used for conversion from the currency used for actual payment to the Suppliers and the Japanese Yen at the time of disbursement.



(Form CFP)

Claims for Payment

Date:

Loan No.: GT-P4

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

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

Name of the beneficiary:

Account Number:

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

-----  
(Name of the Supplier)

By:

\_\_\_\_\_  
(Signature)

Certified by :

-----  
(Name of the Borrower)

\_\_\_\_\_  
(Signature)

Request for Disbursement

Date:  
Loan No. :GT-P4  
App. Serial No.:

To: THE OVERSEAS ECONOMIC  
COOPERATION FUND  
Tokyo, Japan

Attention: Managing Director, Operations Department IV

Gentlemen:

1. Pursuant to the Loan Agreement No. GT-P4, dated September 30,1999, between THE OVERSEAS ECONOMIC COOPERATION FUND (hereinafter referred to as "the Fund") and THE REPUBLIC OF GUATEMALA, 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 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 said goods and services were or will be supplied by the supplier(s) specified in the attached Summary Sheet(s) and were or will be produced in (or, in the case of services, supplied from) the eligible source country (ies) for the Fund's loan.
4. Please disburse the amount herein requested by paying into the non-resident Yen account of Banco de Guatemala with The Bank of Tokyo-Mitsubishi, Ltd., Tokyo.
5. This request consists of \_\_\_\_page(s) and signed and numbered Summary Sheet(s).

Very truly yours,

-----  
(Name of the Borrower)

By: (Authorized Signature)

-----  
(Name and Title of the Authorized Signer)

Date:

Ref No.

Unit:

Summary Sheet of Payment

1	2	3	4	5	6	7
OECF Concurrence No.	Description of goods and/or services	Name and address of supplier contractor	Contract Amount	Amount to be Paid in Currency of Contract	Accumulated Amount	Remarks
			OECF Concurred Amount	Amount Applied for OECF Financing	Amount to be paid in Currency to be Received by Supplier	Accumulated Amount of OECF Financing Already Paid

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

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

2. Amount applied for OECF financing = \_\_\_\_\_ amount claimed equivalent to \_\_\_\_\_ Japanese Yen/U.S. Dollars

(Exchange Rate: \_\_\_\_\_ currency of claim per Japanese Yen/U.S. Dollars)

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

4. Exchange Rate of 2 decimal point shall be rounded off. Disregard Japanese Yen below decimal point / U.S. Dollars below cents.

5. Column 7 is to indicate whether the payment is an advance payment, or a down payment, of installment FOR (if so, the number of installment) or the final payment in full settlement.

THE REPUBLIC OF GUATEMALA

By: (Authorized Signature)

(Name and Title of the Authorized signer)

Transfer Instructions

Date:

Loan Agreement No.: GT-P4

App. Serial No.:

To: The Bank of Tokyo Mitsubishi, Ltd.

Pursuant to the Banking Arrangement between the Bank of Tokyo-Mitsubishi, Ltd. and the Banco de Guatemala dated \_\_\_\_\_, we hereby requests you to transfer the amount disbursed by the Fund against Request for Disbursement No. \_\_\_\_\_ to the account of the relevant Supplier mentioned in the Claims for Payment No. \_\_\_\_\_ dated attached to the Request for Disbursement mentioned above.

-----  
(Name and Address of the Banco de Guatemala)

(Signature)

-----  
(Name and Title of the Signer)

encl. Request for Disbursement  
Claims for Payment

Transfer Instructions

Date:

Loan Agreement No.: GT-P4

App. Serial No.:

To: The Banco de Guatemala

Pursuant to the Loan Agreement No. GT-P4 dated September 30, 1999 between THE OVERSEAS ECONOMIC COOPERATION FUND and the Republic of Guatemala, we hereby request you to transfer the exact amount into the account of relevant Supplier mentioned in the Claims for Payment No.      dated attached to the Request for Disbursement No.      dated      , immediately after the disbursement by the Fund is credited to the account (Name of the Borrower) with your Bank.

-----  
(Name and Address of the Executing Agency)

(Signature)

-----  
(Name and Title of the Signer)

encl. Request for Disbursement  
Claims for Payment