

EDCF LOAN AGREEMENT

NO.

Loan Agreement

(Name of the Project)

between

(Name of the Borrower)

and

THE EXPORT-IMPORT BANK OF KOREA

(Government Agency for the EDCF)

TABLE OF CONTENTS

<u>Article</u>		<u>Page</u>
Article I	Definitions	2
Section 1.01	Loan Agreement	2
Section 1.02	Definitions	2
Article II	The Loan	3
Section 2.01	Amount and Purpose of Loan	3
Section 2.02	Use of Proceeds of Loan	3
Article III	Repayment and Interest	3
Section 3.01	Repayment of Principal	3
Section 3.02	Payment of Interest	4
Section 3.03	Preferential Interest Rates	4
Section 3.04	Place of Payment	5
Section 3.05	Guarantee for Loan	5
Article IV	Procurement and Disbursement	5
Section 4.01	Procurement Procedure	5
Section 4.02	Disbursement Procedure	5
Section 4.03	Service Charge	6
Article V	Particular Covenants	6
Section 5.01	Execution of the Project	6
Section 5.02	Reports and Information	7
Section 5.03	Administration of US Dollar	7
Article VI	Miscellaneous	7
Section 6.01	Delegation of Authority	7
Section 6.02	Addresses	8
Schedule 1	Description of the Project	10
Schedule 2	Allocation of Loan Proceeds	11
	1. Allocation	11
	2. Reallocation	12
Schedule 3	Amortization Schedule	13
Schedule 4	Procurement Procedure	14
Schedule 5	Employment of Consultants	16
Schedule 6	Disbursement Procedures	17

LOAN AGREEMENT

This Loan Agreement entered into this [●] day of [●] 20[●] between [●] (hereinafter called the "**Borrower**") and THE EXPORT-IMPORT BANK OF KOREA (hereinafter called the "**Bank**") which has been entrusted by THE GOVERNMENT OF THE REPUBLIC OF KOREA with the operation and management of the Economic Development Cooperation Fund (hereinafter called the "**EDCF**").

WITNESSETH:

WHEREAS, THE GOVERNMENT OF THE REPUBLIC OF KOREA and THE GOVERNMENT OF [●] (*name of the Borrower's country*) entered into the Agreement dated [●] concerning EDCF Loans to be extended to THE GOVERNMENT OF [●] (*name of the Borrower's country*) or its designated agency for the implementation of projects to be agreed upon between the two Governments;

WHEREAS, based upon the above Agreement, THE GOVERNMENT OF THE REPUBLIC OF KOREA and THE GOVERNMENT OF [●] (*name of the Borrower's country*) entered into the Arrangement dated [●] concerning the EDCF Loan to finance the implementation of [●] (*name of the Project*) described in the Description of the Project attached hereto as Schedule 1 (hereinafter called the "**Project**"); and

WHEREAS, in the light of the said Agreement and Arrangement, the Bank has agreed to extend a loan to the Borrower upon the terms and conditions set forth in this Loan Agreement;

NOW, THEREFORE, the Borrower and the Bank agree as follows:

ARTICLE I

Definitions

Section 1.01. Loan Agreement

The following documents shall constitute an integral part of this Loan Agreement:

- (i) General Terms and Conditions Applicable to EDCF Loan Agreements;
- (ii) Guidelines for Procurement under the EDCF Loan;
- (iii) Guidelines for Employment of Consultants under the EDCF Loan; and
- (iv) Disbursement Procedures under the EDCF Loan.

Section 1.02. Definitions

Unless the context otherwise requires, the several terms defined in the General Terms and Conditions Applicable to EDCF Loan Agreements (hereinafter called the "**General Terms and Conditions**") have the respective meanings therein set forth and the following additional terms have the following meanings:

"**Eligible Source Country(ies)**" means the Republic of Korea for foreign currency portion and [●] (*name of the Borrower's country*) for local currency portion, respectively.

"**Interest Payment Date**" means each of the dates of [●] 20 and [●] 20 of each year.

"**Loan**" means the loan facility to be made available in favor of the Borrower or the aggregate principal amount of the loan facility disbursed and from time to time outstanding, as the context may so require.

"**Project Completion Date**" means the earlier of (i) the date when the final disbursement under the Loan is made, and (ii) the date when the certification of completion, such as a final acceptance certificate (FAC) or a defect liability certificate, etc., is issued.

* "**Project Executing Agency**" means [●] (*the name and address of the Project Executing Agency*) which has been authorized to implement the Project.

"**Repayment Date**" means each of the [●] semi-annual consecutive dates of [●] 20 and [●] 20 from and including the date which shall be the 20th day of the month falling [●] months after the date of this Loan Agreement.

* *Delete if not applicable.*

"**Supplier(s)**" means the supplier(s), contractor(s) or consultant(s) from whom goods or services to be financed out of the proceeds of the Loan are procured.

ARTICLE II

The Loan

Section 2.01. Amount and Purpose of Loan

(a) The Bank agrees to lend to the Borrower, on the terms and conditions set forth in this Loan Agreement, an amount in Korean Won not exceeding the equivalent of [●] US Dollars (US\$[●]), to finance the implementation of the Project.

(b) The amount of the Loan shall be denominated in Korean Won and shall be fixed by the Bank in accordance with Section 3.01 of the General Terms and Conditions. The Bank shall then notify the Borrower and the Guarantor (*if any*) of the amount of the Loan.

Section 2.02. Use of Proceeds of Loan

(a) The Borrower shall cause the proceeds of the Loan to be used for the purchase of goods and services required for the implementation of the Project from the Eligible Source Countries. The proceeds of the Loan shall be allocated in accordance with the Allocation of the Loan Proceeds attached hereto as Schedule 2.

(b) The final disbursement under this Loan Agreement shall be made within [●] months after the Effective Date of this Loan Agreement, and no further disbursement shall be made by the Bank thereafter unless otherwise agreed upon between the Bank and the Borrower.

ARTICLE III

Repayment and Interest

Section 3.01. Repayment of Principal

(a) The Borrower shall repay the Bank the principal amount of the Loan disbursed in Korean Won in [●] ([●]) semi-annual installments on each of the Repayment Dates.

(b) The Repayment Date and the Korean Won amount to be repaid on each of the Repayment Dates shall be specified in the Amortization Schedule in the form and substance of Schedule 3 attached hereto. The Amortization Schedule shall be made by the Bank when it fixes the amount of the Loan and the Bank shall notify the Borrower of the Amortization Schedule when it notifies the Borrower and the Guarantor (*if any*) of the amount of the Loan in accordance with paragraph (b) of Section 2.01 hereof.

Section 3.02. Payment of Interest

The Borrower shall pay the Bank interest on the principal amount of the Loan disbursed and outstanding at the rate of [●] percent ([●] %) per annum. Such interest shall be paid in arrears on each Interest Payment Date, provided that the first interest for any disbursement made within sixty (60) days prior to any Interest Payment Date may be paid on the next succeeding Interest Payment Date.

***Section 3.03. Preferential Interest Rates**

*(a) No interest shall accrue on the Loan covering the consulting services provided by the eligible consultant(s) mentioned in paragraph 3 of Schedule 5.

*(b) When the Borrower makes a procurement contract with Korean Small and Medium Enterprises (SMEs) or Medium-Large Companies, preferential interest rates shall apply to the Loan covering civil works and procurement of equipment and facilities as follows:

(i) In case one or more Korean SMEs (including a consortium or joint venture (JV) by Korean SMEs) enter into the contract, zero percent (0%) interest rate shall apply.

(ii) In case one or more Korean Medium-Large Companies (including a consortium or joint venture (JV) by Korean Medium-Large Companies) enter into the contract, **[fifty percent (50%) of the current interest rate shall apply].

(iii) In case the consortium or joint venture (JV) in which one or more Korean SMEs take at least thirty percent (30%) of the share enter into a contract, **[fifty percent (50%) of the current interest rate shall apply].

* *Delete if not applicable.*

** *Delete if not applicable. If the recipient country is a Least Developed Country classified by the UN, no interest shall accrue.*

Section 3.04. Place of Payment

All sums payable by the Borrower to the Bank under this Loan Agreement shall be paid to the account of the Bank (Account No. [●]) with (the *name and address of a bank in Seoul, Republic of Korea*) or to such other account as the Bank shall designate by written notice to the Borrower.

***Section 3.05. Guarantee for Loan**

The Borrower shall deliver the Guarantee executed by [●] (hereinafter called the "Guarantor") to the Bank immediately after the conclusion of this Loan Agreement.

**ARTICLE IV
Procurement and Disbursement**

Section 4.01. Procurement Procedure

(a) All goods and services to be financed out of the proceeds of the Loan shall be procured through the Suppliers in accordance with the provisions of the Procurement Procedure attached hereto as Schedule 4 *[and the Employment of Consultants attached hereto as Schedule 5].

(b) All goods and services to be financed out of the proceeds of the Loan shall be procured from the Eligible Source Countries, provided that a part of goods and services may, with the prior consent of the Bank, be procured from the countries other than the Eligible Source Countries *[up to the amount specified in Schedule 2].

Section 4.02. Disbursement Procedure

(a) The Loan shall be disbursed in Korean Won by the Bank in accordance with the provisions of the Disbursement Procedure attached hereto as Schedule 6.

*(b) Notwithstanding paragraph (a) above, a part of the Loan not exceeding percent ([●] %) of the amount of the Loan may be disbursed in US Dollar, provided that the disbursement shall be limited to the payment of the goods and services including the consulting services procured from the Borrower's country and the countries other than the Eligible Source Countries under the first procurement contract and consulting services contract (*if any*).

* *Delete if not applicable.*

*(c) Where a part of the Loan is to be disbursed in US Dollar in accordance with the provision of paragraph (b) above, the Borrower shall determine the US Dollar amount required for the payment of such procurement and shall request the Bank to purchase the amount. The Borrower's request shall specify the US Dollar amount to be purchased and it shall be included in the Borrower's application for the approval of the first procurement contract and consulting service contract (*if any*), respectively.

*(d) The Loan disbursed in US Dollar in accordance with the provisions of paragraphs (b) and (c) above shall be converted into Korean Won amount by using the Purchasing Rate as defined in Section 2.01 of the General Terms and Conditions and such Korean Won amount shall be booked and recorded as the Loan outstanding.

Section 4.03. Service Charge

(a) The Borrower shall pay to the Bank the service charge in the amount equal to one-tenth of one percent (0.1%) of the amount of each disbursement ^{**}[in case of the Direct Payment Procedure or the Reimbursement Procedure, and/or of the amount of the letter of commitment in case of the Commitment Procedure].

(b) An amount equal to such service charge shall be financed out of the proceeds of the Loan. The Bank shall pay such amount to itself as the service charge on the date of each disbursement ^{*}[and/or of the issuance of the letter of commitment]. Such disbursement out of the Loan shall constitute a valid disbursement of the Loan under this Loan Agreement.

ARTICLE V Particular Covenants

Section 5.01. Execution of the Project

(a) The Borrower shall implement, or cause the Project Executing Agency to implement, the Project with due diligence and efficiency.

*(b) The Borrower shall employ, or cause the Project Executing Agency to employ, consultants for the implementation of the Project.

* *Delete if not applicable.*

** *Select the appropriate one.*

(c) Should the funds available from the proceeds of the Loan be insufficient for the implementation of the Project, the Borrower shall make arrangements promptly to provide such funds as shall be needed.

Section 5.02. Reports and Information

(a) The Borrower shall furnish, or cause the Project Executing Agency to furnish, the Bank with progress reports for the Project on a quarterly basis (in [●], [●], [●], and [●] of each year) from the execution of the first procurement contract to the Project Completion Date in such form and in such detail as the Bank may reasonably request.

(b) Within six (6) months after the Project Completion Date or such later date as shall be agreed upon between the Borrower and the Bank, the Borrower shall furnish, or cause the Project Executing Agency to furnish, the Bank with a project completion report in such form and in such detail as the Bank may reasonably request.

(c) Until all the obligations of the Borrower under this Loan Agreement are fully performed, the Borrower shall furnish the Bank with such other information as the Bank may reasonably request concerning the Project or the Loan.

***Section 5.03. Administration of US Dollar**

(a) Unless the Bank shall otherwise agree, the Borrower shall not withdraw or cancel its request to purchase US Dollars. Where the Bank has purchased them the Borrower shall utilize the whole amount.

(b) The Borrower hereby recognizes and confirms that, all of the risks related to the fluctuation of the exchange rate of Korean Won against US Dollar shall be borne by itself when the Bank purchases US Dollar in accordance with the Borrower's request.

**ARTICLE VI
Miscellaneous**

***Section 6.01. Delegation of Authority**

(a) The Borrower hereby designates the Project Executing Agency as its agent for the purposes of taking any action or entering into any agreement required or permitted under Sections 4.01, 4.02 and 5.02 of this Loan Agreement.

** Delete if not applicable.*

(b) Any action taken or any agreement entered into by the Project Executing Agency pursuant to the authority conferred under paragraph (a) of this Section shall be fully binding on the Borrower and shall have the same force and effect as if taken by the Borrower.

Section 6.02. Addresses

The following addresses are specified for the purposes of Section 12.05 of the General Terms and Conditions:

For the Bank

Postal address: THE EXPORT-IMPORT BANK OF KOREA

38 Eunhaeng-ro, Yeongdeungpo-gu,

Seoul 07242, Republic of Korea

Attention: Director of [●] Team, EDCF [●] Department

Telephone No.: (82-2) 3779-[●]

Fax No.: (82-2) 3779-[●]

Telex No.: K26595 EXIMBK

SWIFT BIC: EXIKKRSEXXX

For the Borrower

Postal Address:

Attention:

Telephone No.:

Fax No.:

Telex No.:

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Loan Agreement to be signed in their respective names, as of the day and year first above written.

Schedule 1

Description of the Project

1. Outline of the Project

(a) Objectives:

(b) Location:

(c) Project Executing Agency:

2. Scope of the Project

(a) Civil works:

(b) Procurement of equipment and facilities:

(c) Consulting services:

3. Estimated annual fund requirements

(in Thousands of US Dollars)

Year	Foreign currency	Local Currency
....		
....		
....		
Total		

4. The Project is expected to be completed by [●].

Schedule 2

Allocation of Loan Proceeds

1. Allocation

(a) The table below sets forth the categories of goods, services and other items to be financed out of the proceeds of the Loan and the allocation of Loan amounts to each category:

(in Thousands of US Dollars)

Category	Estimated Amount		
	Foreign Currency	Local Currency	Total
(A) Base Cost			
Goods & Services			
Consulting Services			
(B) Service Charge			
(C) Contingencies			
Total			

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

- (1) General administration expense
- (2) Taxes and duties
- (3) Purchase of land and other real property
- (4) Compensation
- (5) Other indirect items

*(b) Any goods and services which may be procured from the countries other than the Eligible Source Countries with the prior consent of the Bank, among those to be financed out of the proceeds of the Loan, shall not exceed [●] US Dollars (US\$[●]) which is equivalent to [●] percent ([●]%) of the amount of the Loan.

* Delete if not applicable.

2. Reallocation

(a) If the estimated costs of items included in any of the categories shall decrease, the amount then allocated to and no longer required for such Category, will be reallocated by the Bank to Category (C).

(b) If the estimated costs of items included in Category (A) shall increase, the amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Loan will be reallocated by the Bank, at the request of the Borrower, from Category (C) to Category (A) without currency restrictions. Provided, however, that the amount in the same currency shall be reallocated first.

Schedule 3

Amortization Schedule

Due Date

Amount

(in Korean Won)

※ Note : Each installment will be filled in when the amount of the Loan is fixed in accordance with Section 3.01 of the General Terms and Conditions, and will be finalized after the final disbursement in accordance with paragraph (b) of Section 3.02 and 7.05 of the General Terms and Conditions.

Schedule 4

Procurement Procedure

1. Except as the Bank may otherwise agree, the procedures referred to in the following paragraphs of this Schedule shall apply to the procurement of goods and services to be financed out of the proceeds of the Loan. The term "services" in this Schedule does not include consulting services.

2. Procurement of goods and services shall be subject to the provisions of the Bank's "Guidelines for Procurement under the EDCF Loan" (hereinafter called the "**Procurement Guidelines**"), as amended from time to time, which have been furnished to the Borrower.

3. The Supplier(s) shall be nationals of the Republic of Korea or juridical person incorporated and registered therein.

*4. The Borrower shall carry out Prequalification for the Project in order to ensure that the invitation to bid is sent to those who have adequate capabilities and resources.

*5. The Borrower shall procure goods and services to be financed out of the proceeds of the Loan specified in Schedule 2 above through *[Competitive Bidding, Limited Competitive Bidding, Shopping or Direct Contracting].

*6. Procurement method shall be subject to the Bank's prior review.

*7. The Borrower shall adopt a method of bidding *[two-stage bidding, two-envelope system] for the implementation of the above bidding.

*8. For contracts to be awarded on the basis of *[Competitive Bidding or Limited Competitive Bidding], procurement actions shall be subject to review of the Bank in accordance with the procedures set forth in Annex 1 of the Procurement Guidelines.

*9. For contracts executed through *[Shopping or Direct Contracting], one certified copy of the contract shall be submitted to the Bank for its review, together with such other information as the Bank may reasonably request.

* *Delete if not applicable.*

** *Select the appropriate one.*

***10.** All taxes, duties, and levies imposed on goods and services in [●] (*the name of the Borrower's country*) provided by the Suppliers under the Loan Agreement for the implementation of the Project shall either be exempted or borne by the Borrower.

* *Delete if not applicable.*

Schedule 5

Employment of Consultants

1. The services of consultants shall be utilized in the carrying out of the Project, particularly with regard to ******[the detailed design, project management and construction supervision].
2. The selection and employment of the consultants shall be subject to the provisions of this Schedule and the Bank's "Guidelines for the Employment of Consultants under the EDCF Loan"(hereinafter called the "**Consultant Guidelines**"), as amended from time to time, which have been furnished to the Borrower.
3. The Consultant(s) shall be nationals of the Republic of Korea or juridical person incorporated and registered therein.
4. The Borrower shall employ the Consultant through ******[the Bank's general selection procedures, Two-Envelope System or Special Selection Procedure] specified in the Consultant Guidelines.
5. The terms of reference, evaluation of proposals, and execution of contract shall be subject to review of the Bank in accordance with the procedures set forth in Annex 1 of the Consultant Guidelines.
6. The method of selection procedure shall be submitted to the Bank for its review.
7. All taxes, duties, and levies imposed on consulting services in **[●]**(*the name of the Borrower's country*) provided by the Consultants for the implementation of the Project shall be either exempted or borne by the Borrower.

****** *Select the appropriate one.*

Schedule 6

Disbursement Procedures

1. Disbursement Procedures

(a) Disbursements of the Loan shall be made through ******[Commitment Procedure, Reimbursement Procedure, and/or Direct Payment Procedure].

(b) The Bank's "Disbursement Procedures under the EDCF Loan" (hereinafter called the "**Disbursement Procedures**"), which have been furnished to the Borrower, as amended from time to time, shall be applied to disbursement of the Loan,

* With the following supplemental stipulations.

[]

2. Designation of Banks

With regard to relevant Sections of the Disbursement Procedures, the designated banks are as follows:

*(a) The Paying Bank referred to in Section 2.01 shall be [●].

*(b) The Issuing Bank referred to in Section 2.02 shall be [●].

* *Delete if not applicable.*

** *Select the appropriate one.*