

**The Open Special Fund**

LOAN AGREEMENT  
(BALANCE OF PAYMENTS SUPPORT)

LOAN NO. 15

LOAN AGREEMENT  
WITH

THE REPUBLIC OF GUATEMALA

DATED

JANUARY 10, 1977

## The Opec Special Fund

AGREEMENT, dated January 10, 1977 between the Republic of Guatemala (hereinafter called the Borrower) and the Contributing Parties to the OPEC Special Fund acting collectively and represented for the purpose of this Agreement by the Chairman of the Fund's Governing Committee.

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

Whereas the Governing Committee of the Fund has approved a program for providing balance of payments support to the Most Seriously Affected Countries according to which the amount of US Dollars one million seven hundred fifty thousand (US\$ 1.750.000) was allocated to the Borrower upon the terms and conditions set forth hereinafter.

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



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## Article 1

### DEFINITIONS

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

- a) "Fund" means the OPEC Special Fund, established by the States Members of the Organization of Petroleum Exporting Countries (hereinafter called OPEC) by virtue of the Agreement signed to this effect in Paris on January 28, 1976.
- b) "Contributing Parties" mean the following Members of OPEC, which at the date of signature of this Agreement have contributed to the resources of the Fund:  
The Democratic and Popular Republic of Algeria, Gabon, Indonesia, Iran, Kuwait, Libyan Arab Republic, Nigeria, Qatar, Kingdom of Saudi Arabia, United Arab Emirates and Venezuela.
- c) "Fund Management" means the Director-General of the Fund and, after the termination of his office, any person, agency or authority which may be entrusted, in accordance with the procedure provided for in the Agreement Establishing the Fund, with the functions referred to in this Loan Agreement as those of the Fund Management.
- d) "Executing Agency" means the Central Bank of Venezuela.



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- e) "Loan" means the loan provided by virtue of this Agreement.
- f) "Dollars" and the sign "\$" mean the currency of the United States of America.
- g) "Closing Date" means the date specified in this Loan Agreement as of which the Fund Management may by notice to the Borrower terminate the rights of the Borrower to make withdrawal pursuant to Section 2.05 of this Agreement.
- h) "Effective Date" means the date on which this Agreement shall come into force and effect.

### Article 2

#### THE LOAN

2.01 A loan in the amount of one million seven hundred fifty thousand Dollars (\$ 1.750.000) is hereby extended through the Fund to the Borrower on the terms and conditions set forth in this Agreement.

2.02 The Loan shall bear no interest.

2.03 The Borrower shall pay to a Fund's account designated for this purpose from time to time by the Fund Management, a service charge at the rate of one half of one percent ( $\frac{1}{2}$  of 1%) per annum on the principal amount of the Loan withdrawn and not yet repaid, to meet the expenses of administering the Loan. Such charges shall be due and payable in Dollars semi-annually on January 15 and July 15 in each year.

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2.04 After this Agreement has been declared effective pursuant to Section 5.01, the proceeds of the Loan shall be transferred in two equal portions by the Executing Agency to an account to be opened in the name of the Fund by the Borrower for this purpose in its Central Bank or similar institution performing the functions of a central bank. The amounts so transferred shall be deemed for the purposes of Section 2.03 to have been withdrawn by the Borrower from the date of such transfer and shall constitute a non-interest bearing Dollar deposit which shall be exclusively governed by the provisions of this Agreement.

2.05 The representative of the Borrower designated in, or in accordance with, Section 6.02 shall be authorized to make withdrawals from the Dollar deposit made pursuant to Section 2.04.

2.06 The Borrower agrees that withdrawals made pursuant to Section 2.05 shall meet reasonable expenditures to be made by the Borrower in respect of the following economic purposes only:

- a) The importation of capital goods, spare parts and inputs required for agricultural or civilian industrial production.
- b) The importation of food stuff and other essential consumer goods.

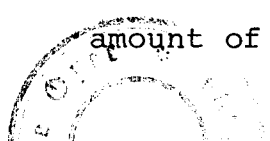
2.07 Within one hundred and eighty days from the date of each withdrawal by the Borrower from the Dollar deposit in the Fund's account referred to in Section 2.04, the

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Borrower shall credit a special account opened for this purpose in the Borrower's central bank or similar institution with an amount in the Borrower's currency equivalent to the Dollar amount withdrawn according to the official rate of exchange at the time of withdrawal between the Dollar and the currency of the Borrower, and in the absence of such a rate of exchange, according to such rate as may be agreed upon between the Borrower and the Fund Management.

2.08 Amounts deposited in the currency of the Borrower pursuant to Section 2.07 shall bear no interest and shall be used solely in financing local costs of one or more development projects or programs in the territory of the Borrower approved for this purpose by the Fund's Governing Committee or by such other authority as may substitute for the Fund's Governing Committee pursuant to the Agreement Establishing the Fund, in accordance with such supplementary arrangements as shall be agreed upon in this respect with the Borrower.

2.09 Upon withdrawal of the entire amount of each of the two portions of the Loan by the Borrower for one or more of the purposes mentioned in Section 2.06 and in any event within 180 days from the date of transfer of each portion to the Fund's account referred to in Section 2.04, the Borrower shall furnish to the Fund Management a statement from its central bank or similar institution to the effect that the amount of that portion of the Loan has been used exclusively



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for the above-mentioned purposes and that the local currency equivalent referred to in Section 2.07 has been duly credited to the account referred to in that Section. The Fund Management shall, upon acceptance of such evidence in relation to the first portion of the Loan amount, request the Executing Agency to transfer to the Fund's account referred to in Section 2.04 the second portion of the Loan amount subject to the same conditions applied to the first portion.

2.10 In case either portion of the Loan amount shall not have been withdrawn by the Borrower within the period of 180 days referred to in Section 2.09, the Fund Management shall at any time thereafter have the power to withdraw the amounts involved from the Fund's account referred to in Section 2.04.

2.11 The Borrower shall repay the principal of the Loan in Dollars, or in any other freely convertible currency acceptable to the Executing Agency, in an amount equivalent to the Dollar amount due, according to the market exchange rate prevailing at the time and place of repayment. Repayment shall be effected, in forty equal semi-annual instalments commencing on January 15, 1982 after a grace period running up to that date. Each instalment shall be in the amount of forty three thousand seven hundred fifty Dollars (\$ 43.750) and shall be transferred on the date of repayment to the account of the Fund with the Executing

Agency.

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2.12 Notwithstanding the provisions of Section 2.11, if within twelve months of the date of the transfer of the first portion of the Loan to the Fund's account referred to in Section 2.04, no agreement shall have been reached between the Borrower and the Fund Management on the development project(s) or program(s) to be financed by all or part of the amount of the account in the currency of the Borrower made pursuant to Section 2.07, the Borrower shall immediately thereafter be entitled to withdraw the total amount of such local currency. Repayment of the Loan shall in such a case be effected, in thirty equal semi-annual instalments commencing on January 15, 1982. Each instalment shall be in the amount of fifty eight thousand three hundred Dollars (\$58.300), with the exception of the last instalment, which shall be in the amount of fifty nine thousand three hundred Dollars (\$59.300), and shall be transferred on the date of repayment to the account of the Fund with the Executing Agency.

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

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





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2.15 The account opened in the name of the Fund pursuant to Section 2.04 shall be exempted from any taxes, levies or duties levied by or in the territory of the Borrower.

2.16 The Closing Date shall be March 15, 1977 or such later date as shall be requested by the Borrower and approved by the Fund Management.

### Article 3

#### ACCELERATION OF MATURITY

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

- a) A default shall occur and continue for a period of thirty days, in the payment of any instalment of the principal or of the service charges under this Agreement or under any other loan agreement by virtue of which the Borrower shall have received a loan from the Fund;



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- b) A default shall occur in the performance of any other obligation on the part of the Borrower under this Agreement, and such default shall continue for a period of sixty days after notice thereof shall have been given by the Fund Management to the Borrower.

### Article 4

#### ENFORCEABILITY, TERMINATION OF FUND, ARBITRATION

4.01 The rights and obligations of the Parties to this Agreement shall be valid and enforceable in accordance with their terms notwithstanding any local law to the contrary.

No party to this Agreement shall be entitled under any circumstances to assert any claim that any provisions of this Agreement is invalid or unenforceable for any reason.

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

4.03 The Parties to this Agreement shall endeavour to settle amicably all disputes or differences between them, arising out of this Agreement or in connection therewith.



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If any such dispute or difference cannot be amicably settled it shall be submitted to arbitration by the Arbitral Tribunal as hereinafter provided:

- a) Arbitration proceedings may be instituted by the Borrower against the Fund Management or vice versa. Proceedings may also be instituted by the Executing Agency acting as the agent of the Fund Management against the Borrower in matters related to the administration of the Loan including the repayment of principal and service charges. In all cases, arbitration proceedings shall be instituted by a notice given by the complainant party to the respondent party.
- b) The Arbitral Tribunal shall consist of three arbitrators appointed as follows: one by the claimant party, a second by the respondent party and the third (hereinafter called the Umpire) shall be appointed by agreement of the two arbitrators. If within thirty days after notice of instituting the arbitration proceeding the respondent party shall fail to appoint an arbitrator; such an arbitrator shall be appointed by the President of the International Court of Justice upon the request of the party instituting the proceeding. If the two arbitrators shall not agree on the Umpire within sixty days after the date of the appointment of the second arbitrator, such Umpire shall be appointed by the President of the International Court of Justice.



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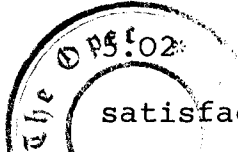
- c) The Arbitral Tribunal shall convene at such time and place as shall be fixed by the Umpire. Thereafter, it shall determine where and when it shall sit. The Arbitral Tribunal shall determine all questions of procedure and questions relating to its competence.
- d) All decisions of the Arbitral Tribunal shall be by majority vote. The award of the Tribunal, which may be rendered even if one party defaults, shall be final and binding on both parties to the arbitration proceedings.
- e) Service of any notice or process in connection with any proceeding under this Section or in connection with any proceeding to enforce any award rendered pursuant to this Section shall be made in the manner provided in Section 6.01.
- f) The Arbitral Tribunal shall decide on the manner in which the cost of arbitration shall be borne by either or both parties to the dispute.

### Article 5

#### EFFECTIVE DATE; TERMINATION OF THIS AGREEMENT

5.01 This Agreement shall become effective on the date upon which the Fund Management dispatches to the Borrower notice of its acceptance of the evidence required by Sections 5.02 and 5.03.

The Borrower shall furnish to the Fund Management satisfactory evidence that:



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- a) The execution and delivery of this Agreement on behalf of the Borrower have been duly authorized and ratified by all necessary action according to the constitutional requirements of the Borrower, and
- b) the Borrower has completed the procedure of opening an account with its Central Bank or similar institution performing the functions of a central bank to which the amount of the Loan shall be transferred pursuant to Section 2.04.

5.03 As part of the evidence to be furnished pursuant to Section 5.02, the Borrower shall furnish to the Fund Management a certificate issued by the Minister of Justice, or the Attorney General, or the Government's competent legal department of the Borrower showing that this Agreement has been duly authorized and ratified by the Borrower and constitutes a valid and binding obligation of the Borrower in accordance with its terms.

5.04 If this Agreement shall not have come into force and effect by March 15, 1977, this Agreement and all obligations of the parties hereunder shall terminate, unless the Fund Management, after consideration of the reasons for the delay, shall establish a later date for the purposes of this Section.

5.05 When the entire principal amount of the Loan shall have been repaid and all charges which shall have accrued on



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## Article 6

### NOTICE; REPRESENTATION, MODIFICATION

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

6.02 Any action required or permitted to be taken, and any document required or permitted to be executed under this Agreement on behalf of the Borrower may be taken or executed by the Minister of Finance of the Borrower or any other person authorized by him in writing.

6.03 Any modification of the provisions of this Agreement may be agreed to on behalf of the Fund by the Chairman of the Fund's Governing Committee and on behalf of the Borrower by the representative designated by, or pursuant to, Section 6.02; provided, that, in the opinion of such representative such modification is reasonable in the circumstances and will not substantially increase the obligations of the Borrower under this Agreement. The Fund Management may accept the execution by such representative of any such instrument as conclusive evidence that in the opinion of the Borrower the

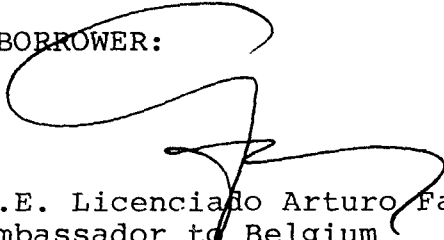


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6.04 Each document to be delivered pursuant to this Agreement shall be in the English language. Documents in any other language shall be accompanied by an English translation thereof certified as being an approved translation and such approved translation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

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

FOR THE BORROWER:


  
Name: H.E. Licenciado Arturo Fajardo Maldonado  
Ambassador to Belgium

Address: Ministry of Finance  
Guatemala City  
Republic of Guatemala

Cable: Ministry of Finance

Telex:

FOR THE CONTRIBUTING PARTIES TO THE OPEC SPECIAL FUND:

  
Name: H.E. Dr. Mohamed Yeganeh  
Chairman of the Governing Committee

Address: The OPEC Special Fund  
P.O.Box 995  
A-1011 Vienna I  
Austria



Cable: OPECFUND

# The Opec Special Fund

## REPAYMENT SCHEDULE

IN ACCORDANCE WITH SECTION 2.12

(30 Semi-annual instalments)

<u>Date of Repayment</u>	<u>Amount Due</u> <u>(expressed in US Dollars)</u>
January 15, 1982	58.300
July 15, 1982	58.300
January 15, 1983	58.300
July 15, 1983	58.300
January 15, 1984	58.300
July 15, 1984	58.300
January 15, 1985	58.300
July 15, 1985	58.300
January 15, 1986	58.300
July 15, 1986	58.300
January 15, 1987	58.300
July 15, 1987	58.300
January 15, 1988	58.300
July 15, 1988	58.300
January 15, 1989	58.300
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January 15, 1990	58.300
July 15, 1990	58.300
January 15, 1991	58.300
July 15, 1991	58.300
January 15, 1992	58.300
July 15, 1992	58.300
January 15, 1993	58.300
July 15, 1993	58.300
January 15, 1994	58.300
July 15, 1994	58.300
January 15, 1995	58.300
July 15, 1995	58.300
January 15, 1996	58.300
July 15, 1996	59.300



# The Opec Special Fund

## REPAYMENT SCHEDULE

IN ACCORDANCE WITH SECTION 2.11

(40 Semi-annual instalments)

<u>Date of Repayment</u>	<u>Amount Due</u> <u>(expressed in US Dollars)</u>
January 15, 1982	43.750
July 15, 1982	43.750
January 15, 1983	43.750
July 15, 1983	43.750
January 15, 1984	43.750
July 15, 1984	43.750
January 15, 1985	43.750
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July 15, 1997	43.750
January 15, 1998	43.750
July 15, 1998	43.750
January 15, 1999	43.750
July 15, 1999	43.750
January 15, 2000	43.750
July 15, 2000	43.750
January 15, 2001	43.750
July 15, 2001	43.750