

Loan Agreement No. PE-2

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

For

Microwave Telecommunication System Installation Project
and Satellite Earth Station Construction Project

Between

THE OVERSEAS ECONOMIC COOPERATION FUND, JAPAN

And

THE REPUBLIC OF PERU

Dated July 26, 1978

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Loan Agreement, dated July 26, 1978,
between THE OVERSEAS ECONOMIC COOPERATION FUND and
THE REPUBLIC OF PERU

Taking into consideration the contents of the Exchange of Notes between the Government of Japan and the Government of the Republic of Peru, dated March 31, 1978, concerning Japanese financial assistance to be extended to the Republic of Peru,

THE OVERSEAS ECONOMIC COOPERATION FUND (hereinafter referred to as "the Fund") and THE REPUBLIC OF PERU (hereinafter referred to as "the Borrower") herewith conclude the following Loan Agreement.

Article I

The Loan

1. Amount and Purpose of the Loan

The Fund agrees to lend the Borrower, for the implementation of the Project as described in Schedule 1 to this Loan Agreement (hereinafter referred to as "the Project"), on the terms and conditions set forth or referred to in this Loan Agreement and in accordance with the relevant laws and regulations of Japan, a principal amount up to the limit of THREE BILLION SIX HUNDRED MILLION Japanese Yen (¥3,600,000,000.) (hereinafter referred to as "the Loan"), provided, however, that in case the cumulative total of disbursements under this Loan Agreement shall have reached the said limit, the Fund shall make no further disbursement.

2. Use of Proceeds of the Loan

(1) The Borrower shall cause to be used the proceeds of the Loan for the purchase of eligible goods and services necessary for the implementation of the Project from suppliers and contractors including consultants (hereinafter referred to as "Suppliers/Contractors") of the eligible source countries in accordance with the allocation as described in Schedule 2 attached to this Loan Agreement.

A part of the Loan not exceeding the amount of FIVE HUNDRED MILLION Japanese Yen (¥500,000,000.) may, however, be used to meet the local currency requirements of the Project as described in Schedule 2 attached to this Loan Agreement.

(2) The final disbursement under this Loan Agreement shall be made not later than July 25, 1981 and no further disbursement shall be made by the Fund thereafter, unless otherwise agreed upon between the Government of Japan and the Government of the Republic of Peru and agreed to by the Fund and the Borrower.

Article II

Repayment and Interest

1. Repayment of Principal

The Borrower shall repay to the Fund the principal of the Loan within twenty (20) years, including seven (7) years initial grace, in accordance with the amortization schedule set forth in Schedule 3 attached to this Loan Agreement.

2. Interest and Method of Payment thereof

(1) The Borrower shall pay to the Fund interest semi-annually at the rate of five percent (5%) per annum on the principal amount disbursed and outstanding from time to time.

(2) The Borrower shall pay to the Fund on July 20 of each year the amount of interest that has accrued up to July 19 from January 20 of the year, and on January 20 of each year the amount of interest that has accrued up to January 19 of the year from July 20 of the preceding year, provided that, prior to the date of the final disbursement of the Loan, the Borrower shall pay to the Fund on August 20 of each year the amount of interest that has accrued up to July 19 from January 20 of the year, and on February 20 of each year the amount of interest that has accrued up to January 19 of the year from July 20 of the preceding year.

Article III

Particular Covenants

1. General Terms and Conditions

The Borrower accepts all the provisions of the General Terms and Conditions of this Loan Agreement attached hereto as Schedule 4 and made an integral part hereof with the following modifications (hereinafter referred to as "the General Terms and Conditions").

Article VI is deleted and accordingly any term or terms referring to "Guarantee" and/or "Guarantor", wherever mentioned in the General Terms and Conditions, shall be deleted.

2. Administration of the Loan

(1) The Borrower shall re-lend the Loan to Empresa Nacional de Telecomunicaciones del Perú (under no less favorable terms and conditions than those in this Loan Agreement) and shall authorize Empresa Nacional de Telecomunicaciones del Perú (hereinafter referred to as "the Executing Agency") to implement the Project.

(2) The Borrower shall, in case the funds available from the proceeds of the Loan are not sufficient for implementation of the Project, make arrangements promptly to provide such funds as are needed.

(3) The Borrower shall furnish the Fund with the progress report of the Project on the bimonthly basis during its construction period.

3. Notice and Request

The following addresses are specified for the purpose of Section 8.03. of the General Terms and Conditions:

For the Fund

Postal address: THE OVERSEAS ECONOMIC
COOPERATION FUND
(Attention: Director,
Loan Department I)
Iino Building, 1-1,
Uchisaiwaicho 2-chome,
Chiyoda-ku, Tokyo 100 Japan

Cable address: COOPERATIONFUND TOKYO

Telex: Call No. J28430 and J28790
Answer back code COOPFUND

For the Borrower

Postal address: MINISTERIO DE ECONOMIA Y FINANZAS
(Attention: Director General,
Direccion General de Crédito Público)
Av. Avancay, Lima, Peru

Cable address: MINECONOMIA LIMA

Telex: Call No.20187
Answer back code MINDEF 20187PU

In case the above addresses and/or names are changed, the party concerned shall notify it in writing to the other party thereof.

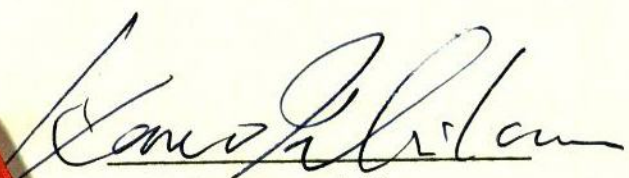
IN WITNESS WHEREOF, the Fund and the Borrower, acting through their duly authorized representatives, have caused this Loan Agreement to be duly executed in their respective names and delivered at the office of THE OVERSEAS ECONOMIC COOPERATION FUND, Chiyoda-ku, Tokyo, Japan, as of the day and year first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


For

THE OVERSEAS ECONOMIC
COOPERATION FUND

For

THE REPUBLIC OF PERU


Kaneo Ishihara
President


César Espejo-Romero
Ambassador Extraordinary
and Plenipotentiary of
the Republic of Peru

Schedule 1

Description of the Project

I. The Project consists of the following parts:

A. Microwave Telecommunication System Installation Project

(1) Construction of Microwave Relay System

(a) Route Cerro de Pasco-Huánuco-Tingo María
-Pucallpa (Total Length 378.8 Km)

(b) Number of Stations

Terminal Station 4

Repeater Station 8

Reflector 1

(c) Frequency and Transmission Capacity

4GHz 960 CH 1+1 System

(2) Installation of Multiplex Equipment

Lima - Cerro de Pasco 24 CH

Lima - Pucallpa 24 CH

Lima - Huánuco 60 CH

Huánuco - Pucallpa 12 CH

Huánuco - Cerro de Pasco 24 CH

Huánuco - Tingo María 12 CH

(3) Civil works and Installation of electric power supply system

B. Satellite Earth Station Construction Project

(1) Construction of Standard B Type FM SCPC Earth Stations

(a) Location Lima (Lurín), Iquitos, Tarapoto,
Pucallpa

(b) Transmission Capacity

Telephone 98 CH

TV Color TV (System M) 1 CH

(2) Installation of Multiplex Equipment

Lima - Iquitos 50 CH

Lima - Tarapoto 24 CH

Lima - Pucallpa 24 CH

(3) Construction of approach link between earth station and telephone office in each city

Lima : Expansion of Multiplex Equipment (96 CH) on the existing microwave link (Lurin - Morro Solar - Washington)

Iquitos : UHF link for telephone (120 CH 1+1 System, Multiplex equipment 60 CH) Microwave link for TV (1+0 System)

Tarapoto : Microwave link for TV (1+0 System)

Pucallpa : Cable link for TV

(4) Civil works and Installation of electric power supply system

The proceeds of the Loan are available for the foreign currency portion of the Project.

They are also available for a part of the local currency portion of the Project.

II. Estimated annual fund requirements by currency are as shown below.

A. Microwave Telecommunication System Installation Project

<u>Fiscal Year</u>	<u>Foreign Currency</u> (in million Japanese Yen)	<u>Local Currency</u> (in million Japanese Yen)
1978	232	187
1979	853	168
1980	55	---
Total	1,140	355

B. Satellite Earth Station Construction Project

<u>Fiscal Year</u>	<u>Foreign Currency</u> (in million Japanese Yen)	<u>Local Currency</u> (in million Japanese Yen)
1978	411	64
1979	1,609	21
1980	---	--
Total	2,020	85

Disbursement of the Fund's Loan shall be made within the limit of the annual budgetary appropriations to the Fund.

III. The Microwave System Installation Project is expected to be completed by the end of first quarter, 1980 and the Satellite Earth Station Construction Project is expected to be completed by the middle of 1979.

Schedule 2

Allocation of the Proceeds of the Loan

I

Estimated Amount
(in Million Yen)

Category

(Microwave Project)

A. Construction Cost (Note 1)	1,085
B. Local Currency Cost (Note 2)	355
C. Contingency	55
sub-total	1,495

(Earth Station Project)

A. Construction Cost (Note 1)	2,020
B. Local Currency Cost (Note 2)	85
C. Contingency	0
sub-total	2,105

Total 3,600

Note 1: The amount in Category A does not include the Peruvian currency costs which are allocated to Category B.

Note 2: Non-eligible items in local currency cost are as shown below.

1. General administration expenses and remuneration to employees of the Executing Agency
2. Taxes and duties
3. Purchase of land properties
4. Compensation

II Reallocation upon Change in Cost Estimates

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

2. If the estimate of the cost of the items included in any of the Category A and B shall increase, an 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, upon 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 the items in other Categories.

Schedule 3

Amortization Schedule

<u>No. of Instalment</u>	<u>Due Date</u>		<u>Amount of Principal</u> (in Japanese Yen)
1	July	20, 1985	133,342,000.
2	January	20, 1986	133,333,000.
3	July	20, 1986	133,333,000.
4	January	20, 1987	133,333,000.
5	July	20, 1987	133,333,000.
6	January	20, 1988	133,333,000.
7	July	20, 1988	133,333,000.
8	January	20, 1989	133,333,000.
9	July	20, 1989	133,333,000.
10	January	20, 1990	133,333,000.
11	July	20, 1990	133,333,000.
12	January	20, 1991	133,333,000.
13	July	20, 1991	133,333,000.
14	January	20, 1992	133,333,000.
15	July	20, 1992	133,333,000.
16	January	20, 1993	133,333,000.
17	July	20, 1993	133,333,000.
18	January	20, 1994	133,333,000.
19	July	20, 1994	133,333,000.
20	January	20, 1995	133,333,000.
21	July	20, 1995	133,333,000.
22	January	20, 1996	133,333,000.
23	July	20, 1996	133,333,000.
24	January	20, 1997	133,333,000.
25	July	20, 1997	133,333,000.
26	January	20, 1998	133,333,000.
27	July	20, 1998	133,333,000.
Total			3,600,000,000.



SCHEDULE 4

**THE OVERSEAS ECONOMIC
COOPERATION FUND**

General Terms and Conditions
of
Loan Agreement

**THE OVERSEAS ECONOMIC
COOPERATION FUND**

General Terms and Conditions
of
Loan Agreement

GENERAL TERMS AND CONDITIONS OF LOAN AGREEMENT

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GENERAL TERMS AND CONDITIONS OF LOAN AGREEMENT

Article I

Purpose

Section 1.01. Purpose

The purpose of this General Terms and Conditions of Loan Agreement (hereinafter referred to as "the General Terms and Conditions") is to set forth certain terms and conditions generally applicable to loans made by the Fund with the same force and effect as if they were fully set forth in the loan agreements concerned.

Section 1.02. Inconsistency with Loan Agreement

If any provision of a loan agreement or a guarantee is inconsistent with a provision of this General Terms and Conditions, the provision of the former shall govern.

Article II

Loan; Repayment; Interest; Overdue Charge; Place of Payment; Currency

Section 2.01. Amount of Loan

The Loan shall be denominated in Japanese Yen and its amount shall be stipulated in the Loan Agreement between the Fund and the Borrower. The Loan shall be disbursed up to its amount in accordance with the disbursement procedures as provided for in Article IV.

Section 2.02. Repayment

(1) The principal amount of the Loan shall be repayable in accordance with the amortization schedule to the Loan Agreement.

(2) When the cumulative total of disbursements under the Loan Agreement shall be fixed and shall not reach the amount of the Loan stipulated therein, the difference between such amount of the Loan and such cumulative total of disbursements shall be deducted proportionately from all the instalments of principal then outstanding, provided, however, that any fraction less than THOUSAND Japanese Yen (¥1,000.) of each instalment of principal shall be added to the first coming instalment of principal.

(3) The Borrower may, upon not less than thirty (30) days' notice in writing to the Fund prepay all or any part of principal

amount of the Loan then outstanding together with interest accrued thereon. Any such prepayment shall be applied to the instalments in the inverse order of their maturities.

Section 2.03. Interest

Interest at the rate specified in the Loan Agreement shall be payable semi-annually on the principal amount disbursed and outstanding from time to time. Interest shall accrue from the respective dates on which amount shall be so disbursed.

Section 2.04. Overdue Charge

In case a default occurs in the payment of principal, interest or any other charges required under the Loan Agreement, charge for the delay at the rate added three percent (3%) per annum to the interest rate specified in the Loan Agreement shall be payable on such an overdue amount of principal, interest or any other charges for a period from the due date to the day immediately preceding the day of actual payment thereof, both inclusive.

Section 2.05. Computation of Interest and Overdue Charge

Interest and overdue charge shall be computed on a daily basis, using a 365 day factor.

Section 2.06. Place of Payment

The place of making payment of the principal of, and interest and other charges, on, the Loan shall be the office of the Fund or the Fund's account with The Bank of Tokyo, Ltd., Uchisaiwai-cho Office, Tokyo, Japan.

Section 2.07. Currency in which Principal, Interest and Other Charges are Payable

The repayment of the Loan and the payment of interest and other charges thereon shall be made in Japanese Yen acquired through the sale to Japanese authorized foreign exchange banks of foreign currencies or transferred from a free yen account.

Article III

Contract

Section 3.01. Conditions for Contract

(1) The costs of the goods and services to be financed out of the proceeds of the Loan shall be estimated prior to the conclusion of the Loan Agreement and the estimated costs by category will be provided for therein.

Such goods and services shall be procured in accordance with the guideline for procurement to be agreed upon separately between the Fund and the Borrower.

(2) The Borrower shall consult the Fund with the general conditions for contracts concerned with the procurement of such

goods and services prior to the conclusion of such contracts.

(3) The Contract shall be required to reflect the conditions agreed upon through such consultation.

Section 3.02. Approval of Contract

(1) Each time the Contract is concluded between the Supplier and the Purchaser, the Borrower shall submit to the Fund an Application for Approval of Contract (as per Form No.1 attached hereto) together with a certified copy of the Contract concerned.

(2) The Fund shall examine the eligibility of the Contract for financing under the Loan Agreement. In case the Fund recognizes its eligibility, the Fund shall approve the Contract concerned by sending the Borrower a Notice of Approval of Contract (as per Form No.2 attached hereto).

Section 3.03. Change and Cancellation of Contract

In case the Contract approved by the Fund is to be changed in its contents, or to be cancelled, the Borrower shall obtain the prior consent in writing of the Fund thereto, provided, however, that any such change of a minor character which does not cause an essential modification to the contents of the Contract, and/or which does not effect the contract price shall not require such consent of the Fund.

Article IV

Disbursement

Section 4.01. Disbursement Procedure

The Loan shall be disbursed upon request of the Borrower in accordance with the progress of the Project. The disbursement procedure shall be agreed upon separately between the Fund and the Borrower.

Section 4.02. Request for Disbursement

When the Borrower shall request the Fund to make disbursement of the Loan, the Borrower shall deliver to the Fund a written application in such form and containing such statements and agreements, as the Fund shall reasonably request. Such application, with the necessary documentation as hereinafter in this Article provided, shall, except as the Fund and the Borrower shall otherwise agree, be made promptly in relation to expenditures for the Project.

Section 4.03. Supporting Evidence

The Borrower shall furnish to the Fund such documents and other evidence in support of the application as mentioned in the preceding Section as the Fund shall reasonably request, whether before or after the Fund shall have permitted any request for disbursement of the Loan.

Section 4.04. Sufficiency of Applications and Documents

Each application and the accompanying documents and other evidence must be sufficient in form and substance to satisfy the Fund that the amount to be disbursed from the Loan is to be used only for the purposes specified in the Loan Agreement.

Section 4.05. Notice of Disbursement and Confirmation of Obligation

(1) Each time the disbursement is made, the Fund shall send the Borrower a Notice of Disbursement (as per Form No. 3 attached hereto) in duplicate.

(2) The Borrower shall immediately return to the Fund the second copy of the Notice of Disbursement duly signed by an authorized person. This action shall constitute the confirmation of the obligation concerning such disbursement.

Section 4.06. Notice Given by the Fund

The Fund will send the Borrower a Notice of Interest and Principal (as per Form No. 4 attached hereto) and a Periodical Statement of Loan, where the Fund deems it necessary.

Article V

Remedies; Failure to Exercise Rights; Non-Exemption; Non-Discrimination; Administration

Section 5.01. Remedies of the Fund

If any of the following events shall have happened and be continuing, the Fund may by notice to the Borrower suspend further disbursement to the Borrower. If such suspension shall have continued for a period of thirty (30) days from the date of such notice, the Fund may terminate the further disbursement and/or may declare all the principal amount then outstanding, with interest thereon, to be due and payable immediately, and upon such declaration such principal and interest shall be due and payable immediately:

- (a) A default shall have occurred in the payment of principal, interest or any other charges required under the Loan Agreement.
- (b) A default shall have occurred in the performance of any other terms and conditions, covenant or agreement on the part of the Borrower or the Guarantor, if any, under the Loan Agreement or the Guarantee, if any.
- (c) An extraordinary situation including wars, civil wars, earthquakes, floods etc., shall have arisen which shall make it improbable, in the opinion of the Fund, that the Borrower or the Guarantor, if any, will be able to perform its obligations under the Loan Agreement or the Guarantee, if any.

Section 5.02. Failure to Exercise Rights

No failure on the part of the Fund to exercise, or no delay in

exercising, any of its rights under the Loan Agreement or the Guarantee, if any, shall be construed to be waiver thereof, nor shall any single or partial exercise by the Fund of any of its rights under the Loan Agreement or the Guarantee, if any, impair any other or further exercise of such right or the exercise of any other right.

Section 5.03. Non-Exemption of the Borrower from Obligations

Any claim or dispute in connection with the Contract shall be settled among the parties concerned thereto, and such claim or dispute shall not exempt the Borrower from any obligation incurred under the Loan Agreement.

Section 5.04. Non-Discrimination

Regarding the payment of the principal, interest or any other charges required under the Loan Agreement, the Borrower or the Guarantor, if any, agrees not to treat the Fund less favourably than creditors of any other external debts except short-term debts.

Section 5.05. Administration of Loan

(1) The Borrower shall carry out or cause to be carried out the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.

(2) The Borrower shall maintain or cause to be maintained books, accounts and records adequate to identify the goods and services financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project, and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Borrower or other relative beneficiaries of the Loan, and shall enable or take such steps as may be necessary to enable the Fund's representatives to make examination of the Project and any relevant records and documents.

(3) The Borrower shall furnish or cause to be furnished to the Fund all such information, at such times, in such form and in such detail, as the Fund shall reasonably request for the administration of the Loan. Such information will include information with respect to financial and economic conditions in the territories of the Borrower and its international balance of payments position.

(4) In case any conditions shall arise which shall prevent, or threaten to prevent, the timely execution, completion or operation of the Project, the Borrower shall promptly notify such event to the Fund.

(5) The Borrower shall furnish or cause to be furnished to the Fund, promptly upon their preparation, the plans for any material modifications of the Project which shall be the subject of agreement between the parties.

(6) Each party to the Loan shall, from time to time, as the other

party thereto shall reasonably request, afford such other party all reasonable opportunity for exchange of views between the parties in regard to any and all the matters relating to the Loan.

Article VI

Guarantee upon Loan

Section 6.01. Guarantee upon Loan

In case where the Fund requests a guarantee upon the Loan, the Borrower shall deliver to the Fund the Guarantee executed by the Guarantor satisfactory to the Fund immediately after the conclusion of the Loan Agreement. The Guarantee shall be made substantially in the Form No.5 attached hereto.

Article VII

Arbitration

Section 7.01. Arbitral Tribunal

All disputes arising from the Loan Agreement or the Guarantee, if any, which cannot be settled amicably among the parties concerned to the Loan and the Guarantor, if any, shall finally and exclusively be decided by an Arbitral Tribunal.

Section 7.02. Parties to Arbitration

The parties to such arbitration shall be the Fund on the one side and the Borrower and the Guarantor, if any, on the other side.

Section 7.03. Arbitrators

(1) The Arbitral Tribunal shall consist of three arbitrators appointed as follows:

One arbitrator shall be appointed by the Fund; a second arbitrator shall be appointed by the Borrower and the Guarantor, if any, or where applicable, if they shall not agree, by the Guarantor; and the third arbitrator (hereinafter sometimes referred to as "the Umpire") shall be appointed by agreement of the parties or, if they shall not agree, by an appropriate organ for settlement of international disputes. If either side shall fail to appoint an arbitrator, such arbitrator shall be appointed by the Umpire.

(2) In case any arbitrator appointed pursuant to paragraph (1) above shall resign, die or become unable to act, a successor arbitrator shall be appointed without delay in the same manner as herein prescribed for the appointment of the original arbitrator and such successor shall have all the powers and duties of such original arbitrator.

(3) No person who has a personal or direct financial interest in the matters submitted to the arbitration shall be appointed an arbi-

trator.

(4) The Umpire shall not be a person of the same nationality as any of the parties to the arbitration.

(5) Any and all arbitrators appointed in accordance with the provisions hereof shall be bound by the provisions of this Article and shall arbitrate in accordance herewith.

Section 7.04. Arbitration Proceedings

(1) The arbitration proceedings shall be conducted in the English language and shall be instituted by the service of written request for arbitration by one party to the other. Such request shall contain a statement setting forth the nature of dispute and the relief sought. Within forty (40) days after the giving of the request, each side shall notify the other side of the full name, occupation, address, career and nationality of the arbitrator appointed by it.

(2) If, within sixty (60) days after the giving of such request, the parties shall not have agreed upon the appointment of the Umpire, any party may request the appointment of the Umpire as provided for in paragraph (1) of Section 7.03.

(3) The place of meeting of the Arbitral Tribunal shall be determined by agreement between the parties.

Within thirty (30) days after the appointment of the Umpire or after the appointment of the arbitrator by the Umpire as provided for in paragraph (1) of Section 7.03., the Umpire shall give a notice of the time of the first sitting of the Arbitral Tribunal. The time of the second and subsequent sitting of the Arbitral Tribunal shall be fixed by the Arbitral Tribunal.

(4) The Arbitral Tribunal may, at any stage of the arbitration proceedings, request the parties to submit such witnesses, documents, etc. as are considered necessary for establishing their contentions.

The Arbitral Tribunal shall decide all questions relating to its competence and shall determine its procedure. In any case, the parties shall be afforded an oral hearing in a regular sitting.

Section 7.05. Arbitral Award

(1) The Arbitral Tribunal shall make an arbitral award (hereinafter referred to as "the Award") together with the reasons therefor as well as the date thereof in writing within one hundred and twenty (120) days from the date of the first sitting of the Arbitral Tribunal, provided, however, that the Arbitral Tribunal may extend this period if it considers it necessary.

(2) The Award and all other matters requiring the decisions of the Arbitral Tribunal shall be decided by a majority vote and shall be final and binding upon the parties, and each party shall abide by, and comply with, the Award. Any arbitrator who disagrees with the majority may append his views on the Award.

(3) A signed copy of the Award shall be served without delay to each party.

Section 7.06. Costs of Arbitral Tribunal

(1) The costs of the Arbitral Tribunal shall consist of the following:

- (a) Remuneration of the arbitrators and such other persons as may be required in the course of the arbitration proceedings.
- (b) Expenses incurred by the Arbitral Tribunal including the costs of the notice provided for in Section 7.04.
- (c) Any expenses defrayed by the parties and deemed by the Arbitral Tribunal as the costs of the Arbitral Tribunal.

(2) The amount of the remuneration of the arbitrator other than the Umpire shall be respectively fixed by the side which appoints the arbitrator. The amount of the remuneration of the Umpire shall be fixed by an agreement between both sides, if they shall not agree, by the Arbitral Tribunal.

(3) The Arbitral Tribunal may preliminarily collect in an even sum from both sides such amount as shall be considered necessary to meet its cost.

The costs of the Arbitral Tribunal provided for in paragraph (1) above shall finally be borne by one or both sides according to the Award.

Section 7.07. Termination of Arbitral Tribunal

The Arbitral Tribunal shall not be terminated until the signed copies of the Award provided for in paragraph (1) of Section 7.05. shall be dispatched to the parties and the costs of the Arbitral Tribunal shall be fully paid up to the date of termination.

Section 7.08. Enforcement of Award

If, within thirty (30) days after copies of the Award shall be served to the parties, the Award shall not be complied with, any party may enter judgement upon, or institute a proceeding to enforce the Award in any court of competent jurisdiction against any other party with determined obligations to such party and no interference legal or otherwise with the enforcement of the Award may be attempted.

Article VIII

Applicable Law ; Taxes and Expenses ; Notices and Requests ; Execution in Counterparts

Section 8.01. Applicable Law

The validity and interpretation of the Loan Agreement and the Guarantee shall be governed by the Japanese laws and regulations.

Section 8.02. Taxes and Expenses

(1) The Borrower or the other relative beneficiaries of the Loan shall pay the taxes, charges and other expenses, if any, imposed upon the Fund within the territories of the Borrower in connection with the Loan and its implementation.

(2) Banking charges or fees, if any, for the disbursement of the Loan, the repayment of principal and the payment of interest of the Loan shall be borne by the Borrower or by the Purchaser, as the case may be.

Section 8.03. Notices and Requests

Any notice or request required or permitted to be given or made under the Loan Agreement and the Guarantee shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail to the party to which it is required or permitted to be given or made at such party's address specified in the Loan Agreement or at such other address as such party shall have designated by notice to the party giving such notice or making such request, provided, however, that it shall be deemed to have been duly given or made if sent by registered mail to, or by cable to, such party at such specified address.

Section 8.04. Execution in Counterparts

The Loan Agreement may be executed in two counterparts in the English language, each of which shall be an original.

Section 8.05. Fraction

Any fraction less than ONE Yen (¥1.00) that may appear in the computation of interest or any other charges under the Loan Agreement shall be disregarded.

Article IX

Effectiveness and Termination of Loan Agreement

Section 9.01. Evidence of Authority and Specimen Signatures

(1) The Borrower shall furnish the Fund with a sufficient evidence of authority of an officer or officers to make, sign and deliver documents necessary for the implementation of the Loan Agreement, together with the authenticated specimen signature of each such person.

(2) In case any change has been made in the matter referred to in the evidence of authority mentioned in the preceding paragraph, the Borrower shall notify the Fund in writing of the fact, furnishing the Fund with the sufficient evidence of authority.

(3) In case any person or persons have been appointed in replacement of a person or persons specified in the above-mentioned evidence of authority, the Borrower shall notify the Fund in writing of the

fact, furnishing the Fund with the specimen signature of each newly appointed person.

Section 9.02. Legal Opinion

(1) The Borrower shall furnish the Fund with a legal opinion, satisfactory to the Fund, of a counsel acceptable to the Fund showing:

- (a) On behalf of the Borrower,
that the Loan Agreement has been duly authorized by, made, signed and delivered on behalf of, the Borrower and constitutes a valid and binding obligation upon the Borrower in accordance with the terms and conditions thereof, and that the authorization and any other procedures necessary for the implementation of the Loan Agreement have been duly effected and completed.
- (b) On behalf of the Guarantor, if any,
that the Guarantee has been duly authorized by, executed and delivered on behalf of, the Guarantor and constitutes a valid and binding obligation of the Guarantor in accordance with its terms.

(2) After the Loan Agreement becomes effective, the Borrower shall furnish the Fund with such additional legal opinion or opinions of the above-mentioned counsel on matters relating to the Loan Agreement and the Guarantee, if any, as the Fund may request from time to time.

Section 9.03. Effective Date

The Loan Agreement shall become effective on the date when the Fund notifies the Borrower in writing that the Fund has received and is satisfied with the evidence of authority and the specimen signature or signatures both mentioned in paragraph (1), Section 9.01. of this Article and the legal opinion mentioned in paragraph (1), Section 9.02. of this Article and the Guarantee, if any.

Section 9.04. Termination of Loan Agreement

(1) If the Loan Agreement shall not have become effective within one hundred and twenty (120) days after its signing, the Loan Agreement and the Guarantee, if any, shall terminate, unless the Fund, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The Fund shall promptly notify the Borrower of such later date.

(2) If and when the entire principal amount of the Loan and all interest and other charges which shall have accrued on the Loan shall have been paid, the Loan Agreement and the Guarantee, if any, shall forthwith terminate.

Article X

Definitions; Headings

Section 10.01. Definitions

Except where the context otherwise requires, the following terms have the following meanings whenever used in this General Terms and Conditions or in a loan agreement or a guarantee to which this General Terms and Conditions has been made applicable:

- (a) The term "Fund" means THE OVERSEAS ECONOMIC COOPERATION FUND, Japan.
- (b) The term "Loan Agreement" means the particular loan agreement to which this General Terms and Conditions shall have been made applicable, as amended from time to time; and such term includes the General Terms and Conditions as thus made applicable, all agreement supplemental to the Loan Agreement and all schedules to the Loan Agreement.
- (c) The term "Loan" means the loan provided for in the Loan Agreement.
- (d) The term "Borrower" means the party to the Loan Agreement to which the Loan is made.
- (e) The term "Guarantee" means a written promise to the Fund, made by the entity other than the Borrower in its territories, providing for the guarantee upon the Loan, as amended from time to time.
- (f) The term "Guarantor" means such entity as mentioned in the above item (e).
- (g) The term "Supplier" means the exporter or supplier of the goods and services to be financed out of the proceeds of the Loan.
- (h) The term "Purchaser" means the purchaser in the territories of the Borrower of the goods and services to be financed out of the proceeds of the Loan.
- (i) The term "Contract" means the particular contract for the procurement of, and the particular purchase order of, the goods and services to be financed out of the proceeds of the Loan.
- (j) The term "Project" means the particular plan or program or project to be financed under the Loan Agreement.

Reference in this General Terms and Conditions to Articles or Sections are to Articles or Sections of this General Terms and Conditions; reference in the Loan Agreement to Articles or Sections are to Articles or Sections of such Loan Agreement.

Section 10.02. Headings

The headings of the Articles and Sections in this General Terms and Conditions and the Loan Agreement are inserted for convenience of reference only and are not a part of this General Terms and Conditions and the Loan Agreement.

Application for Approval of Contract

Date:

Ref. No.

To: THE OVERSEAS ECONOMIC COOPERATION FUND
Tokyo, Japan

Attn: Manager, Loan Department

Re: _____ Project
under Loan Agreement No. _____

Dear Sir,

In accordance with paragraph (1), Section 3.02. of the General Terms and Conditions of Loan Agreement No. _____, dated _____, between THE OVERSEAS ECONOMIC COOPERATION FUND and (Borrower), we hereby apply for your approval of the contract, summaries of which are shown in the following:

1. Number and Date of the Contract:
2. Name of the Supplier:
3. Name of the Purchaser:
4. Contract Price: ¥ _____
5. Amount applied for financing: ¥ _____

The certified copy of this contract is attached herewith.

Kindly notify us of your approval of the contract by sending us the Notice of Approval of Contract specifying the amount approved for financing in accordance with paragraph (2), Section 3.02. of the above-mentioned General Terms and Conditions.

Yours faithfully,

(Name of Borrower)

By: _____
(Authorized Signature)

Notice of Approval of Contract

Date:
Approval No.

To:

(Name and address of Borrower)

Attn:

Re: Project

under Loan Agreement No.

Your Application for Approval of

Contract concerning the Contract

No. dated

between and

Dear Sir,

We hereby inform you that the contract under reference has been duly approved by us under paragraph (2), Section 3.02. of the General Terms and Conditions of Loan Agreement No., dated, between THE OVERSEAS ECONOMIC COOPERATION FUND and (Borrower) . Disbursements for this contract shall be made by us up to the limit of ¥

In confirmation of this Notice, kindly return immediately the second copy hereof duly signed by yourself.

Yours faithfully,

THE OVERSEAS ECONOMIC
COOPERATION FUND

By:
(Authorized Signature)

Copy to:

.....

Date:

We hereby acknowledge receipt of this Notice.

.....
(Name of Borrower)

By:
(Authorized Signature)

Notice of Disbursement

Date:

Disbursement No.

To:

(Name and address of Borrower)

Attn:

Dear Sir,

We hereby notify you that we have made disbursement and debited your loan account under the Loan Agreement No. for Project, dated, between THE OVERSEAS ECONOMIC COOPERATION FUND and (Borrower) with the following particulars:

- 1. Number of
- 2. Date of Disbursement:
- 3. Amount of Disbursement: ¥
- 4. Cumulative Total of Disbursements under the said Loan Agreement, including the present disbursement: ¥

In confirmation of this Notice, kindly return immediately to us the second copy duly signed by yourself.

Yours faithfully,
THE OVERSEAS ECONOMIC
COOPERATION FUND

By:
(Authorized Signature)

Enclosed:

Copy to:

Date:

We hereby acknowledge receipt of this Notice and confirm that the above-mentioned amount of disbursement made by you constitutes our valid and binding obligation under the Loan Agreement mentioned above.

.....
(Name of Borrower)

By:
(Authorized Signature)

Notice of Interest (and Principal)

Date:

Ref. No.

To:

(Name and address of Borrower)

Attn:

Loan Agreement No.

Date:

Due Date:

Principal Repayable: ¥

Interest Payable: ¥

Total: ¥

Interest Computation

(in Japanese Yen)

Principal Amount	Period	Interest

THE OVERSEAS ECONOMIC COOPERATION FUND

By:
(Authorized Signature)

Date:

We hereby acknowledge receipt of this Notice and will make payment of the above amount through (Name of a bank) .

.....
(Name of Borrower)

By:
(Authorized Signature)

Guarantee

In consideration of the financial assistance to be given to (name of Borrower) (hereinafter referred to as "the Borrower") by THE OVERSEAS ECONOMIC COOPERATION FUND (hereinafter referred to as "the Fund") under the Loan Agreement No. _____, dated _____, between the Borrower and the Fund (hereinafter referred to as "the Loan Agreement") the undersigned, acting for and on behalf of (name of guarantor) (hereinafter referred to as "the Guarantor"), hereby acknowledges:

1. That the Guarantor has accepted all the provisions of the Loan Agreement and agrees to guarantee jointly and severally with the Borrower any and all liabilities arising from or in connection with the obligations of the Borrower under the Loan Agreement;
2. That the Guarantor, furthermore, agrees as follows;
 - (1) The Guarantor guarantees the due and punctual payment of the principal of, and the interest and any other charges on, the loan as provided for in the Loan Agreement.
 - (2) So long as any part of the loan under the Loan Agreement shall be outstanding and unpaid, the Guarantor shall
 - i) not take any action which would prevent or interfere with the performance by the Borrower or any other beneficiaries of the loan, if any, of the obligations in the Loan Agreement, and
 - ii) not take any action for the dissolution or disestablishment of the Borrower or any other beneficiaries of the loan, if any, or for the suspension of their operations without prior notice to the Fund.
3. That the Guarantor waives notice of acceptance of this Guarantee, notice of any liability to which it may apply, request of principal and interest, and notice of dishonour or non-payment of any such liabilities.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, this _____ day of _____, _____.

(Name of Guarantor)

By: _____
(Authorized Signature)



Date: July 26, 1978
Ref.No.FLI-2/78-258

To: The Government of the Republic of Peru

Re: Microwave Telecommunication System
Installation Project and Satellite
Earth Station Construction Project

Dear Sirs,

With reference to the Loan Agreement No. PE-2 dated July 26, 1978 (hereinafter referred to as "the Loan Agreement") between THE OVERSEAS ECONOMIC COOPERATION FUND (hereinafter referred to as "the Fund") and the Republic of Peru (hereinafter referred to as "the Borrower"), I have the pleasure to confirm the following agreement which constitutes an integral part of the Loan Agreement between the Fund and the Borrower.

1. With respect to the conditions for contract as mentioned in Paragraph (1) and (2), Section 3.01. of the General Terms and Conditions, Procurement Procedure attached hereto as Annex 1 shall be used.
2. Disbursement procedure referred to in Section 4.01. of the General Terms and Conditions are as follows:
 - (1) The disbursement of the Loan for the financing of the foreign exchange expenditures shall be made in accordance with the Commitment Procedure (II) as set forth in Annex 2. In connection with Paragraph (1), Section 2 of COMMITMENT PROCEDURE (II), the Japanese Bank shall be the Bank of Tokyo, Ltd., Tokyo and the Borrower's designated banking authority shall be Banco de la Nacion.
 - (2) The disbursement of the Loan for the financing of the local cost shall be in accordance with the Reimbursement Procedure attached hereto as Annex 3.

(3) Such disbursement as made in accordance with the above mentioned disbursement procedures shall constitute a valid and binding obligation upon the Borrower under the Loan Agreement as from the date of disbursement.

We shall be grateful if you would indicate your agreement with the foregoing by signing the form of confirmation on the two counterparts of this letter, retaining one for your record, and returning the other to us.

Very truly yours,

THE OVERSEAS ECONOMIC
COOPERATION FUND

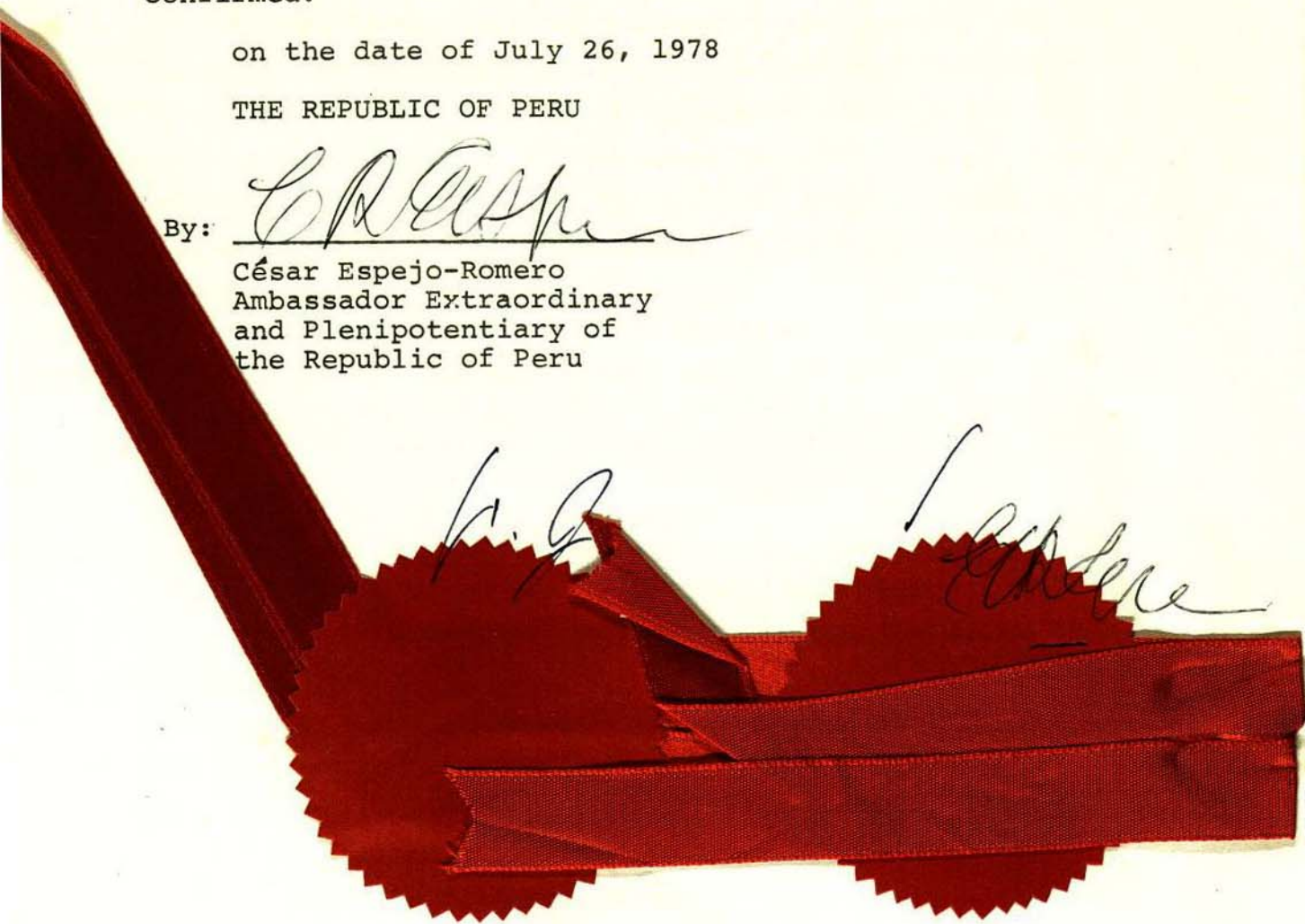
By: Kaneo Ishihara
Kaneo Ishihara
President

Confirmed:

on the date of July 26, 1978

THE REPUBLIC OF PERU

By: César Espejo-Romero
César Espejo-Romero
Ambassador Extraordinary
and Plenipotentiary of
the Republic of Peru



ANNEX 1

Procurement Procedure

1. The Guideline for Procurement

(1) The guidelines for procurement as mentioned in Paragraph (1), Section 3.01. of the General Terms and Conditions are attached hereto as "Guidelines for Procurement Under The Loan" (hereinafter referred to as "the Guidelines").

(2) Eligible source countries referred to in Section 1.01. of the Guidelines are as follows.

(a) Japan

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

(3) The Borrower shall obtain prior approval of the Fund, in case the Borrower takes procurement procedures other than Formal Open International Tendering for all goods and services to be financed out of the Loan by submitting to the Fund an Application for Approval of Procurement Method(s) duly signed by an authorized person.

(4) The Borrower shall obtain goods and services involved in the Project on the basis of turn-key contract.

2. Contract

With regard to the Paragraph (2), Section 3.01. of the General Terms and Conditions, the Contract for the procurement of goods and services for the Project shall be subject to the following.

(1) Suppliers/Contractors shall be nationals of the eligible source countries or juridical persons governed substantially by nationals of the eligible source countries. The above-mentioned juridical persons shall satisfy the following conditions.

- (i) A majority of the subscribed shares shall be held by nationals of the eligible source countries.
- (ii) A majority of the full-time directors (members of Board Meeting) shall be nationals of the eligible source countries.
- (iii) Such juridical persons shall be registered in the eligible source countries.

The manufacturers and sub-contractors relevant to the goods and services to be procured under this Loan Agreement shall also be nationals of the eligible source countries or juridical persons governed substantially by nationals of the eligible source countries and, in case of the juridical persons, shall satisfy the above-mentioned conditions.

(2) The eligible goods to be procured under this Loan Agreement shall be produced in the eligible source countries. In case, however, the goods concerned contain materials originating from a non-eligible source country or countries, such goods may be available for financing under this Loan Agreement, if the imported portion is less than thirty (30) percent, on an item-by-item basis, according to the following formulae.

- (i) When Peruvian suppliers are awarded the contract concerned.

$$\frac{\text{Imported CIF Price} + \text{Import Duty}}{\text{Supplier's Ex-factory Price}}$$

- (ii) When suppliers of eligible source countries other than Peruvian, are awarded the contract concerned.

$$\frac{\text{Imported CIF Price} + \text{Import Duty}}{\text{Supplier's FOB Price}}$$

(3) The following certifications on the eligibility of the goods and the Suppliers/Contractors, signed and dated by the Suppliers/Contractors, shall be attached to each contract.

"I (We) hereby certify that goods to be supplied are produced in _____ (eligible source country).

And I (We) further certify that to the best of my (our) information and belief, the imported portion from non-eligible source countries is less than thirty percent (30%) according to the following formula:

$$\frac{\text{Imported CIF Price} + \text{Import Duty}}{\text{Supplier's FOB Price (or Ex-factory Price)}} \text{ "}$$

and
"I (We) hereby certify that my (our) company is an eligible supplier or contractor, as _____ percent (%) of the subscribed shares are held by nationals of _____ (eligible source country), _____ percent (%) of the full-time directors are nationals of _____ (eligible source country), and my (our) company has been registered in _____ (eligible source country)."

(4) In spite of the provisions of Section 3.08. and 3.09. of the Guidelines, the contract price shall be fixed and payable in Japanese Yen excluding the local currency portion.

(5) The contract shall become effective upon the approval to be given by the Fund in accordance with the provisions of Section 3.02. of the General Terms and Conditions.

(6) The following items shall be inserted in Application for Approval of Contract (Form No.1) referred to in Paragraph (1), Section 3.02. of General Terms and Conditions:

- "2 (1) Name
- (2) Nationality
- (3) Percentage of the subscribed shares held by nationals of eligible source countries
- (4) Percentage of full-time directors who are nationals of eligible source countries"

and

- "6 Name and origin of the goods
- Percentage of the imported portion of the goods from non-eligible source countries, if any"



**THE OVERSEAS ECONOMIC
COOPERATION FUND**

Guidelines for Procurement
Under
The Loan



GUIDELINES FOR PROCUREMENT UNDER THE LOAN

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Attachment : Eligible Source Countries

GUIDELINES FOR PROCUREMENT UNDER THE LOAN

Article I

General

Section 1.01. Introduction

(a) These Guidelines set forth the rules which THE OVERSEAS ECONOMIC COOPERATION FUND (hereinafter called "the Fund") generally applies to the procurement of goods and services for a development project which the Fund finances in whole or in part by its loan.

(b) The proceeds of the Fund's loan are required to be used with due attention to considerations of economy, efficiency and non-discrimination among countries which are eligible for procurement of the above-mentioned goods and services (such countries are hereinafter called "the eligible source countries"). The Fund considers that in most cases formal open international tendering is the best method for achieving the economical and efficient procurement of the goods and services required for the development projects it finances. The Fund therefore normally requires its borrowers to obtain goods and services through formal open international tendering.

(c) The application of these Guidelines to a particular project financed by the Fund, the extent to which bidding documents and procurement procedures are subject to review by the Fund to ensure conformity with these Guidelines, eligible source countries and provisions for permissible imports from non-eligible source countries shall be stipulated in the contractual documents for the loan extended by the Fund for that Project.

(d) The ultimate responsibility for the procurement of goods and services on any project rests with the owner of the project. Since the owner is usually also the borrower, the term borrower has been used in these Guidelines to refer to the owner as well. The rights and obligations of the borrower vis a vis bidders for goods and services to be furnished for the project are governed by the bidding documents issued by the borrower and not by these Guidelines, which are concerned only with the relationship between the borrower and the Fund.

Section 1.02. Procedures Other than Formal Open International Tendering

There may be special circumstances in which formal open international tendering may not be appropriate and the Fund may accept alternative procedures in cases of following:

(a) Where the borrower has convincing reasons for maintaining a reasonable standardization of his equipment.

- (b) Where the number of qualified suppliers is limited, e.g. of spare parts for existing equipment.
- (c) Where the amount involved in the procurement is so small that foreign firms clearly would not be interested, or that the advantages of formal open international tendering would be outweighed by the administrative burden involved.
- (d) Where, in addition to the cases (a), (b) and (c) above, the Fund deems it inappropriate to follow the formal open international tendering procedures or the Fund deems such procedures inapplicable for example in case of emergency procurement.

In the above-mentioned cases the following procurement formulas may be applied in such a manner as to comply with the formal open international tendering procedures to the fullest possible extent as appropriate:

- (i) Formal Selective International Tendering
- (ii) Informal International Competitive Procurement
- (iii) Direct Purchases from a Single Supplier

Section 1. 03. Type and Size of Contracts

Contracts can be let on the basis of unit prices for work performed or items supplied or of a lump sum price, or a combination of both for different portions of the contract, according to the nature of the goods or services to be provided and the bidding documents should clearly state the type of contract selected.

Contracts based principally on the reimbursement of actual costs are not acceptable to the Fund except in exceptional circumstances.

In order to foster widespread competition, individual contracts for which bids are invited shall, whenever feasible, be of a size large enough to attract bids on an international basis. On the other hand, if it is technically and administratively possible to divide a project into contracts of a specialized character and such division is likely to be advantageous and to allow broader formal open international tendering the project shall be so divided.

Single contracts for engineering, equipment and construction to be provided by the same party ("Turnkey Contracts") are acceptable if they offer technical and economic advantages for the borrower country.

Article II

Advertising and Prequalification

Section 2. 01. Advertising

On all contracts subject to formal open international tendering, invitations to bid should be advertised in at least one newspaper of

general circulation in the borrower's country. Copies of the invitation to bid (or the advertisement) should also be transmitted promptly to local representatives of the eligible source countries.

Section 2. 02. Prequalification of Bidders

In case the Fund recognizes necessity of prequalification of bidders, the Fund requires the use of prequalification. It should be done taking into account (i) the experience and past performance of each firm on similar work, (ii) its capabilities with respect to personnel, equipment and plant, and (iii) its financial positions. Abbreviated specifications shall be made available to contractors desiring to be considered for qualification. When prequalification is employed, all firms which are found to be qualified shall be permitted to bid.

Article III

Bidding Documents

Section 3. 01. References to the Fund

Bidding documents should refer to the following language:

“.....(name of borrower).....has received (or in appropriate cases ‘has applied for’) a loan from THE OVERSEAS ECONOMIC COOPERATION FUND in ¥.....toward the cost of (name of project).”

Section 3. 02. Bid Bonds or Guarantees

Bid bonds or bidding guarantees are a usual requirement, but they should not be set so high as to discourage suitable bidders. Bid bonds or guarantees should be released to unsuccessful bidders as soon as possible after the bids have been opened.

Section 3. 03. Conditions of Contract

The conditions of contract should clearly define the rights and obligations of the borrower and the contractor or supplier, and the powers and authority of the engineer, if one is employed by the borrower, in the administration of the contract and any variations thereunder. In addition to the customary general conditions of contract, some of which are referred to in these Guidelines, special conditions appropriate to the nature and location of the project should be included.

Section 3. 04. Clarity of Specifications

Specifications should set forth as clearly and precisely as possible the work to be accomplished, the goods and services to be supplied and the place of delivery or installation. The drawings should be consistent with the text of the specifications; where they are not, the text shall govern. The specifications should identify the main factors or bases which will be taken into account in evaluating and comparing bids. Any additional information, clarification, correction of errors or

alterations of specifications shall be sent promptly to all those who had requested the original bidding documents. Invitations to bid should contain an indication of the eligible source countries and any provisions for permissible imports from non-eligible source countries.

Except where the Fund has agreed to procedures other than formal open international tendering (see Section 1.02) the specifications should be so worded as to permit and encourage the widest possible international bidding.

Section 3.05. Standards

If national standards to which equipment or materials must comply are cited, the specifications should state that goods meeting Japan Industrial Standard or other internationally accepted standards, which ensure an equal or higher quality than the standards mentioned, will also be accepted.

Section 3.06. Use of Brand Names

Specifications should be based on performance capability and should only prescribe brand names, catalogue numbers, or products of a specific manufacturer if specific spare parts are required or it has been determined that a degree of standardization is necessary to maintain certain essential features. In the latter case the specifications should permit offers of alternative goods which have similar characteristics and provide performance and quality at least equal to those specified.

Section 3.07. Expenditures under Contracts

As the use of the Fund's loan is limited to financing expenditures for goods produced in the territories of the eligible source countries, permissible imports from non-eligible source countries and services supplied from the eligible source countries, the bidding documents should require the contractor or supplier to limit his expenditures under the contract accordingly or to identify expenditures in non-eligible source countries in his statements or invoices.

For statistical purposes the Fund requires information concerning the geographical origin of the goods and services it finances and of their major components. The bidding documents should require the contractor or supplier to furnish the necessary information.

Section 3.08. Pricing of Bids

As the Fund's loan is denominated in Japanese Yen, the bid price should be stated in Japanese Yen provided, however, that for the portion of the bid price which the bidder expects to spend in the borrower's country such portion should be stated in the borrower's currency.

Section 3.09. Contract Price.

The contract price should be stated in Japanese Yen provided, however, that the portion of the contract price which the contractor will spend in the borrower's country should be stated in the borrower's

currency.

Section 3.10. Price Adjustment Clauses

Bidding documents should contain a clear statement whether firm prices are required or escalation of the bid prices is acceptable.

In appropriate cases, provision should be made for adjustment (upwards or downwards) in the contract prices in the event changes occur in the prices of the major cost constituents of the contract, such as labor and important materials.

The specific formula for price adjustments should be clearly defined in the bidding documents so that the same provisions will apply to all bids.

A ceiling on price adjustment should be included in contracts for the supply of goods, but it is not usual to include such a ceiling in contracts for civil works.

No price adjustments should normally be provided for goods to be delivered within one year.

The Guidelines do not attempt to identify the various methods by which contract prices may be adjusted.

Section 3.11. Advance Payments

The percentage of the total payment to be made in advance upon effectuation of the contract for mobilization expenses should be reasonable. Other advances to be made, as for example for materials delivered to the site for incorporation in the works, should also be clearly described in the bidding documents.

Section 3.12. Guarantees, Performance Bonds and Retention Money

Bidding documents for civil works should require some form of surety to guarantee that the work will be continued until it is completed. This surety can be provided either by a bank guarantee or by a performance bond, the amount of which will vary with the type and magnitude of the work, but should be sufficient to protect the borrower in case of default by the contractor. Its life should extend sufficiently beyond completion of the contract to cover a reasonable warranty period. The amount of the guarantee or bond required should be defined in the bidding documents.

In contracts for the supply of goods it is usually preferable to have a percentage of the total payment held as retention money to guarantee performance than to have a bank guarantee or bond. The percentage of the total payment to be held as retention money and the conditions for its ultimate payment should be stipulated in the bidding documents. If, however, a bank guarantee or bond is preferred it should be for a nominal amount.

Section 3.13. Insurance

The bidding documents should state precisely the types of insurance to be provided by the successful bidder.

Section 3.14. Liquidated Damage and Bonus Clauses

Liquidated damage clauses should be included in bidding documents when delays in completion or delivery will result in extra cost, loss of revenues or loss of other benefits to the borrower. Provision may also be made for a bonus to be paid to contractors for completion of civil works contracts at or ahead of times specified in the contract when such earlier completion would be of benefit to the borrower.

Section 3.15. Force Majeure

The conditions of contract included in the bidding documents should contain clauses, when appropriate, stipulating that failure on the part of the parties to perform their obligations under the contract shall not be considered a default under the contract if such failure is the result of an event of force majeure (to be defined in the conditions of contract).

Section 3.16. Language Interpretation

Bidding documents should be prepared in English. If other language should be used in the bidding documents, English should be added to the such documents and it is required to specify which is governing.

Section 3.17. Settlement of Disputes

Provisions dealing with the settlement of disputes should be included in the conditions of contract. It is appropriate that the provisions should be based on "Rules of Conciliation and Arbitration" which has been prepared by International Chamber of Commerce.

Article IV

Bid Opening, Evaluation and Award of Contract

Section 4.01. Time Interval Between Invitation and Submission of Bids

The time allowed for preparation of bids will depend to a large extent upon the magnitude and complexity of the contract. Generally not less than 45 days should be allowed for international bidding. Where large civil works are involved, generally not less than 90 days should be allowed to enable prospective bidders to conduct investigations at the site before submitting their bids. The time allowed, however, should be governed by the circumstances relating to each project.

Section 4.02. Bid Opening Procedures

The date, hour and place for latest receipt of bids and for the bid opening should be announced in the invitations to bid and all bids should be opened publicly at the stipulated time. Bids received after this time should be returned unopened. The name of the bidder and total amount of each bid and of any alternative bids if they have been

requested or permitted should be read aloud and recorded.

Section 4.03. Clarifications or Alteration of Bids

No bidder should be permitted to alter his bid after the bids have been opened. Only clarifications not changing the substance of the bid may be accepted. The borrower may ask any bidder for a clarification of his bid but should not ask any bidder to change the substance or price of his bid.

Section 4.04. Procedures to be Confidential

Except as may be required by law, no information relating to the examination, clarification and evaluation of bids and recommendations concerning awards should be communicated after the public opening of bids to any persons not officially concerned with these procedures until the award of a contract to the successful bidder is announced.

Section 4.05. Examination of Bids

Following the opening, it should be ascertained whether material errors in computation have been made in the bids, whether the bids are fully responsive to the bidding documents, whether the required sureties have been provided, whether documents have been properly signed and whether the bids are otherwise generally in order. If a bid does not substantially conform to the specifications, or contains inadmissible reservations or is not otherwise substantially responsive to the bidding documents, it should be rejected. A technical analysis should then be made to evaluate each responsive bid and to enable bids to be compared.

Section 4.06. Postqualification of Bidders

In the absence of prequalification, the borrower should determine whether the bidder whose bid has been evaluated the lowest has the capability and financial resources effectively to carry out the contract concerned. If the bidder does not meet that test, his bid should be rejected.

Section 4.07. Evaluation and Comparison of Bids

Bid evaluation must be consistent with the terms and conditions set forth in the bidding documents. In addition to the bid price, adjusted to correct arithmetical errors, other factors such as the time of completion of construction or the efficiency and compatibility of the equipment, the availability of service and spare parts, and the reliability of construction methods proposed should be taken into consideration. To the extent practicable these factors should be expressed in monetary terms according to criteria specified in the bidding documents. The amount of escalation for price adjustments, if any, included in the bids should not be taken into consideration.

The currency or currencies in which the price offered in each bid would be paid by the borrower if that bid were accepted should be valued in terms of a single currency selected by the borrower for com-

parison of all bids and stated in the bidding documents. The rates of exchange to be used in such valuation should be the selling rates published by an official source, and applicable to similar transactions on the day bids are opened unless there should be a change in the value of the currencies before the award is made. In such cases the exchange rates at the time of the decision to notify the award to the successful bidder should be used.

A detailed report on the evaluation and comparison of bids setting forth the specific reasons on which the determination of the lowest evaluated bid is based should be prepared by the borrower or by its consultants.

Section 4.08. Rejection of Bids

Bidding documents usually provide that borrowers may reject all bids. However, all bids should not be rejected and new bids invited on the same specifications solely for the purpose of obtaining lower prices in the new bids, except in cases where the lowest evaluated bid exceeds the cost estimates by a substantial amount. Rejection of all bids may also be justified when (a) bids are not responsive to the intent of the bidding documents, or (b) there is a lack of competition. If all bids are rejected, the borrower should review the cause or causes justifying the rejection and either consider revisions of the specifications or modification in the project (or amounts of work on items called for in the original invitation to bids), or both. In special circumstances, after consultation with the Fund, the borrower may negotiate with one or two of the lowest bidders to try to obtain a satisfactory contract.

Section 4.09. Award of Contract

The award of a contract should be made to the bidder whose bid has been determined to be the lowest evaluated bid and who meets the appropriate standards of capability and financial resources. Such bidder should not be required, as a condition of award, to undertake responsibilities or work not stipulated in the specifications or to modify his bid.

After bids have been analyzed, copies of the analysis of bids and proposals for awards, together with the reasons for such proposals, shall be submitted to the Fund for approval.

Article V

Guidelines for the Use of Consultants

Section 5.01. Independence of Consultants

Consultant firms employed in relation to a project financed under the Fund's loan shall be independent in the sense that their advice and

the designs, specifications and tender documents prepared by them shall be free of national, commercial or industrial bias.

Consulting engineers who are associated with contracting or manufacturing firms shall be used only if they disqualify themselves and their associates for work in any other capacity on the same project. In the case of consulting engineers who are affiliates of manufacturers offering consulting services steps shall be taken not only to ensure that the company to which the consultant is affiliated will be disqualified from future bidding on any part of the project, but also that specifications will be impartial and can be complied with on a competitive basis.

Section 5.02. Selection of Consultants

Formal competitive bidding procedures are not required for the selection of consulting firms. However, in the process of selection, the borrower shall consider a reasonable number of prospective firms, including those notified by the Fund, which can be expected to render competent and independent services from the eligible source countries. Invitations to submit proposals shall be extended to at least three firms. Proposals, when received, should first be qualitatively compared, i.e., with respect to plans of approach, schedules, experience and capabilities of personnel to be assigned; after selection of a firm or firms considered to be best qualified for the assignment has been made, negotiations to agree upon the price and other financial terms of the contract should be opened so as to reach the final decision. The Fund reserves the right to approve the choice of the consultant to be employed or already employed by the borrower for the preparation and supervision of the project financed by the Fund.

THE OVERSEAS ECONOMIC COOPERATION FUND

IINO BUILDING, 1-1, UCHISAIWAI-CHO 2-CHOME, CHIYODA-KU,
TOKYO 100, JAPAN

COMMITMENT PROCEDURE (II)

1. Payment for import of goods and services is often arranged under a commercial letter of credit, whereunder a commercial bank operating in the supplier's country makes payment to the supplier against documents specified in the letter of credit and reimburses itself from funds made available by the importer through his bank. When such payment to the Supplier is eligible for financing under the Fund's Loan, the Purchaser may provide in the letter of credit that the paying bank will reimburse itself from an authorized Japanese foreign exchange bank in Tokyo (hereinafter referred to as "the Japanese Bank"). The Japanese Bank shall obtain the funds for reimbursement from the Fund under the assurance by the Fund. Such assurance, whenever provided, takes the form of a letter of commitment from the Fund to the Japanese Bank (hereinafter referred to as "the Letter of Commitment") whereby the Fund undertakes to disburse, on certain conditions, the amount to be reimbursed by the Japanese Bank under and in accordance with the specified letter of credit.
2. (1) The Borrower or its designated authority shall conclude an agreement on a letter of credit with the Japanese Bank immediately after signing of the Loan Agreement.
(2) After receipt of the Notice as mentioned in Section 3.02. of General Terms and Conditions of Loan Agreement, the Borrower or its designated authority shall apply, for itself or on behalf of the Borrower, to the Japanese Bank for opening in favour of the Supplier an irrevocable letter of credit (hereinafter referred to as "L/C") by presenting the Application for Irrevocable Letter of Credit in duplicate in the Form OECF-COP attached hereto.

Note: The Borrower or its designated authority shall furnish the Fund with the specimen signatures of the persons authorized to execute the Application for Irrevocable Letter of Credit.

The Japanese Bank shall request the Fund to issue the Letter of Commitment by submitting a copy of such Application.

When the Fund finds such Application in order and in conformity with the provisions of the Loan Agreement and the terms of the Contract, the Fund shall issue to the Japanese Bank the Letter of Commitment in accordance with the attached Form OECF-LOC.

(3) Upon receipt of the Letter of Commitment, the Japanese Bank shall issue an L/C addressed to the Supplier substantially in accordance with the attached Form OECF-LCI for the goods and OECF-LCII for the services respectively.

(4) When a bank makes payment to the Supplier pursuant to the said L/C, the paying bank will reimburse itself from the Japanese Bank.

Upon receipt of request for such reimbursement, the Japanese Bank shall present to the Fund the Request for Disbursement in the Form OECF-RFD. The Fund shall, immediately after examination thereof, make disbursement of the requested amount to the Japanese Bank under the provisions of the Letter of Commitment.

3. All banking charges or fees under the L/C are for the Borrower's account.
4. Claims or disputes in connection with the L/C shall be settled among the parties concerned and such claims or disputes shall not exempt the Borrower from any obligation incurred under the Loan Agreement concerned.

Application for Irrevocable Letter of Credit

To: Date:
Appl. Serial No.:

.....
(Name and address of
the Japanese Bank)

Gentlemen:

- (1) Pursuant to the Loan Agreement No. dated
between THE OVERSEAS ECONOMIC COOPERATION FUND and
..... (hereinafter referred to as "the Loan Agree-
ment") and to the Agreement on a letter of credit concerning the Loan
Agreement, dated, between
(Japanese Bank)
and, the undersigned hereby, on
(Borrower or its designated authority)
behalf of the Borrower, request you to issue an Irrevocable Letter of
Credit detailed below and to advise the undermentioned beneficiary of
the issuing of the said Credit/by* cable (L/T,)/airmail through
your correspondents (.....)* with/without adding their
confirmation.

Contract: No.

Date:

Beneficiary's name and address
(description of the contents of the Letter of Credit concerned)

- (2) The undersigned certifies to THE OVERSEAS ECONOMIC COOPERATION FUND (hereinafter sometimes referred to as "the Fund") that:
- (a) the amount of this Application represents expenditures to be made for the purpose specified in the Loan Agreement;
 - (b) the undersigned has not previously applied for disbursement under the Loan Agreement for the purpose of meeting such expenditures and has not obtained nor will obtain funds for such

* Please delete inapplicable version.

purpose out of the proceeds of any other loan, credit or grant available to the Borrower;

- (c) the concerned goods and services have been procured in accordance with the applicable procurement procedures agreed with the Fund pursuant to the Loan Agreement and the cost and terms of purchase thereof are reasonable;
 - (d) the said goods and services are to be supplied by the above beneficiary and have been or are to be produced in the country eligible for the Fund's loan;
 - (e) as of the date of this Application there is no existing default under the Loan Agreement, nor, to the best of the undersigned's knowledge and belief, under the Guarantee, if any.
- (3) Please furnish a second copy of this Application to the Fund and request the Fund to issue the Letter of Commitment as mentioned in the Commitment Procedure under the Loan Agreement. The above-mentioned Credit shall be issued by only after receipt of the said Letter of Commitment.

This Application consists of page (s).
(number)

.....
(Borrower)

By: _____
(Authorized Signature)

Letter of Commitment

Date: _____
Commitment No. _____

To: _____

(Name and address of
the Japanese Bank)

Re: Your L/C _____
Our Loan No. _____ under
Loan Agreement dated _____
between THE OVERSEAS ECONOMIC
COOPERATION FUND and _____

Gentlemen:

We hereby irrevocably undertake to reimburse you for a sum or sums not exceeding ¥ _____ against the Request for Disbursement accompanied by a copy of the draft (s) drawn by the beneficiary, on condition that the date of reimbursement shall be notified us in writing at least two (2) business days advance.

This Letter of Commitment shall expire on _____.

It is further understood that in reimbursing you pursuant to this Letter of Commitment, we shall in no way be liable or responsible for the acts or omissions of the issuing bank, the negotiating bank, the beneficiary and/or any other parties concerned with the captioned Letter of Credit in connection with the issuance, negotiation, payments thereof or any other matters connected therewith.

Yours truly,

THE OVERSEAS ECONOMIC
COOPERATION FUND

By: _____
(Authorized Signature)

Irrevocable Letter of Credit

Date:

To:

.....
(Name and address of
the Supplier)

This Letter of Credit has been issued pursuant to Loan Agreement No., dated, between (Borrower) and THE OVERSEAS ECONOMIC COOPERATION FUND.

Dear Sirs,

We advise you that we have opened our irrevocable credit No. in your favor for account of for a sum or sums not exceeding an aggregate amount of ¥ (Say yen

) available by your drafts at sight for full invoice value drawn on us, To be accompanied by the following documents:

Signed commercial invoice in

Full set of clean on board ocean bills of lading made out to order and blank endorsed and marked "Freight" and "Notify"

Other documents

evidencing shipment of (brief description of goods to be shipped referring to Contract No. (if any))

from to

Partial shipments are permitted. Transshipment is permitted.

Bills of lading must be dated not later than

Drafts must be presented for negotiation not later than

All drafts and documents under this credit must be marked "Drawn under irrevocable credit No., dated, and Import Reference No. (s). (if any)".

This credit is not transferable.

We hereby undertake that all drafts drawn under and in compliance with the terms of the credit shall be duly honoured on due presentation and delivery of documents to the drawee.

Unless otherwise expressly stated, this credit is subject to "Uniform Customs and Practice for Documentary Credits (1974 Revision), Interna-

tional Chamber of Commerce Brochure No. 290".

Special Instructions to the negotiating bank:

1. After obtaining the reimbursement for our payments from THE OVERSEAS ECONOMIC COOPERATION FUND in accordance with the provisions of the Letter of Commitment issued thereby under the above-mentioned Loan Agreement, we undertake to remit the amount of the drafts in accordance with instructions issued by the negotiating bank.
2. The negotiating bank must forward the drafts and one complete set of documents to us together with the certificate stating that the remaining documents have been airtailed direct to
3. All banking charges under this credit are for account of (the Borrower) under the said Loan Agreement.

Yours faithfully,

.....
(a commercial bank)

By: _____
(Authorized Signature)

PAYMENT TERMS

This payment terms constitutes an integral part of our Letter of Credit No.

I. Initial Payment

Amount: ¥
being % of the total contract price.

Required documents:

Latest presentation date:

II. Intermediate Payment (if any)

Amount: ¥
being % of the total contract price.

Required documents:

Latest presentation date:

III. Payment against Shipping Documents

Amount: ¥
being % of the total contract price.

Note: This attached sheet is not required in case of full payment against shipping documents.

Irrevocable Letter of Credit

Date:

To:

(Name and address of
the Supplier)

This Letter of Credit has been issued pursuant to Loan Agreement No., dated, between (Borrower) and THE OVERSEAS ECONOMIC COOPERATION FUND.

Dear Sirs,

We advise you that we have opened our irrevocable credit No. in your favor for account of for a sum or sums not exceeding an aggregate amount of ¥ (Say Yen) available by beneficiary's drafts at sight for full Statement value drawn on us,

To be accompanied by the required documents, in accordance with the Payment Schedule attached hereto, concerning (Contract No. with regard to Project). Drafts must be presented for negotiation not later than

All drafts and documents must be marked "Drawn under irrevocable credit No. dated".

This credit is not transferable.

We hereby undertake that all drafts drawn under and in compliance with the terms of the credit shall be duly honoured on due presentation and delivery of documents to the drawee.

Unless otherwise expressly stated, this credit is subject to "Uniform Customs and Practice for Documentary Credits (1974 Revision), International Chamber of Commerce Brochure No. 290".

Special Instructions to the negotiating bank:

1. After receipt of the original Statement of Performance issued by (Borrower or its designated authority) in accordance with the form attached hereto, payment (s) under this credit must be made in accordance with the Payment Schedule stipulated in the sheet attached hereto. In case of the initial payments, the beneficiary's Statement is required instead of

the above-mentioned Statement of Performance.

2. After obtaining the reimbursement for our payment from THE OVERSEAS ECONOMIC COOPERATION FUND in accordance with the provisions of the Letter of Commitment issued thereby under the above-mentioned Loan Agreement, we undertake to remit the amount of the drafts in accordance with the instructions issued by the negotiating bank.
3. A copy of the document as mentioned in item 1 above and the drafts shall be sent to us immediately after the receipt thereof.
4. All banking charges under this credit are for account of (the Borrower) under the said Loan Agreement.

Yours faithfully,

.....
(a commercial bank)

By: _____
(Authorized Signature)

Statement of Performance

Date :
Ref. No.

To:

.....
(Name and address
of the Supplier)

Re: Letter of Credit No., dated,
issued by,
for ¥ in favor of
..... concerning Project
under Loan Agreement No.

I, the undersigned, representing (Borrower), hereby issue a Statement of Performance to entitle to receive the sum of ¥ (Yen Only) from THE OVERSEAS ECONOMIC COOPERATION FUND in accordance with the Payment Terms stipulated in the Contract No., dated, between and

.....
(Borrower)

By:
(Authorized Signature)

Special Instructions:

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

Request for Disbursement

Date:

To: THE OVERSEAS ECONOMIC COOPERATION FUND
Tokyo, Japan

Attn: Manager, Loan Department

Re: Your Loan Agreement No. Country:

Lettr of Commitment No.

Our Letter of Credit No.

Gentlemen:

We have received the documents concerning the supply of

.....
(quantity and description of goods and services according to the L/C)
and found them in order and in conformity with the terms of the said
Letter of Credit.

Pursuant to the above Letter of Commitment we hereby request you
to disburse us from the above Loan with the following particulars:

a) Amount of Disbursement: ¥

(Say Yen

b) Date of Disbursement:

Yours truly,

.....
(a commercial bank)

By:

(Authorized Signature)

Enclosed:

ANNEX 3

Reimbursement Procedure

1. Eligible Costs to be financed by the Reimbursement Procedure

(1) With respect to the eligibility of the local cost, Section I of the Schedule 2 of the Loan Agreement is applied to this Reimbursement Procedure.

(2) The Loan shall finance the full amount of payments for the eligible local cost of the Project, provided, however, that the amount of such financing shall not exceed the limit as mentioned in paragraph (1), Section 2, Article I of the Loan Agreement.

(3) It is required that the contract price with respect to the Peruvian goods and services (local cost portion of the Contract) shall be fixed and payable in Peruvian Sol.

2. Request for Reimbursement

(1) When the Executing Agency* makes payment for the eligible local costs described in Paragraph 1 (1) to the Suppliers/Contractors, the Borrower or the Executing Agency as the designated authority of the Borrower, shall submit to the Fund the Request for Reimbursement (as per Form: OECF-RMP attached hereto) with Summary Sheet in support thereof (as per Form: OECF-RMP-SS attached hereto).

(2) The Request for Reimbursement shall be made in terms of United States Dollar. The amount stated therein shall be calculated at the buying rate of United States Dollar against Peruvian Sol quoted by Banco Central de Reserva del Perú on the day when the Request concerning the eligible cost is made.

*(Empresa Nacional de Telecomunicaciones del Perú is hereinafter referred to as "the Executing Agency")

3. Reimbursement to the Borrower

Upon receipt of the Request for Reimbursement, the Fund, after examination thereof, shall determine the amount in Yen of reimbursement and shall reimburse the determined amount in Yen by paying it into a nonresident Free Yen account of the Banco Central de Reserva del Perú on behalf of the Borrower which is opened with the Bank of Tokyo, Ltd., Tokyo. The exchange rate of United States Dollar against Japanese Yen for calculation shall be T/T selling rate of the Bank of Tokyo, Ltd., Tokyo on the day immediately preceding the day when the reimbursement is made. If such a day is not a working day of the said bank, the T/T selling rate quoted by the bank on the working day immediately preceding the said day shall be applied.

Such reimbursement shall constitute a disbursement of the Loan.

Request for Reimbursement

Date:
 Loan No.:
 App. Serial No.:

To: THE OVERSEAS ECONOMIC
 COOPERATION FUND
 Tokyo, Japan

Attn: Director, Loan Department I

Gentlemen:

1. Pursuant to the Loan Agreement dated _____ between THE OVERSEAS ECONOMIC COOPERATION FUND (hereinafter referred to as "the Fund") and the undersigned _____, the undersigned hereby requests for reimbursement under said Loan Agreement, of the sum of Japanese Yen equivalent to US\$ _____ (Say United States Dollar _____) in reimbursement of expenditures as described in the attached Summary Sheet(s).
2. The undersigned has not previously requested for reimbursement of any amounts from the Loan for the purpose of reimbursing or of meeting the expenditures described in the attached Summary Sheet(s). The undersigned has not obtained nor will obtain funds for such purpose out of the proceeds of any other loan, credit or grant available to the undersigned except short-term loans or credits, if any, established in anticipation of the reimbursement requested for herein and to be repaid pro-tanto with the funds reimbursed hereunder and any charges, commission or interest paid or payable under such anticipatory short-term credits are not included in the amount herein requested to be reimbursed.
3. The undersigned certifies that-
 - a) the expenditures, hereby sought to be reimbursed, were made for the purposes specified in the Loan Agreement;
 - b) as of the date of this request there is no existing default under the Loan Agreement, nor, to the best of the undersigned's knowledge and belief, under the Guarantee, if any.
4. Please reimburse the amount requested for herein by paying into the non-resident free yen account of _____ (payee) with _____ (name and address of a Japanese foreign exchange bank in Tokyo)

5. This request consists of _____ page(s) and
(number)
_____ signed and numbered summary sheet(s).
(number)

(Name of Borrower)

By: _____
(Authorized Signature)

Date:
Ref.No.Summary Sheet

Reporting Period from _____ to _____

Item	Eligible local cost to be financed by the Loan	Amount financed from _____ to the beginning of Reporting Period	Amount to be financed during Re- porting Period	Amount from _____ to the end of Reporting Period
(1)	(2)	(3)	(4)	(5)

The amount of reimbursement is calculated as follows:

Amount required: _____

Exchange rate: _____ Per U.S.Dollars

The amount of reimbursement: _____ U.S.Dollars

The claims or invoices of the Supplier as well as the certificates
of are enclosed herewith.

(Name of Borrower)



(TRADUCCION NO OFICIAL)

(SELLO: REGISTRO OFICIAL DE
TRATADOS BILATERALES
No. B 1243-A)

PRESTAMO NO. PE-2

CONVENIO DE PRESTAMO

PARA EL

PROYECTO PARA LA INSTALACION DEL SISTEMA
DE TELECOMUNICACIONES A MICROONDAS

ENTRE

EL FONDO PARA LA COOPERACION ECONOMICA DE ULTRAMAR DEL JAPON

Y

LA REPUBLICA DEL PERU

DEL

26 DE JULIO DE 1978

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CONVENIO DE PRESTAMO del 26 de julio de 1978 celebrado entre el FONDO PARA LA COOPERACION ECONOMICA DE ULTRAMAR DEL JAPON y la REPUBLICA DEL PERU.

CONSIDERANDO: El contenido de un Intercambio de Cartas entre el Gobierno del Japón y el Gobierno de la República del Perú del 31 de marzo de 1978 en relación a la asistencia financiera que el Japón concederá a la República del Perú,

EL FONDO PARA LA COOPERACION ECONOMICA DE ULTRAMAR (en adelante denominado "Fondo") y la REPUBLICA DEL PERU (en adelante denominada "Prestatario") concluyen el presente Convenio de Préstamo.

ARTICULO I

El Préstamo

1. Monto y Propósito del Préstamo.

El Fondo otorgará al Prestatario un monto que no exceda los TRES BILLONES SEISCIENTOS MILLONES de yenes Japoneses (¥3,600,000,000) (en adelante denominado el "Préstamo") para implementar el Proyecto de acuerdo con el Programa 1 del presente Convenio de Préstamo (en adelante denominado el "Proyecto") de conformidad con los términos y condiciones estipulados por el presente y las pertinentes Leyes y Normas del Japón. Sin embargo, cuando el total acumulable de desembolsos según el Convenio de Préstamo llegue a dicho límite, el Fondo no realizará ulteriores desembolsos.

2. Uso del Crédito del Préstamo.

(1) El Prestatario usará el crédito del Préstamo para adquirir de proveedores, contratistas y consultores de los países de origen (en adelante denominados "Proveedores/Contratistas"), bienes y servicios necesarios para la implementación del Proyecto según la distribución descrita en el Programa 2 adjunto al presente.

Sin embargo, de conformidad con el Programa 2 adjunto al presente, una parte del Préstamo que no exceda los QUINIENTOS MILLONES de yenes Japoneses (¥500,000,000) será destinada para cumplir con los requisitos de la moneda local del Proyecto.

(2) El último desembolso según el presente Convenio de Préstamo, se realizará a más tardar el 25 de julio de 1981, y en adelante el Fondo no realizará ulteriores desembolsos salvo que el Gobierno del Japón y el Gobierno de la República del Perú acuerden lo contrario y el Fondo y Prestatario estén de acuerdo.

ARTICULO II

Reintegro e Intereses

1. Reintegro del Capital.

De conformidad con el Programa de Amortizaciones que establece el Programa 3 adjunto al presente Convenio de Préstamo, el Prestatario reintegrará al Fondo el capital del Préstamo dentro de veinte (20) años, incluyendo los siete (7) años de gracia inicial.

2. Intereses y Forma de Pago a partir de allí.

(1) Semestralmente, el Prestatario pagará al Fondo intereses a una tasa del cinco por ciento (5%) anual sobre el capital desembolsado y pendiente de tiempo en tiempo.

(2) El Prestatario pagará al Fondo el 20 de julio de cada año, los intereses acumulados desde el 20 de enero hasta el 19 de julio de ese año y el 20 de enero de cada año, los intereses acumulados desde el 20 de julio del año anterior hasta el 19 de enero del próximo año, siempre que, previa a la fecha del desembolso final del rédito del Préstamo, el Prestatario pague al Fondo el 20 de agosto de cada año, el monto de los intereses acumulados desde el 20 de enero hasta el 19 de julio del año, y el 20 de febrero de cada año, el monto de los intereses acumulados desde el 20 de julio anterior hasta el 19 de enero de ese año.

ARTICULO III

Convenios Particulares

1. Términos y Condiciones Generales.

El Prestatario acepta todas las medidas de los Términos y Condiciones Generales del presente Convenio de Préstamo adjunto al presente como Programa 4, y lo considera parte integral del mismo con las modificaciones a seguir (en adelante denominados "Términos y Condiciones Generales"):

El Artículo VI se suprime y consecuentemente cualquier término que aluda a la "Garantía" y/ó al "Garante" quedará suprimido cuando se mencione en los Términos y Condiciones Generales.

2. Administración del Préstamo.

(1) El Prestatario volverá a prestar el Préstamo a la Empresa Nacional de Telecomunicaciones del Perú (bajo los mismos términos y condiciones que los del presente Convenio de Préstamo) y autorizará a la Empresa Nacional de Telecomunicaciones del Perú (en adelante denominada la "Agencia Ejecutora") a implementar el Proyecto.

(2) Expeditamente, el Prestatario tomará todas las medidas que se estimen oportunas para proporcionar los fondos necesarios en caso que aquellos disponibles del Rédito del Préstamo no sean suficientes para implementar el proyecto.

(3) Bimestralmente, el Prestatario proporcionará al Fondo un informe sobre el progreso del Programa durante el período de construcción.

3. Observaciones y Solicitudes.

Las siguientes direcciones se especifican para propósitos de la Sección 8.03 de los Términos y Condiciones Generales:

Para el Fondo

Dirección Postal: THE OVERSEAS ECONOMIC COOPERATION FUND
(Atención: Director, Loan Department I)
Iino Building, 1-1 Uchisaiwaicho 2-chome
Chiyoda-ku, Tokyo 100, Japan

Dirección Cable: COOPERATIONFUND TOKYO

Telex: Llame No. J28430 y J28790
Codigo de Respuesta COOPFUND

Para el Prestatario

Dirección Postal: MINISTERIO DE ECONOMIA Y FINANZAS
(Atención: Director General,
Dirección General de Crédito Público)
Av. Avancay, Lima, Perú

Dirección Cable: MINECONOMIA LIMA

Telex: Llame No. 20187
Código de Respuesta MINDEF 20187PU

En caso las direcciones y/o los nombres hayan sido cambiados, la Parte interesada notificará inmediatamente por escrito al respecto a las otras Partes.

EN FE DE LO CUAL, el Fondo y el Prestatario actuando por intermedio de sus respectivos representantes Autorizados firman este Convenio de Préstamo en sus respectivos nombres y lo elevan a la oficina del FONDO PARA LA COOPERACION ECONOMICA DE ULTRAMAR, Chiyoda-ku, Tokyo, Japan, el día y la fecha primero mencionada ut supra.

Por el

Por la

FONDO PARA LA COOPERACION
ECONOMICA DE ULTRAMAR

REPUBLICA DEL PERU

(FIRMA ILEGIBLE)

(FIRMA ILEGIBLE)

Kaneo Ishigara
Presidente,

César Espejo-Romero
Embajador Extraordinario
y Plenipotenciario de la
República del Perú

PROGRAMA 1

Descripción del Proyecto

I. El Proyecto consiste de las siguientes partes:

A. Proyecto para la Instalación del Sistema de Telecomunicaciones a Microondas.

(1) Construcción de un Sistema Relevador a Microondas.

(a) Ruta Cerro de Pasco - Huánuco - Tingo María - Pucallpa (Longitud Total 378,8 Km).

(b) Número de Estaciones:

Estación Terminal	4
Estación Repetidora	8
Reflector	1

(c) Frecuencia y Capacidad de Transmisión:

Sistema	4GHz	960	CH	1+1
---------	------	-----	----	-----

(2) Instalación del Equipo Multiplex.

Lima	-	Cerro de Pasco	24 CH
Lima	-	Pucallpa	24 CH
Lima	-	Huánuco	60 CH
Huánuco	-	Pucallpa	12 CH
Huánuco	-	Cerro de Pasco	24 CH
Huánuco	-	Tingo María	12 CH

(3) Obras Civiles e Instalación del Sistema para el Suministro de Energía Eléctrica.

B. Proyecto para la Construcción de Estaciones de Satélites de Tierra.

(1) Construcción de Estaciones Modelo Tipo B FM SCPC de Tierra.

- (a) Ubicación Lima (Lurín), Iquitos, Tarapoto, Pucallpa.
- (b) Capacidad de Transmisión:
- | | |
|----------|-----------------------------|
| Teléfono | 98 CH |
| TV | TV a Color (Sistema M) 1 CH |
- (2) Instalación del Equipo Multiplex:
- | | | | |
|------|---|----------|-------|
| Lima | - | Iquitos | 50 CH |
| Lima | - | Tarapoto | 24 CH |
| Lima | - | Pucallpa | 24 CH |
- (3) Construcción de una Conexión de Acercamiento entre la Estación de Tierra y las oficinas telefónicas de cada ciudad.
- Lima : Expansión del Equipo Multiplex (96 CH) en la conexión de microondas ya existentes (Lurín - Morro Solar - Washington).
- Iquitos : Conexión UHF para Teléfonos (Sistema 120 CH 1+1, Equipo Multiplex 60 CH)
- Conexión Microondas para TV (Sistema 1+0).
- Tarapoto : Conexión Microondas para TV (Sistema 1+0).
- Pucallpa : Conexión Cable para TV
- (4) Obras Civiles e Instalación del Sistema para el Suministro de Energía Eléctrica.

Los Réditos del Préstamo serán destinados, una parte a la porción del Proyecto en moneda extranjera y otra a aquella en moneda local.

II. Los fondos requeridos anualmente por moneda se calculan de la siguiente manera:

- A. Proyecto para la Instalación del Sistema de Telecomunicaciones a Microondas.

<u>Año Fiscal</u>	<u>Moneda Extranjera</u> (en millones de Yenes Japoneses)	<u>Moneda Local</u> (en millones de Yenes Japoneses)
1978	232	187
1979	853	168
1980	55	---
Total	1,140	355

B. Proyecto para la Construcción de la Estación Satélite de Tierra.

<u>Año Fiscal</u>	<u>Moneda Extranjera</u> (en millones de Yenes Japoneses)	<u>Moneda Local</u> (en millones de Yenes Japoneses)
1978	411	64
1979	1,609	21
1980	---	--
Total	2,020	85

Los Desembolsos del Fondo de Préstamos serán realizados dentro de los límites de las asignaciones presupuestarias anuales del Fondo.

III. Se espera que el Proyecto para la Instalación del Sistema de Microondas finalice a finales del primer trimestre de 1980 y que el Proyecto para la Construcción de la Estación Satélite de Tierra a mediados de 1979.

PROGRAMA 2

Asignación del Crédito del Préstamo

Categoría	Monto Estimado (en millones de Yenes)
(Proyecto Microondas)	
A. Costo de Construcción (Nota 1)	1,085
B. Costo en Moneda Local (Nota 2)	355
C. Eventualidades	55
Sub-Total	1,495
(Proyecto Estación de Tierra)	
A. Costo de Construcción (Nota 1)	2,020
B. Costo en Moneda Local (Nota 2)	85
C. Eventualidades	0
Sub-Total	2,105
Total	3,600

Nota 1: En la Categoría A el monto no incluye el costo en moneda Peruana el cual se asigna a la Categoría B.

Nota 2: Los costos en moneda local para artículos no elegibles son de la siguiente manera:

1. Gastos Administrativos en General y remuneración a los empleados de la Agencia Ejecutora.
2. Impuestos y obligaciones.
3. Adquisición de propiedades inmobiliarias.
4. Compensación.

II. Reasignación en caso cambie el Costo Estimado.

1. Si el costo estimado de los artículos que se incluyen en cualquiera de las Categorías A y B disminuye, el Fondo reasignará a la Categoría C el monto asignado y ya no requerido para dichas Categorías.

2. Si el costo estimado de los artículos que se incluyen en cualquiera de las Categorías A y B aumenta, un monto, si lo hubiese, igual a la porción de dicho incremento ha ser financiado mediante el crédito del Préstamo será asignado por el Fondo de la Categoría C a dichas Categorías, sin embargo, de conformidad con lo que determine el Fondo y sujeto a los requisitos en casos de eventualidades relacionadas al costo de artículos en otras Categorías.

PROGRAMA 3
PLAN DE AMORTIZACIONES

<u>Nº de Mensualidades</u>	<u>Fecha de Pago</u>	<u>Monto del Principal</u> (Expresado en Yenes Japoneses)
1	Julio 20, 1985	133,342,000.-
2	Enero 20, 1986	133,333,000.-
3	Julio 20, 1986	133,333,000.-
4	Enero 20, 1987	133,333,000.-
5	Julio 20, 1987	133,333,000.-
6	Enero 20, 1988	133,333,000.-
7	Julio 20, 1988	133,333,000.-
8	Enero 20, 1989	133,333,000.-
9	Julio 20, 1989	133,333,000.-
10	Enero 20, 1990	133,333,000.-
11	Julio 20, 1990	133,333,000.-
12	Enero 20, 1991	133,333,000.-
13	Julio 20, 1991	133,333,000.-
14	Enero 20, 1992	133,333,000.-
15	Julio 20, 1992	133,333,000.-
16	Enero 20, 1993	133,333,000.-
17	Julio 20, 1993	133,333,000.-
18	Enero 20, 1994	133,333,000.-
19	Julio 20, 1994	133,333,000.-
20	Enero 20, 1995	133,333,000.-
21	Julio 20, 1995	133,333,000.-
22	Enero 20, 1996	133,333,000.-
23	Julio 20, 1996	133,333,000.-
24	Enero 20, 1997	133,333,000.-
25	Julio 20, 1997	133,333,000.-
26	Enero 20, 1998	133,333,000.-
27	Julio 20, 1998	133,333,000.-

Total 3,600,000,000.-

(TRADUCCION NO OFICIAL)

PROGRAMA 4

OECE

**EL FONDO DE COOPERACION ECONOMICA
DE ULTRAMAR**

**TERMINOS Y CONDICIONES GENERALES
DEL
CONVENIO DE PRESTAMO**

TERMINOS Y CONDICIONES GENERALES DEL CONVENIO DE PRESTAMO

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TERMINOS Y CONDICIONES GENERALES DEL CONVENIO DE PRESTAMO

ARTICULO I

Propósito

Sección 1.01. Propósito.

El propósito de estos Términos y Condiciones Generales del Convenio de Préstamo (en adelante denominado "Términos y Condiciones Generales") es el de divulgar ciertos términos y condiciones que generalmente se aplican a los Préstamos otorgados por el Fondo, con la misma validez y vigor como si fueran totalmente divulgados por los Convenios de Préstamo relacionados.

Sección 1.02. Inconsistencia con el Convenio de Préstamo.

Si cualquier medida de un Convenio de Préstamo ó una garantía es inconsistente con las medidas de los Términos y Condiciones Generales, las medidas de este último regirán.

ARTICULO II

Préstamo; Reintegro; Interés; Cargo por Retraso; Lugar de Pago; Moneda

Sección 2.01. Monto del Préstamo

El Préstamo será denominado en yenes Japoneses. El monto será estipulado por el Convenio de Préstamo celebrado entre el Fondo y el Prestatario. De conformidad con los procedimientos de desembolso que estipula el Artículo IV, el Préstamo será desembolsado por la totalidad de su monto.

Sección 2.02. Reintegro

(1) El monto principal del Préstamo será reintegrado según el plan de amortizaciones del Convenio de Préstamo.

(2) Si el total acumulable de desembolsos según el Convenio de Préstamo es fijo y no alcanza el monto del Préstamo estipulado a partir de allí, la diferencia entre dicho monto del Préstamo y dicho total acumulable de desembolsos será substraído en proporción de las cuotas del principal pendiente. Sin embargo, siempre y cuando cualquier fracción inferior a MIL YENES (¥1,000) de cada cuota del principal se agregue a la próxima primera cuota del principal.

Sección 2.03. Interés.

Semestralmente se pagarán intereses sobre el monto principal retirado y pendiente de tiempo en tiempo según la tasa que especifica el Convenio de Préstamo. Los intereses se acumularán a partir de las fechas en las que se realicen desembolsos del monto.

Sección 2.04. Cargo por Retraso.

En caso no se cumpla con el pago del principal, de los intereses ó de cualquier otro gasto necesario según el Convenio de Préstamo, cargos por retraso a una tasa anual del tres por ciento (3%) será agregada a la tasa de intereses que especifica el Convenio de Préstamo. Estos se pagarán sobre dicho monto del principal, de los intereses ó de cualquier otro gasto en retraso durante un período que va de la fecha de vencimiento hasta el día que inmediatamente precede la fecha del pago actual a partir de allí, los dos se incluyen.

Sección 2.05. Computo de los Intereses y del Cargo por Retraso.

Los intereses y los cargos por retraso serán calculados diariamente usando el factor de 365 días.

Sección 2.06. Lugar de Pago.

La oficina del Fondo ó la cuenta que el Fondo tiene en el Banco de Tokyo Ltd., Oficina de Ichisaiwai-cho, Tokio, Japón, son los lugares donde se pagará el principal, los intereses y otros gastos del Préstamo.

Sección 2.07. Moneda en la cual se pagará el Monto Principal, los Interés y otros Gastos.

El reintegro del Préstamo y el pago de los intereses y otros cargos a partir de allí, se realizarán en Bancos Japoneses de Cambio Exterior, en yenes Japoneses autorizados y adquiridos mediante la venta de monedas extranjeras ó transferidos de una cuenta de yenes libre.

ARTICULO III

El Contrato

Sección 3.01. Condiciones del Contrato.

(1) EL costo de bienes y servicios a ser financiados mediante el Rédito del Préstamo será estimado antes que finalice el Convenio de Préstamo y a partir de allí se sufragarán los costos estimados por categoría.

Dichos bienes y servicios serán obtenidos de conformidad con las Pautas de Adquisición, estipuladas separadamente por el Fondo y el Prestatario.

(2) Antes que concluyan dichos contratos, el Prestatario consultará al Fondo sobre las Condiciones Generales para aquellos contratos relacionados a la obtención de dichos bienes y servicios.

(3) El Contrato reflejará las condiciones acordadas en dichas consultas.

Sección 3.02. Aprobación del Contrato.

(1) Cada vez que finalice el Contrato entre el Proveedor y el Comprador, el Prestatario enviará al Fondo una solicitud para la Aprobación del Contrato (de conformidad con el Formulario N° 1 adjunto al presente), junto con una copia certificada del Contrato en cuestión.

(2) El Fondo estudiará la elegibilidad del Contrato a fin sea financiado según el Convenio de Préstamo. En caso el Fondo reconozca su elegibilidad, aprobará el contrato en cuestión enviando al Prestatario una Nota de Aprobación del Contrato (de conformidad con el Formulario N° 2 adjunto al presente).

Sección 3.03. Cambio y Cancelación del Contrato.

En caso el Contrato aprobado por el Fondo cambie en contenido ó sea cancelado, el Prestatario, a partir de allí, obtendrá el previo consentimiento por escrito del Fondo. Sin embargo, cuando cualquier cambio de carácter mínimo no ocasione una modificación esencial en el contenido del Contrato y/ó no afecte el precio del contrato, el Prestatario no necesitará dicho consentimiento por parte del Fondo.

ARTICULO IV

Desembolso

Sección 4.01. Procedimiento de Desembolso.

El Préstamo será desembolsado a petición del Prestatario según el progreso del Proyecto. Los procedimientos de desembolso serán acordados por separado por el Fondo y el Prestatario.

Sección 4.02. Petición de Desembolso.

Si el Prestatario solicita que el Fondo realice desembolsos del Préstamo, este entregará al Fondo una solicitud por escrito de tal forma y conteniendo tales informes y Convenios como el Fondo razonablemente solicite. Dicha solicitud, con la documentación necesaria según lo que el presente Artículo estipule de aquí en adelante, se realizará expeditamente para gastos del Proyecto, salvo que el Fondo y el Prestatario acuerden lo contrario.

Sección 4.03. Declaraciones de Apoyo.

De conformidad con la Sección anterior y según el Fondo razonablemente solicite ya sea antes o después de autorizar cualquier solicitud de Desembolso del Préstamo, el Prestatario proporcionará al Fondo dichos documentos y otras declaraciones que apoyen dicha solicitud.

Sección 4.04. Documentos Adecuados y Formularios.

Cada solicitud, la documentación que lo acompaña y las declaraciones de apoyo serán adecuadas en forma y contenido para satisfacer al Fondo que el monto que será desembolsado del Préstamo será utilizado únicamente para los fines que especifica el Convenio de Préstamo.

Sección 4.05. Notificación de Desembolsos y Confirmación de Obligaciones.

(1) Cada vez que se realicen desembolsos, el Fondo enviará en duplicado al Prestatario una Notificación de Desembolso (de conformidad con el Formulario N° 3 adjunto al presente).

(2) El Prestatario devolverá inmediatamente al Fondo, la segunda copia de la Notificación de Desembolso debidamente firmada por las personas autorizadas. Esta acción constituirá la confirmación de las obligaciones relacionadas a dicho desembolso.

Sección 4.06. Notificación por parte del Fondo.

El Fondo enviará al Prestatario una Notificación sobre los Intereses y el Monto (de conformidad con el Formulario N° 4 adjunto al presente) y cuando juzgue necesario, un Informe Periódico del Préstamo.

ARTICULO V

Recursos; Omitir Ejercitar sus Derechos; No Exención; No Discriminación; Administración

Sección 5.01. Recursos del Fondo.

En caso ocurran ó continúen ocurriendo cualquiera de las siguientes eventualidades, el Fondo notificará al Prestatario sobre la suspensión de sucesivos desembolsos. Si dicha suspensión continua ocurriendo por un período de treinta días (30) a partir de la fecha de dicha notificación, el Fondo suspenderá los desembolsos sucesivos y/ó declarará que el total del monto principal entonces pendiente y su respectivo interés sean reconocidos y pagaderos de inmediato. Una vez que dicha declaración se lleve a cabo dicho monto e intereses se pagarán inmediatamente:

(a) Ocurra una omisión en el pago del principal, de los intereses ó de cualquier otro gasto necesario según el Convenio de Préstamo.

(b) Ocurra una omisión en la realización de cualquier otro término y condición, contrato ó convenio por parte del Prestatario ó del Garante, si lo hubiese, y según el Convenio de Préstamo ó la Garantía, si la hubiese.

(c) Surjan situaciones extraordinarias, incluyendo guerras, guerras civiles, terremotos, inundaciones, etc., que hagan improbable, según la opinión del Fondo, que el Prestatario ó el Garante, si lo hubiese, ejecuten sus obligaciones de conformidad con el Convenio de Préstamo ó la Garantía, si la hubiese.

Sección 5.02. Omitir Ejercer sus Derechos.

Ninguna omisión por parte del Fondo a usar ó retrasar el uso de todos sus derechos de conformidad con el Convenio de Préstamo ó las Garantías, si las hubiese, será interpretado como una renuncia a partir de allí. Tampoco perjudicará cualquier otro uso presente ó futuro, de dichos derechos ó el uso de cualquier otro derecho a ejercer singular ó parcialmente, cualquier derecho que el Fondo tiene de conformidad con el Convenio de Préstamo ó las Garantías, si las hubiese.

Sección 5.03. No Exención a las Obligaciones por parte del Prestatario.

Por el presente, cualquier reclamo ó disputa que se relacione al Contrato será resuelta entre las Partes interesadas. Dicho reclamo ó disputa no exonerará al Prestatario de las obligaciones contraídas según el Convenio de Préstamo.

Sección 5.04. No Discriminación.

En relación al pago del principal, de los intereses ó de cualquier otro gasto necesario según el presente Convenio de Préstamo, el Prestatario ó el Garante, si lo hubiese, acuerdan tratar al Fondo de la misma manera favorable que como a los acreedores de cualquier otra deuda externa, salvo las de corto plazo.

Sección 5.05. Administración del Préstamo.

(1) El Prestatario desarrollará u ocasionará que se desarrolle el Proyecto con la debida diligencia y eficacia conforme con solidas prácticas de ingeniería y finanzas.

(2) El Prestatario mantendrá u ocasionará que se mantengan libros, cuentas y registros adecuados para identificar los bienes y servicios financiados mediante el rédito del Préstamo con el propósito de divulgar a partir de allí, su uso en el Proyecto. Registrará el progreso del mismo y reflejará según una solidad practica de contabilidad mantenida consistentemente, el manejo y la situación financiera del Prestatario ó de otro beneficiario relacionado al Préstamo. Permitirá ó tomará todos las medidas necesarias para permitir que los representantes del Fondo puedan examinar el Proyecto, cualquier registro ó documento pertinente.

(3) El Prestatario entregará u ocasionará que al Fondo se le entregue dicha información en el momento, forma y detalle que este razonablemente solicite a los Administradores del Préstamo. Dicha información incluirá informes sobre la situación financiera y económica en los territorios del Prestatario y la situación del balance internacional de sus pagos.

(4) En caso surja una situación que impida ó amenace impedir la oportuna ejecución, cumplimiento ó realización del Proyecto, inmediatamente, el Prestatario notificará al Fondo sobre dicho acontecimiento.

(5) Expeditamente, el Prestatario entregará u ocasionará que al Fondo se le entreguen los planos de cualquier modificación material del Proyecto los cuales serán sujetos a acuerdos entre las Partes.

(6) Periódicamente, cada una de las Partes del Préstamo concederá a la otra Parte todas las oportunidades necesarias para intercambiar opiniones en relación a cualquier asunto y a todo asunto relacionado al Préstamo conforme con lo que una de las Partes razonablemente solicite.

ARTICULO VI

Garantía sobre el Préstamo

Sección 6.01. Garantía sobre el Préstamo.

Si el Fondo pide una garantía una vez que el Préstamo ha sido realizado, inmediatamente, el Prestatario enviará al Fondo, una vez concluido el Convenio de Préstamo una Garantía que satisfaga al Fondo, realizada por el Garante. Esta Garantía será realizada firmemente en el Formulario N^o 5 adjunto al presente.

ARTICULO VII

Arbitraje

Sección 7.01. Tribunal Arbitral.

Todo conflicto que surja por motivos del Convenio de Préstamo ó la Garantía, si la hubiese, que no pueda ser resuelto amigablemente entre las Partes interesadas del Préstamo y del Garante, si lo hubiese, se decidirá final y exclusivamente por un Tribunal Arbitral.

Sección 7.02. Partes del Arbitraje.

Las Partes de dicho arbitraje son por un lado el Fondo y el Prestatario, y por el otro el Garante, si lo hubiese.

Sección 7.03. Arbitros.

(1) El Tribunal de Arbitraje consistirá de tres árbitros nombrados de la siguiente manera:

Un árbitro será nombrado por el Fondo; el segundo por el Prestatario y el Garante, si lo hubiese, ó donde sea aplicable por el Garante en caso no se pongan de acuerdo; el tercero (en adelante denominado el "Compromisario") por común acuerdo entre las Partes ó por un órgano conciliador apropiado de litigios internacionales en caso no se pongan de acuerdo. Si ninguna de las Partes logra nombrar un a árbitro, el Compromisario lo hará.

(2) En caso cualquier árbitro nombrado de acuerdo al párrafo (1) ut supra renuncie, muera ó no se encuentre capacitado a obrar, sin demora se nombrará a un árbitro sucesor de la misma manera que cuando se nombran árbitros legítimos y de acuerdo con el presente. Dicho sucesor tendrá toda la autoridad y obligación que el árbitro legítimo.

(3) Ninguna persona que tenga un interés financiero personal ó directo sobre los asuntos sometidos a un arbitraje será nombrado árbitro.

(4) El Compromisario no será una persona que tenga la misma nacionalidad que cualquiera de las Partes del arbitraje.

(5) Cualquier y todo árbitro nombrado según las medidas a partir de allí, estará limitado por las medidas de este Artículo y arbitrará de conformidad con las mismas.

Sección 7.04. Proceso de Arbitraje.

(1) Los procedimientos de arbitraje se conducirán en Inglés y serán instituidos mediante la entrega de una petición de arbitraje por escrito de una Parte a la otra. Dicha petición incluirá un informe que exponga la naturaleza del litigio y la solución que se espera. Dentro de los cuarenta días (40) después de darse la petición, cada una de las Partes notificará por escrito a la otra el nombre completo, la ocupación, dirección, profesión y nacionalidad del árbitro que ha nombrado.

(2) Si dentro de los sesenta días (60) después de haber formulado dicha petición, las Partes no acuerdan sobre el nombramiento del Compromisario, cualquiera de las Partes pedirá dicho nombramiento de conformidad con las medidas del párrafo (1) de la Sección 7.03.

Sección 7.05. Concesión Arbitral.

(1) El Tribunal Arbitral hará una concesión arbitral (en adelante denominada la "Concesión") por escrito dentro los de ciento veinte días (120) a partir de la fecha de la primera sesión del Tribunal Arbitral, incluyendo las razones y la fecha de la misma, sin embargo, a condición que el Tribunal Arbitral prolongue dicho período si lo considera necesario.

(2) Las concesiones y los otros asuntos que requieran la decisión del Tribunal Arbitral serán decididas por mayoría de voto, serán decisivas y regirán sobre las Partes y cada Parte respetará y cumplirá dicha Concesión. Cualquier Arbitro que no concuerde con la mayoría anexará sus opiniones a la Concesión.

(3) Sin demora, una copia firmada de la Concesión será entregada a cada una de las Partes.

Sección 7.06. Costo del Tribunal Arbitral.

(1) El costo del Tribunal Arbitral constituirá de lo siguiente:

(a) Remuneración de los árbitros y de cualquier otra persona según se requiera en el transcurso de los procesos de arbitraje.

(b) Gastos incurridos por el Tribunal Arbitral, incluyendo el costo del informe sostenido por la Sección 7.04.

(c) Cualquier gasto sufragado por las Partes y considerado por el Tribunal Arbitral como un costo del Tribunal Arbitral.

(2) Respectivamente, el monto de la remuneración del árbitro se fijará al lado de aquel que lo nombra. El monto de la remuneración del compromisario será fijada por común acuerdo entre las Partes y en caso no se pongan de acuerdo, por el Tribunal Arbitral.

(3) En cualquier caso, el Tribunal Arbitral recolectará preliminarmente de ambos lados, una suma igual al monto considerado necesario para sufragar su costo.

Finalmente los costos del Tribunal Arbitral previstos por el párrafo (1) anterior serán sostenidos por uno ó por ambos lados según la Concesión.

Sección 7.07. Conclusión del Tribunal Arbitral.

El Tribunal Arbitral no concluirá hasta que las copias firmadas de la Concesión dispuesta por el párrafo (1) de la Sección 7.05. hayan sido enviadas a las Partes y el costo del Tribunal Arbitral se haya pagado totalmente a la fecha de la Conclusión.

Sección 7.08. Ejecución de la Concesión.

Si no se cumple con la Concesión dentro de los treinta días (30) después que las copias de la Concesión hayan sido entregadas a las Partes, cualquiera de las Partes iniciará en cualquier tribunal ó jurisdicción competente un juicio ó entablará un proceso para poner en vigor la Concesión contra cualquiera otra Parte que tenga obligaciones determinadas sobre dicha Parte, y ninguna interferencia legal ó de otra índole será procurada con la imposición de la Concesión.

ARTICULO VIII

Ley Aplicable; Impuestos y Gastos; Observaciones y Peticiones; Cumplimiento de las Contrapartes

Sección 8.01. Ley Aplicable.

La validez e interpretación del Convenio de Préstamo y las Garantías se regirán de conformidad con las Leyes y Reglamentos Japoneses.

Sección 8.02. Impuestos y Gastos.

(1) En relación al Préstamo y a su implementación, el Prestatario ó los otros beneficiarios pertinentes del Préstamo serán los que paguen impuestos, cargos y otros gastos, si los hubiese, impuestos al Fondo dentro de los territorios del Prestatario.

(2) Cargos y honorarios Bancarios, si los hubiese, por desembolsos del Préstamo, reembolsos del principal y el pago de los intereses del Préstamo serán sostenidos por el Prestatario ó por el Comprador, según el caso.

Sección 8.03. Observaciones y Peticiones.

Cualquier notificación ó petición requerida, permitida a ser dada ó hecha de conformidad con el Convenio de Préstamo y la Garantía será por escrito. Dicha notificación ó petición será considerada apropiadamente dada ó hecha cuando se entregue a mano ó por correo a la Parte a la cual se requiere ó se permite ser dada ó hecha, a la dirección que dicha Parte especifique en el Convenio de Préstamo ó a cualquier otra dirección que dicha Parte especifique por escrito a la Parte que da ó hace dicha notificación ó petición, sin embargo, siempre y cuando se considere apropiadamente dada ó hecha por haber sido enviada por correo registrado ó por cable a dicha Parte y a dicha dirección.

Sección 8.04. Ejecución de las Contrapartes.

El Convenio de Préstamo se realizará en Inglés en dos contrapartes y cada una de estas será un original.

Sección 8.05. Fracción.

Cualquier fracción inferior a UN Yen (¥1.00) que aparezca en el computo de los intereses u otros gastos según el Convenio de Préstamo no será considerada.

ARTICULO IX

Vigencia y Conclusión del Convenio de Préstamo

Sección 9.01. Pruebas de Autoridad y Firmas Individuales.

(1) El Prestatario proporcionará al Fondo suficientes pruebas de autoridad por parte de un oficial u oficiales para hacer, firmar y entregar documentos necesarios para la implementación del Convenio de Préstamo y también las firmas modelo autenticadas de dichas personas.

(2) Si se realizan cambios en el asunto al que se refiere la prueba de autoridad mencionada en el párrafo anterior, el Prestatario notificará por escrito al Fondo proporcionándole las suficientes pruebas de autoridad.

(3) Si cualquier persona ó personas han sido nombradas para reemplazar a la persona ó personas mencionadas en la prueba de autoridad anterior, el Prestatario notificará sobre este hecho por escrito al Fondo proporcionándole las firmas modelos de cada una de las nuevas personas nombradas.

Sección 9.02. Opinión Legal.

(1) El Prestatario proporcionará al Fondo una opinión legal que lo satisfaga en relación a un consejo aceptable para el Fondo que demuestre:

(a) Por parte del Prestatario, que el Convenio de Préstamo haya sido autorizado, hecho, firmado y entregado apropiadamente por y a nombre del Prestatario, que constituya una obligación válida y permanente según los términos y condiciones del presente, que la autorización y cualquier otro proceso necesario para la implementación del Convenio de Préstamo haya sido ejecutado y concluido apropiadamente.

(b) Por parte del Garante, si lo hubiese, que la Garantía haya sido autorizada, ejecutada y entregada apropiadamente a nombre del Garante y que constituya una obligación válida y permanente según sus términos.

(2) Según lo que el Fondo periódicamente solicite una vez que el Convenio de Préstamo entre en vigor, el Prestatario proporcionará al Fondo toda opinión(es) legal(es) adicional(es) del consejo mencionado ut supra, sobre asuntos relacionados al Convenio de Préstamo y a las Garantías, si las hubiese.

Sección 9.03. Fecha de Vigencia.

El Convenio de Préstamo entrará en vigor en la fecha en que el Fondo notifique por escrito al Prestatario, que el Fondo ha recibido y esta conforme con las pruebas de autoridad, con el modelo de firma ó modelos de firmas mencionados en el Párrafo (1) Sección 9.01. de este Artículo y con la opinión legal mencionada en el párrafo (1) Sección 9.02. de este Artículo y las Garantías, si las hubiese.

Sección 9.04. Conclusión del Convenio de Préstamo.

(1) Si el Convenio de Préstamo no entra en vigor a los ciento veinte días (120) después de haber sido firmado, el Convenio de Préstamo y las Garantías, si las hubiese, finalizarán salvo que el Fondo establezca una nueva fecha para propósitos de esta Sección una vez que considere los motivos de dicha demora. Expeditamente el Fondo informará al Prestatario la nueva fecha.

(2) Si y cuando la totalidad del monto principal del Préstamo, los intereses y otros cargos acumulados sobre el Préstamo se cancelan, inmediatamente el Convenio de Préstamo y las Garantías, si las hubiese, finalizará.

ARTICULO X

Definiciones; Títulos

Sección 10.01. Definiciones.

Salvo que el contexto lo requiera de otra manera, los términos a seguir tienen el siguiente significado cuando se emplean en las Condiciones Generales ó en un Convenio de Préstamo ó Garantías a los cuales estos Términos y Condiciones se aplican:

(a) "Fondo", significa el FONDO PARA LA COOPERACION ECONOMICA DE ULTRAMAR, Japón.

(b) "Convenio de Préstamo", significa el Convenio de Préstamo particular al cual se aplican estos Términos y Condiciones Generales conforme se enmienda de tiempo en tiempo y dicho término incluye todos los Términos y Condiciones Generales así aplicables, los Convenios suplementarios al Convenio de Préstamo y todos los Programas del Convenio de Préstamo.

(c) "Préstamo", significa el Préstamo previsto por el Convenio de Préstamo.

(d) "Prestatario", significa la Parte del Convenio de Préstamo que solicita el Préstamo.

(e) "Garantía", significa una promesa hecha p o r escrito al Fondo por otra entidad que no sea el Prestatario en sus territorios, la cual proporciona una garantía sobre el Préstamo según se enmienda de tiempo en tiempo.

(f) "Garante", significa la entidad que se menciona en el ítem (e) ut supra.

(g) "Proveedor", significa el exportador ó proveedor de bienes y servicios a ser financiados mediante el rédito del Préstamo.

(h) "Comprador", significa el comprador en los territorios del Prestatario de bienes y servicios a ser financiados mediante el rédito del Préstamo.

(i) "Contrato", significa un contrato particular para la obtención y compra particular de bienes y servicios a ser financiados mediante el rédito del Préstamo.

(j) "Proyecto", significa un plan, programa ó proyecto particular a ser financiado mediante el rédito del Préstamo.

Referencias hechas en estos Términos y Condiciones Generales a Artículos ó a Secciones se refieren a Artículos ó Secciones de estos Términos y Condiciones Generales.

Referencias hechas en el Convenio de Préstamo a Artículos ó Secciones se refieren a Artículos ó Secciones de dicho Convenio de Préstamo.

Sección 10.02. Títulos.

Los títulos de los Artículos y Secciones de estos Términos y Condiciones Generales y del Convenio de Préstamo se introducen solo como referencia y no forman parte de los Términos y Condiciones Generales ni del Convenio de Préstamo.

Solicitud para la Aprobación del Contrato

Fecha:
Nº de Referencia

Para: EL FONDO DE COOPERACION ECONOMICA DE ULTRAMAR
Tokio, Japón

Atención: Director del Departamento de Préstamo
Referencia: Proyecto
de conformidad con el Convenio de
Préstamo Nº.....

Estimado Señor,

Según el Párrafo (1), Sección 3.02. de los Términos y Condiciones Generales del Convenio de Préstamo Nº, del, entre EL FONDO DE COOPERACION ECONOMICA DE ULTRAMAR y _____ (el Prestatario), por el presente solicitamos vuestra aprobación del contrato, resumen del cual se expone a seguir por:

- 1. Número y Fecha del Contrato:
- 2. Nombre del Proveedor:
- 3. Nombre del Comprador:
- 4. Precio del Contrato: ¥ _____
- 5. Monto destinado a la Financiación: ¥ _____

Se adjunta al presente copia certificada del contrato.

Gentilmente, sírvase informarnos sobre la aprobación del contrato, enviándonos la Notificación de la Aprobación del Contrato, especificando el monto aprobado para financiar, de conformidad con el Párrafo (2), Sección 3.02. de los Términos y Condiciones Generales mencionados ut supra.

Atentamente,

.....
(Nombre del Prestatario)

Por: _____
(Firma Autorizada)

(Formulario Nº 2)

Solicitud para la Aprobación del Contrato

Fecha:
Nº de Aprobación

Para:
.....
(Nombre y Dirección del Prestatario)

Atención:
Referencia: Proyecto
de conformidad con el Convenio de Préstamo
Nº
Vuestra Solicitud para la Aprobación del
Contrato en relación al Contrato Nº
del, entre y

Estimado Señor,

Por el presente informamos que vuestro contrato, según las referencias, ha sido debidamente aprobado por nosotros de conformidad con el Párrafo (2), Sección 3.02. de los Términos y Condiciones Generales del Convenio de Préstamo Nº, del....., entre EL FONDO DE COOPERACION ECONOMICA DE ULTRAMAR y _____ (el Prestatario). Realizaremos los desembolsos para este contrato hasta el límite de \$_____.

Para confirmar esta notificación, sírvase gentilmente enviarnos inmediatamente la segunda copia firmada por usted.

Atentamente,

EL FONDO PARA LA COOPERACION
ECONOMICA DE ULTRAMAR

Por: _____
(Firma Autorizada)

Copia para:

Fecha:

Por la presente confirmamos haber recibido esta Notificación.

.....
(Nombre del Prestatario)

Por: _____
(Firma Autorizada)

(Formulario Nº 4)

Notificación de los Intereses (y del Principal)

Fecha:
Nº de Referencia

Para:
.....
(Nombre y Dirección del Prestatario)

Convenio de Préstamo Nº

Fecha:

Fecha de Vencimiento:
Principal Reintegrable: ¥ _____
Intereses Pagaderos: ¥ _____
Total: ¥ _____

Computo de los Intereses

(en Yenes Japoneses)

Monto Principal	Período	Intereses

EL FONDO PARA LA COOPERACION
ECONOMICA DE ULTRAMAR

Por: _____
(Firma Autorizada)

.....

Fecha:

Por el presente confirmamos haber recibido esta
Notificación y que haremos los pagos de la suma que se menciona
ut supra a través de(Nombre del Banco).....

.....
(Nombre del Prestatario)

Por: _____
(Firma Autorizada)

Garantía

Considerando la asistencia financiera ha ser ofrecida al (Nombre del Prestatario) (en adelante denominado el "Prestatario") por el FONDO PARA LA COOPERACION ECONOMICA DE ULTRAMAR (en adelante denominado el "Fondo"), de conformidad con el Convenio de Préstamo Nº, del, celebrado entre el Prestatario y el Fondo (en adelante denominado el "Convenio de Préstamo"), el infrascrito actuando por y a nombre del (Nombre del Garante) (en adelante denominado el "Garante"), por el presente certifica que:

1. El Garante acepta todas las medidas del Convenio de Préstamo y acuerda garantizar conjuntamente y por separado con el Prestatario, toda y cualquier obligación que surja a partir de ó en conexión con las obligaciones del Prestatario, de conformidad con el Convenio de Préstamo.
2. El Garante además acuerda lo siguiente:
 - (1) Garantizar el adecuado y puntual pago del principal, de los intereses y de cualquier otro cargo sobre el Préstamo, según lo previsto por el Convenio de Préstamo.
 - (2) Hasta que cualquier parte del Préstamo, de conformidad con el Convenio de Préstamo sea pendiente y pagadera, el Garante no:
 - i) tomará ninguna acción que prevenga ó interfiera con el desempeño del Prestatario ó de cualquiera beneficiario del Préstamo, si lo hubiese, ni de las obligaciones del Convenio de Préstamo, y
 - ii) tomará ninguna acción para disolver ó separar al Prestatario ó a cualquiera de los beneficiarios del Préstamo, si los hubiese, ó suspender sus actividades sin antes notificar al Fondo.
3. El Garante renuncie notificar la aceptación de esta Garantía, cualquier obligación a la cual se aplique, la petición del principal y de los interés y el rechazo ó no pago de dichas obligaciones.

EN FE DE LO CUAL, por el presente firmo a mano y coloco mi sello oficial, el día de, de

.....
(Nombre del Garante)

Por:

(Firma Autorizada)