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Garantía para
Inversión en Vivienda
A.I.D. 511-HG-006

A.I.D. Housing
Investment Guaranty
511-HG-006

CONVENIO DE IMPLEMENTACION
IMPLEMENTATION AGREEMENT

ENTRE EL
BETWEEN

MINISTERIO DE URBANISMO Y VIVIENDA

Y EL
AND

BANCO NACIONAL DE LA VIVIENDA

Y
AND

LOS ESTADOS UNIDOS DE AMERICA
THE UNITED STATES OF AMERICA

PARA
FOR

SOLUCIONES HABITACIONALES PARA FAMILIAS DE INGRESOS BAJOS
SHELTER SOLUTIONS FOR LOW-INCOME FAMILIES

PROYECTO NUMERO 511-HG-006
PROJECT NUMBER 511-HG-006

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Convenio de Implementación ("Convenio") de fecha 12 de julio de 1979 entre el Ministerio de Urbanismo y Vivienda de la República de Bolivia (MUV), el Banco Nacional de la Vivienda ("Prestatario"), y los Estados Unidos de América, actuando a través de la Agencia para el Desarrollo Internacional ("A.I.D.").

ARTICULO I. EL CONVENIO

SECCION 1.01. Antecedentes y Propósito. Se hace referencia a una serie de acuerdos relacionados y fechados como se declara en ellos, y bajo los cuales el Prestatario conviene en prestarse una suma, como se especifica en el Artículo III, del Inversionista nombrado en el Convenio de Préstamo ("Inversionista"), A.I.D. conviene en garantizar el pago de obligaciones del Prestatario al Inversionista, y el Gobierno de Bolivia conviene en reembolsar a A.I.D. por cualquier pérdida que A.I.D. pueda incurrir en virtud de la garantia de A.I.D. al Inversionista. Estos convenios, y un Convenio de Agente de Pago, si existe alguno, diseñados para facilitar el financiamiento del proyecto descrito a continuación, son llamados respectivamente el "Convenio de Préstamo," "Contrato de Garantia de A.I.D.," "Convenio de Garantía de Bolivia," y "Convenio de Agente de Pago." El propósito de este Convenio de Implementación es el de establecer los acuerdos entre el Prestatario y A.I.D. con respecto al proyecto ("Proyecto") descrito en el Artículo II.

SECCION 1.02. Definiciones. Los términos aquí utilizados tendrán el mismo significado que en el Convenio de Préstamo, Contrato de Garantía, el Convenio de Garantía de Bolivia salvo cuando se defina de otra manera en este documento, y el Convenio de Agencia Pagadora, si existe alguno.

ARTICULO II. EL PROYECTO

SECCION 2.01. Descripción del Proyecto. El proyecto, que está descrito ulteriormente en el Anexo A, adjunto a este

Implementation Agreement ("Agreement") dated as of July 12, 1979, between the Ministerio de Urbanismo y Vivienda of the Republic of Bolivia (MUV), the Banco Nacional de la Vivienda ("Borrower"), and the United States of America, acting through the Agency for International Development ("A.I.D.").

ARTICLE I. THE AGREEMENT

SECTION 1.01. Background and Purpose. Reference is made to a series of related agreements dated as stated therein, whereunder Borrower agrees to borrow a sum as specified in Article III from the Investor named in the Loan Agreement ("Investor"), A.I.D. agrees to guaranty Borrower's repayment obligations to Investor, and the Government of Bolivia agrees to reimburse A.I.D. for any losses that A.I.D. may incur by virtue of the A.I.D. guaranty to Investor. These agreements, and a Loan Associated Paying Agency Agreement, if any, designed to facilitate the financing of the project described below, are called, respectively the "Loan Agreement," "Paying Agency Agreement," A.I.D. "Contract of Guaranty," and the "Bolivia Guaranty Agreement." The purpose of this Implementation Agreement is to set forth the understandings between Borrower and A.I.D. with respect to the project ("Project") described in Article II.

SECTION 1.02. Definitions. The terms used herein shall have the same meaning as in the Loan Agreement, a Paying Agency Agreement, if any, Contract of Guaranty, and the Bolivia Guaranty Agreement unless otherwise defined herein.

ARTICLE II. THE PROJECT

SECTION 2.01. Project Description. The project, which is further described in Annex A, attached hereto, will

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documento, consistirá en soluciones habitacionales para familias de ingresos bajos. Dentro de los límites de la descripción del Proyecto en esta Sección, los detalles del Proyecto como se enuncian en el Anexo A pueden ser cambiados por acuerdo escrito según los procedimientos dispuestos en la Sección 7.01.

ARTICULO III. FINANCIAMIENTO

SECCION 3.01. El Préstamo Garantizado por A.I.D. Para ayudar al Prestatario a cubrir los costos de ejecución del Proyecto, el Prestatario se prestará del Inversionista hasta Cuatro Millones de Dólares de los Estados Unidos ($ 4,000,000). A.I.D. garantizará al Inversionista el pago del Préstamo y de sus intereses pendientes por parte del Prestatario. Los términos y condiciones del Convenio de Préstamo estarán sujetos a aprobación por A.I.D.

SECCION 3.02. Recursos del MUV y del Prestatario para el Proyecto.

A. Los recursos específicos proporcionados a través del MUV y del Prestatario para el Proyecto serán, a menos que A.I.D. acuerde de otro modo por escrito, no menores que el equivalente de $US 1,450,000 incluyendo todos los costos en especie.

B. El Prestatario conviene en proporcionar o hacer que se proporcione al Proyecto todos los fondos, además de los del Proyecto, y otros recursos requeridos para llevar a cabo el Proyecto efectivamente y dentro del tiempo establecido.

SECCION 3.03. Recursos Adicionales de A.I.D. Para ayudar al Prestatario a satisfacer los costos para llevar a cabo el Proyecto, A.I.D. proporcionará $US 220,000 de fondos de donación. El monto de tales fondos y asistencia especifica proporcionada estarán sujetos

consist of shelter solutions for low-income families. Within the limits of the description of the Project in this Section, details of the Project as set forth in Annex A may be changed by written agreement pursuant to the procedure set forth in Section 7.01.

ARTICLE III. FINANCING

SECTION 3.01. The A.I.D. Guarantied Loan. To assist Borrower to meet the costs of carrying out the Project, Borrower will borrow up to Four Million United States Dollars ($ 4,000,000) from Investor. A.I.D. will guaranty to Investor the repayment of the Loan and all outstanding interest thereon by Borrower. The terms and conditions of the Loan Agreement shall be subject to approval by A.I.D.

SECTION 3.02. MUV and Borrower Resources for the Project.

A. The specific resources provided by MUV and Borrower for the Project will be, unless A.I.D. otherwise agrees, not less than the equivalent of U.S.$ 1,450,000 including costs borne on an "in-kind" basis.

B. Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.

SECTION 3.03. Additional Resources. To assist Borrower to meet the costs of carrying out the Project, A.I.D. shall provide up to $ 220,000 of A.I.D. grant funds. The amount of such funds and specific assistance provided shall be, as specified in and subject to the

a los términos y condiciones del Convenio de Donación entre el Gobierno de Bolivia y la Agencia para el Desarrollo Internacional.

SECCION 3.04. Desembolso Final.

A. La Fecha del Desembolso Final es la fecha a especificarse en el Convenio de Préstamo para el desembolso final o cualquier otra fecha que las Partes puedan convenir por escrito.

B. Después de la Fecha de Desembolso Final y excepto cuando A.I.D. pueda convenir de otra manera y por escrito, A I.D. no garantizará préstamos adicionales bajo el Convenio de Préstamo.

ARTICULO IV. COMISIONES Y PAGOS

SECCION 4.01. Comisiones de A.I.D. El Prestatario pagará a A.I.D. una comisión en dos partes:

A. Comisión de Desembolso. El Prestatario pagará a A.I.D. una comisión de desembolso fija por el monto de $US 40,000. Tal comisión será pagada a A.I.D. al tiempo y con fondos del primer desembolso. El Prestatario instruirá en este sentido al Inversionista en la "Solicitud de Préstamo" requerida bajo el Convenio de Préstamo. Esta comisión en la medida que fue pagada no será reembolsable, no obstante que el Prestatario deje de recibir subsiguientes desembolsos adicionales hasta el monto entero del Préstamo.

B. Comisión de Garantía. Además, el Prestamista pagará a A.I.D. una comisión de garantía calculada a la tasa del medio por ciento (1/2%) por año del capital no pagado de todos los Pagarés Elegibles emitidos y pendientes bajo el Convenio de Préstamo. Esta comisión se acumulará desde la fecha en que se emite cada Pagaré

terms and conditions of the Grant Agreement between the Government of Bolivia and the Agency for International Development.

SECTION 3.04. Final Disbursement.

A. The Final Disbursement Date is the date to be specified in the Loan Agreement for the final disbursement or such other date as the Parties may agree to in writing.

B. After the Final Disbursement Date and except as A.I.D. may otherwise agree in writing, A.I.D. will not guaranty additional borrowings under the Loan Agreement.

ARTICLE IV. FEES AND PAYMENT

SECTION 4.01. A.I.D. Fees. Borrower shall pay to A.I.D. a fee in two parts:

A. Disbursement Fee. Borrower shall pay to A.I.D. a fixed disbursement fee amounting to US$ 40,000. Such fee shall be paid to A.I.D. at the time and from the proceeds of the first disbursement. Borrower shall so instruct Investor in the "Request for Borrowing" required under the Loan Agreement. This fee to the extent paid shall be non-refundable, notwithstanding the failure of Borrower to subsequently receive additional disbursements up to the full amount of the Loan.

B. Guaranty Fee. In addition, Borrower shall pay A.I.D. a guaranty fee calculated at the rate of one-half of one per cent (1/2%) per annum of the aggregate unpaid principal amount of all Eligible Notes issued and outstanding under the Loan Agreement. This Fee shall accrue from the date each Eligible Note is issued

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Elegible bajo el Convenio de Préstamo y será pagado como acordado con los pagos de intereses de cada Pagaré hasta que cada Pagaré esté enteramente pagado.

SECCION 4.02. Pagos del Prestatario al Inversionista y a A.I.D.

A. Con objeto de facilitar los pagos de capital e intereses debidos al Inversionista y los pagos a A.I.D. de la comisión de garantía, el Prestatario conviene en remitir todas esas sumas al Agente Fiscal de A.I.D. ("Agente Fiscal") a la dirección especificada en este documento. Otros pagos debidos al Inversionista y a A.I.D., tales como la comisión de compromiso del Inversionista y la comisión de desembolso de A.I.D., serán pagados según se instruya por la parte a la cual se adeuda el pago. Se entiende que el Agente Fiscal aplicará tales remesas de acuerdo con el Convenio de Préstamo y con este Convenio. En el caso de que el Prestatario falle en remesar al Agente Fiscal, a su vencimiento, cualquier pago requerido por el Convenio de Préstamo, A.I.D. a su sola discreción puede efectuar pagos al Inversionista bajo el Contrato de Garantía de A.I.D. y con recursos propios de A.I.D. En tal caso, A.I.D. dará aviso al Prestatario. El Prestatario conviene en pagar rápidamente a A.I.D. el monto gastado.

B. A.I.D. puede en cualquier momento interrumpir su compromiso con el Agente Fiscal dando aviso de esto al Prestatario y al Inversionista. En tal evento, los pagos debidos al Inversionista y las Comisiones de Garantía debidas a A.I.D. se harán a un otro agente fiscal, apoderado o institución bancaria en los Estados Unidos, o directamente al Inversionista y a A.I.D. según A.I.D. designe y notifique al Prestatario e Inversionista.

under the Loan Agreement, and shall be payable concurrently with payments of interest on each such Note until each Note is fully repaid.

SECTION 4.02. Payments by Borrower to Investor and A.I.D.

A. In order to facilitate principal and interest repayments due Investor and the payment of the A.I.D. Guaranty Fees to A.I.D., Borrower agrees to remit all such sums to the A.I.D. Fiscal Agent ("Fiscal Agent") at the address specified herein. Other fees due Investor and A.I.D., such as the Investor's commitment fee and the A.I.D. disbursement fee, shall be paid as directed by the party to whom payment is owed. It is understood that the Fiscal Agent shall apply such remittances in accordance with the Loan Agreement and this Agreement. In the event Borrower fails to remit to the Fiscal Agent when due any payment required by the Loan Agreement, A.I.D. in its sole discretion may make payment to Investor under the A.I.D. Contract of Guaranty from A.I.D.'s own resources. In such event A.I.D. will give notice to the Borrower. Borrower agrees to promptly repay A.I.D. the amount expended.

B. A.I.D. may at any time discontinue its engagement of the Fiscal Agent and give notice thereof to the Borrower and Investor. In such event, the payments due Investor and the Guaranty Fees due A.I.D. will be made to such other fiscal agent, trustee, or banking institution in the United States, or directly to Investor and to A.I.D. as A.I.D. shall designate by notice to Borrower and Investor.

SECCION 4.03. Cargos por Pagos Demorados. En el caso de pagos demorados de montos debidos a A.I.D., incluyendo las comisiones bajo la Sección 4.01 o de cualesquier sumas debidas a A.I.D. por reembolsos bajo la Sección 4.02 A, el Prestatario pagará un cargo por demora. Tal cargo consistirá en interés simple a la tasa de interés estipulada en el Convenio de Préstamo para el Préstamo sobre el monto pendiente no pagado, computado en cada caso como si cada año calendario consistiese de 360 días y cada mes calendario tuviese 30 días.

SECTION 4.03. Late Payments Charge. In the event of late payment of amounts due A.I.D., including fees under Section 4.01 or of any sums due A.I.D. by way of reimbursement under Section 4.02 A, Borrower shall pay a late charge. Such charge shall consist of interest on the outstanding unpaid amount at the rate of interest contained in the Loan Agreement for the Loan, in every case computed as if each calendar year consisted of 360 days and each calendar month consisted of 30 days.

ARTICULO V. DESEMBOLSOS

ARTICLE V. DISBURSEMENTS

SECCION 5.01. Bases Generales de Desembolsos.

A. Se hace referencia al Convenio de Préstamo que establece ciertas condiciones que deben ser satisfechas antes de obligar al Inversionista a hacer desembolsos. Excepto cuando A.I.D. convenga de otra manera, todas las condiciones previas a los desembolsos en el Convenio de Préstamo deben ser satisfechas a satisfacción del Inversionista y de A.I.D. antes de que A.I.D. garantice el pago de un desembolso específico. Además, A.I.D. requiere que ciertas condiciones previas relacionadas con el Proyecto sean satisfechas como se especifica más adelante.

B. Sujeto a los términos y condiciones del Convenio de Préstamo, Contrato de Garantía y este Convenio, el Prestatario puede requerir que se efectúen desembolsos bajo el Préstamo conforme a lo siguiente:

1. Adelanto. Se puede desembolsar al Prestatario hasta $ 500,000 para ser utilizados como un fondo rotativo para la construcción y la adquisición de materiales en base a una certificación

SECTION 5.01. General Basis for Disbursement.

A. Reference is made to the Loan Agreement which sets forth certain conditions to be met before the Investor is obligated to make disbursements. Except as A.I.D. may otherwise agree, all of the conditions precedent to disbursement in the Loan Agreement must be met to Investor and A.I.D.'s satisfaction before A.I.D. will guaranty repayment of an specific disbursement. In addition, A.I.D. requires that certain conditions precedent relating to the Project be met as specified below.

B. Subject to the terms and conditions of the Loan Agreement, Contract of Guaranty and this Agreement, Borrower may request disbursements under the Loan in accordance with the following:

1. Advance. Disbursement may be made to Borrower of up to $ 500,000 to be utilized as a revolving fund for construction and materials purchases upon Certification in the form

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como se señala en el Anexo B. Documentación adicional para el mantenimiento del fondo o para la liquidación de adelantos se proporcionará de acuerdo con el subpárrafo 2 que sigue.

2. Programa de Soluciones Habitacionales. Se pueden efectuar desembolsos al Prestatario para el reembolso de un monto igual al ochenta por ciento (80%) del monto de los préstamos para mejoras de viviendas terminadas o para hipotecas de unidades básicas ejecutadas por Familias Elegibles en base a una certificación, como se señala en el Anexo B y documentado de acuerdo a la lista 1 hasta un monto de $ 4,000,000. Las Solicitudes de Desembolso incluirán la liquidación del adelanto del fondo rotativo como se estipula en el subpárrafo 1 en el período más corto y práctico como se determine bajo un plan aceptable a A.I.D.

C. Todos los documentos y materiales requeridos por A.I.D. como una condición para un desembolso garantizado se entregarán a A.I.D. con suficiente anticipación para así permitir una revisión apropiada y en ningún caso con menos de treinta días de anticipación con relación a la fecha de desembolso.

SECCION 5.02. Condiciones Prévias para la Garantía de A.I.D. del Primer Desembolso. Con anterioridad a la garantía de A.I.D. para el primer desembolso bajo el Préstamo, el Prestatario, salvo cuando A.I.D. convenga de otra manera por escrito, proporcionará a A.I.D., en forma y substancia satisfactoria a A.I.D.:

A. Una opinión legal del Asesor Legal del Gobierno de Bolivia con respecto a los asuntos expuestos en el Artículo III del Convenio de Préstamo en lo que concierne a la validez del Convenio de Garantía de Bolivia.

set out in Annex B. Further documentation to replenish such fund or liquidate such advances shall be provided in accordance with subparagraph 2 below.

2. Shelter Solution Program. Disbursements may be made to Borrower for reimbursement of an amount equal to eighty per cent (80%) of the amount of completed home improvement loans or completed core unit mortgages executed by Eligible Families upon Certification in the form set out in Annex B and documented in accordance with Schedule I thereto up to an amount of $ 4,000,000. Disbursement requests shall include liquidation of the revolving fund advance as provided for in subparagraph 1 at the earliest practical times as determined under a plan mutually acceptable to A.I.D.

C. All documents and materials required to be approved by A.I.D. as a condition for a disbursement being guarantied shall be delivered to A.I.D. far enough in advance of disbursement to permit proper review, but in no event less than thirty days prior to disbursement.

SECTION 5.02. Conditions Precedent for A.I.D.'s Guaranty of the First Disbursement. Prior to A.I.D.'s guaranty of the first disbursement under the Loan, Borrower will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

A. A legal opinion of Counsel to the Government of Bolivia, with respect to those matters set forth in Article III of the Loan Agreement concerning the validity of the Bolivia Guaranty Agreement.

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B. Una opinión legal del Asesor Legal del Prestatario con respecto a aquellas cuestiones expuestas en el Artículo III del Convenio de Préstamo en lo que concierne a la validez del Convenio de Préstamo.

C. Una Solicitud de Desembolso y Certificación debidamente firmada y completada en la forma del Anexo B.

D. Un actualizado Plan de Entrega del Proyecto que muestre el cronograma del proyecto, financiamiento, planificación ambiental y resultados, tipos de Soluciones Habitacionales y entrega de las Soluciones Habitacionales a las familias de bajos ingresos beneficiados durante el período de implementación. Este plan será preparado por el Prestatario y aprobado por A.I.D.

E. Cualquier otra evidencia o materiales que A.I.D. pueda razonablemente requerir.

SECCION 5.03. Condiciones Previas a la Garantía de A.I.D. para Desembolsos Adicionales y Final. Con anterioridad a la garantía de A.I.D. para los desembolsos adicionales y el final bajo el Préstamo, y salvo cuando A.I.D. pueda convenir de otra manera y por escrito, el Prestatario proporcionará a A.I.D. en forma y substancia satisfactoria a A.I.D.:

A. Una opinión legal actualizada del Asesor Legal del Prestatario como se requiere en la Sección 5.02 B líneas arriba.

B. Una Solicitud de Desembolso y Certificación en la forma del Anexo B.

C. Cualquier otra evidencia o materiales que A.I.D. pueda razonablemente requerir.

B. A legal opinion of Counsel to Borrower with respect to those matters set forth in Article III of the Loan Agreement concerning the validity of the Loan Agreement.

C. A Request for Disbursement and Certificate duly signed and completed in the form of Annex B.

D. An updated Project Delivery Plan showing project timing, financing, environmental planning and results, types of Shelter Solutions and Shelter Solution delivery to the benefitting low-income families over the duration of the implementation period. This plan shall be prepared by Borrower and approved by A.I.D.

E. Such other evidence or materials as A.I.D. may reasonably request.

SECTION 5.03. Conditions Precedent to A.I.D.'s Guaranty of Additional and Final Disbursements. Prior to A.I.D.'s guaranty of additional and final disbursements under the Loan, and except as A.I.D. may otherwise agree in writing, Borrower shall deliver in form and substance satisfactory to A.I.D.:

A. An updated legal opinion from Counsel to Borrower as required in Section 5.02 B above.

B. A Request for Disbursement and Certificate in the form of Annex B.

C. Such other evidence or materials as A.I.D. may reasonably request.

SECCION 5.04. Fecha Final para las Condiciones Previas.

A. Si no se han satisfecho todas las condiciones especificadas en la Sección 5.01 y en la Sección 5.02 en la fecha especificada en el Convenio de Préstamo para el primer desembolso, o en una fecha posterior bajo las condiciones que A.I.D. pueda convenir por escrito, A.I.D. a su discreción, puede terminar sus obligaciones bajo este Convenio mediante aviso escrito al MUV y al Prestatario.

B. Si no se han satisfecho todas las condiciones especificadas en la Sección 5.03 con respecto a los desembolsos adicionales y el final en las fechas de desembolsos, los adicionales y el final que se establecen en el Convenio de Préstamo, o en una fecha posterior y en las condiciones que A.I.D. pueda convenir por escrito, A.I.D., a su discreción, puede terminar sus obligaciones bajo este Convenio mediante aviso escrito al MUV y al Prestatario.

C. En caso de terminación según los subpárrafos A y B anteriores, A.I.D. no tendrá ninguna obligación ulterior bajo el Contrato de Garantía para garantizar Pagarés emitidos por el Prestatario al Inversionista, excepto cuando los Pagarés sean emitidos según lo dispuesto por la Sección 5.04 del Contrato de Garantía.

D. En caso de que el Prestatario no cumpla con las condiciones previas en la Sección 6.01 hasta el 31 de agosto de 1979 o en aquella fecha posterior y bajo tales condiciones en que AID acuerde por escrito, AID a su opción puede terminar su obligación bajo este Convenio mediante una notificación por escrito al MUV y al Prestatario.

SECTION 5.04. Terminal Date for Conditions Precedent.

A. If all of the conditions specified in Section 5.01 and 5.02 have not been met as of the date specified in the Loan Agreement for the first disbursement, or such later date and under such conditions as A.I.D. may agree to in writing, A.I.D., at its option, may terminate its own obligations under this Agreement by written notice to the MUV and to Borrower.

B. If all of the conditions specified in Section 5.03, with respect to additional and final disbursements, have not been met as of the dates for additional and final disbursements established in the Loan Agreement or such later date and under such conditions as A.I.D. may agree to in writing, A.I.D., at its option, may terminate its obligations under this Agreement by written notice to MUV and to Borrower.

C. In case of termination pursuant to subparagraph A or B above, A.I.D. shall have no further obligation under the Contract of Guaranty to guarantee Notes issued by Borrower to Investor, except when notes are issued pursuant to Section 5.04 of the Contract of Guaranty.

D. In case Borrower has failed to comply with conditions precedent in Section 6.01 by August 31, 1979, or such later date and under such conditions as A.I.D. may agree to in writing, A.I.D. at its option may terminate its own obligations under this agreement by written notice to MUV and to Borrower.

SECCION 5.05. Tasa de Cambio. La tasa de cambio aplicada para preparar una Solicitud de Desembolso y Certificación será la tasa legal de cambio en Bolivia; fechada dentro de los 30 días anteriores al desembolso como se especifica por el Prestatario en la Solicitud de Desembolso y Certificación, Anexo B; tasa legal que significará el mayor número de unidades monetarias del país prestatario por cada dólar de los Estados Unidos, sin reducciones por comisiones, timbres de impuesto o imposiciones similares.

SECTION 5.05. Exchange Rate. The rate of exchange used for the purpose of preparing a Request for Disbursement and Certificate shall be the lawful rate of exchange in Bolivia, on a date within 30 days prior to the disbursement as specified by Borrower in the Request for Disbursement and Certificate, Annex B, which will produce the most units of currency in the country of the Borrower for each United States dollar, without reduction for any commissions, stamp taxes or like charges.

ARTICULO VI. COMPROMISOS ESPECIALES

SECCION 6.01. Compromisos Sobre las Condiciones Previas para la Firma del Convenio de Préstamo. Antes de ejecutar un Convenio de Préstamo con un Inversionista, el MUV y el Prestatario deben cumplir con las siguientes condiciones a satisfacción de A.I.D.:

(1) El MUV y el Prestatario habrán hecho ejecutar un convenio formal especificando las responsabilidades de cada agencia para la preparación y ejecución del proyecto.

(2) El MUV y el Prestatario habrán asegurado los convenios que fueran necesarios, con organismos municipales o de desarrollo regional o de servicios en las áreas de implementación del proyecto proporcionando un apoyo adecuado a las actividades del Plan Socio-Urbano auspiciado por el proyecto.

(3) El Prestatario habrá establecido su unidad de vivienda de bajo costo (UVBC) como una unidad operativa y especializada en base de su actual Oficina de Asesoría y Proyectos como se describe en el Anexo A de este convenio y habrá establecido los procedimientos para registrar la financiación del Programa dentro de su sistema bancario, incluyendo entradas y salidas de recursos y gastos financieros y administrativos, de modo que se pueda efectuar

ARTICLE VI. SPECIAL COVENANTS

SECTION 6.01. Covenant on Conditions Precedent to the Signing of the Loan Agreement. Before executing a Loan Agreement with an Investor MUV and Borrower shall comply with the following conditions to the satisfaction of A.I.D.:

(1) MUV and Borrower shall have executed a formal agreement specifying the responsibilities of each agency for project preparation and execution.

(2) MUV and Borrower shall have secured agreements, as necessary, with municipal and regional development or utility organizations in project implementation areas providing for adequate support for project sponsored Plan Socio Urbano activities.

(3) Borrower shall have established the low-cost housing unit (LCHU) on the basis of its present Office of Technical Assistance and Projects as described in Annex A to this agreement and shall also have established the procedures to record the Program financing within its banking system, including inflows and outflows of resources, financial and administrative charges so evaluation of the use and effects of the Loan can be made

en cualquier momento una evaluación del empleo y los efectos del Préstamo.

(4) El MUV habrá establecido el personal para la oficina de la Dirección General de Promoción Comunal (DGPC), y conjuntamente con los Gobiernos Municipales las oficinas locales del DGPC con el mínimo de personal requerido en el Anexo A.

(5) El MUV habrá depositado en el Prestatario los montos del programa PADES recuperados hasta la fecha de este convenio y habrá asegurado la aprobación del Prestatario y de A.I.D. para el presupuesto operacional de dos años para cubrir los gastos relacionados con la oficina central DGPC y las oficinas locales DGPC.

(6) El MUV habrá completado y obtenido la aprobación del Prestatario y de A.I.D. para los planes finales para la implementación de un programa habitacional en por lo menos una de las áreas del Plan Socio-Urbano identificadas en el Anexo A.

(7) El MUV habrá desarrollado los planes iniciales para el programa habitacional dentro de los parámetros del Plan Socio-Urbano incluyendo los componentes delineados en el Anexo A para otras dos localidades del Plan Socio-Urbano, y asegurará la aprobación del BANVI y de A.I.D. para tales planes.

(8) En base a los planes inicial y final descritos en (4) y (5) líneas arriba, un Plan de Entrega del Proyecto aprobado por A.I.D., deberá haber sido preparado por el MUV y el Prestatario para cada localidad, detallando el cronograma del Proyecto, financiamiento, planificación ambiental y los resultados, tipos de Soluciones Habitacionales y entrega de la Solución Habitacional a las familias de ingresos bajos beneficiadas.

at any time.

(4) MUV shall have established the staff for the Central Dirección General de Promoción Comunal (DGPC) office and in conjunction with the Municipal Governments the DGPC local offices with the minimum staff required in Annex A.

(5) MUV shall have deposited with BANVI the amounts from the PADES program collected up to the date of this agreement and shall have secured approval from BANVI and A.I.D. to the two-year operational budget to cover expenses related to the Central DGPC office and the DGPC local offices.

(6) MUV shall have completed and secured approval from BANVI and A.I.D. for the final plans for the implementation of a shelter program in at least one of the Plan Socio-Urbano areas identified in Annex A.

(7) MUV shall have developed initial plans for a shelter program within the parameters of the Plan Socio-Urbano including the components outlined in Annex A for two other Plan Socio-Urbano areas where the program will be developed and secured approval by BANVI and A.I.D. for such plan.

(8) Based on the final and initial plans described in (4) and (5) above, a Project Delivery Plan approved by A.I.D. which shall have been prepared by MUV and Borrower for each location detailing Project timing, financing, environmental planning and the results, types of Shelter Solutions and Shelter Solution delivery to the benefitting low-income families.

(9) El Prestatario y el MUV habrán hecho arreglos para la provisión de espacio de oficina y de apoyo administrativo general para el técnico a tiempo completo a ser financiado con fondos de donación de A.I.D.

(10) El Prestatario y el MUV habrán desarrollado una metodología para actualizar anualmente los Criterios de Elegibilidad de Acuerdo a Ingresos Mensuales Máximos como se define en el Anexo A.

(11) El MUV y el Prestatario habrán acordado, después de la aprobación por A.I.D., publicar los criterios y las calificaciones de los préstamos del proyecto que beneficien a familias de ingresos bajos.

(12) El MUV habrá hecho arreglos que permitan al Gobierno de Bolivia y a A.I.D. ejecutar el Convenio de Garantía de Bolivia antes o en la fecha de ejecución del Convenio de Préstamo en el cual el Gobierno de Bolivia garantiza a A.I.D. en dólares de los Estados Unidos contra cualquiera y todas las pérdidas en virtud de la garantía de A.I.D. al Inversionista, o por la falta de pago de la comisión de garantía cobrada por A.I.D.

(13) El Prestatario habrá preparado y A.I.D. habrá aprobado un anuncio solicitando propuestas de préstamo de los Inversionistas.

SECCION 6.02. Uso de los Fondos del Préstamo. El Prestatario utilizará los fondos del Préstamo con el sólo propósito de financiar el Proyecto en la forma prescrita en este Convenio.

SECCION 6.03. Compromisos Para la Implementación del Proyecto.

A. El Prestatario conviene:

(9) Borrower and MUV will have made arrangements for the provision of office space and general administration support for the full-time technician to be funded with grant funds from A.I.D.

(10) Borrower and MUV shall have developed a methodology to annually update the Base Maximum Monthly Income Eligibility as defined in Annex A.

(11) MUV and Borrower shall have agreed to and after A.I.D. approval published the lending criteria and credit qualifications for project loans to benefitting low-income families.

(12) MUV shall have made arrangements which permit the Government of Bolivia and A.I.D. to execute the Bolivia Guaranty Agreement on or before the date of execution of a Loan Agreement in which the Government of Bolivia shall provide for a full faith and credit guaranty to A.I.D. in United States dollars assuring against any and all losses to A.I.D. by virtue of A.I.D.'s guaranty to the Investor or from the non payment of the guaranty fee.

(13) Borrower shall have prepared and A.I.D. shall have approved an announcement requesting loan proposals from Investors.

SECTION 6.02. Use of Loan Proceeds. The Borrower will use the proceeds of the Loan for the sole purpose of financing the Project in the manner prescribed in this Agreement.

SECTION 6.03. Covenants on Project Activities.

A. Borrower agrees:

1. En adoptar todos los pasos necesarios para permitir el cumplimiento por parte del MUV y de las otras instituciones participantes con los términos de este Convenio.

2. En mantener suficiente personal para ejecutar el Proyecto hasta su terminación.

3. En revisar y proporcionar ayuda y formular recomendaciones a A.I.D. con respecto a cualquier asunto requerido por este Convenio hasta que A.I.D. esté satisfecha.

4. En financiar no menos del 20 por ciento con sus propios recursos de cada uno de los préstamos a Familias Elegibles para soluciones habitacionales desarrolladas bajo el proyecto.

5. Desarrollar lineamientos ambientales para utilizarse en la revisión y aprobación de las soluciones habitacionales incluyendo mejoramiento de viviendas y unidades básicas y selección de sitios que reflejen consideraciones acerca de las condiciones ambientales.

6. Efectuar las inspecciones periódicas del trabajo de construcción en cada proyecto del Plan Socio-Urbano y adoptar los pasos necesarios para corregir o hacer que se corrijan cualesquier defectos o deficiencias.

7. En dirigir sus actividades de préstamo en base a sus políticas y procedimientos de tal modo que hasta 1985 por lo menos el setenta y cinco por ciento (75%) de su cartera se oriente a familias de ingresos bajos.

8. En proporcionar y certificar en forma oportuna la exactitud de todos los documentos requeridos bajo este Convenio.

1. To take all the necessary steps to permit compliance by MUV and other participating institutions with the terms of this Agreement.

2. Until the completion of the Project maintain on its staff sufficient personnel to carry out the Project.

3. To review and provide assistance and make recommendations to A.I.D. with respect to anything required by this Agreement to be satisfactory to A.I.D.

4. To finance not less than 20 per cent of the value of loans to eligible families for shelter solutions developed under the project from its own resources.

5. Develop environmental guidelines for use in reviewing and approving shelter solutions, including home improvement and core unit, and site selection which reflect consideration of environmental conditions.

6. To provide for the periodic inspections of the construction work under each Plan Socio-Urbano project and take the necessary steps to correct or cause to be corrected any defects or deficiencies.

7. To direct its loan activities under policies and procedures of Borrower so that at least seventy-five per cent (75%) of its loan portfolio is directed at low-income families by 1985.

8. To furnish in a timely fashion all documents required of it under this Agreement.

9. En que cuando como resultado de pagos anticipados o cualquier otra causa (recuperaciones), el Prestatario reciba de cualquier Familia Elegible fondos en exceso del monto necesario para hacer el pago requerido bajo el Préstamo, el Prestatario conviene en poner dichos fondos disponibles para su uso y del MUV para la producción de soluciones habitacionales similares a las desarrolladas bajo el Proyecto.

10. Utilizar los fondos del préstamo de tal manera que no menos del setenta y cinco por ciento (75%) de las soluciones habitacionales beneficien a "Familias Elegibles" como se definen en el Anexo A, cuyos ingresos están entre el cinco y el quince (5-15) del Ingreso Nacional Urbano de Bolivia porcentual, que es al 1° de enero de 1979 entre $b 1,500 y $b 3,000 por mes, y el veinticinco por ciento (25%) de las soluciones habitacionales en beneficio de "Familias Elegibles" entre el quince y el treinta y cinco (15-35) del Ingreso Nacional Urbano de Bolivia que está al 1° de enero de 1979 entre $b 3,000 y $b 5,000 por mes.

B. El MUV conviene en:

1. Adoptar los pasos necesarios para organizar y suministrar los fondos necesarios para proporcionar el mínimo de personal a tiempo completo incluido en el Anexo A, para la oficina central DGPC y para las oficinas locales DGPC.

2. Desarrollar e implementar cada Plan Socio-Urbano guiándose con los principios generales delineados en el Anexo A para el Plan Socio-Urbano.

3. Desarrollar conjuntamente con el Prestatario las guías de consideraciones ambientales para su uso en la revisión y aprobación de soluciones

9. Where as a result of prepayments or otherwise (reflows) Borrower receives from any Eligible Family funds in excess of the amount needed to make the repayment required under the Loan, Borrower agrees to make such excess funds available for use by it and MUV for the production of shelter solutions similar to the ones developed under the Project.

10. Utilize the loan funds so that approximately seventy-five per cent (75%) of the shelter solutions will benefit "Eligible Families," as defined in Annex A, whose income are between the fifth and fifteenth (5-15) Bolivian National Urban Income percentile, which is as of January 1, 1979, between b$ 1,500 and b$ 3,000 per month and twenty-five per cent (25%) of the shelter solutions will benefit "Eligible Families" between the fifteenth and thirty-five (15-35) Bolivian National Urban Income percentile which is as of January 1, 1979, between b$ 3,000 and b$ 5,000 per month.

B. MUV agrees:

1. To take the necessary organizational steps and furnish necessary funds to provide the minimum full-time staff included in Annex A for the Central DGPC and the DGPC local offices.

2. In developing and implementing each Plan Socio-Urbano it will be guided by the general principles for the Plan Socio-Urbano outlined in Annex A.

3. Develop in conjunction with Borrower environmental guidelines for use in reviewing and approving shelter solutions, including home improvement

habitacionales, incluyendo mejoramiento de viviendas y unidades básicas y selección de terrenos que reflejen consideración de las condiciones ambientales.

4. Ejecutar los acuerdos alcanzados con las autoridades locales para la provisión de servicios e instalaciones de apoyo de los proyectos habitacionales en cada área del Plan Socio-Urbano.

5. Llevar a cabo los estudios y enunciar las políticas expuestas en el Anexo A.

6. Fondos adicionales que se cobren en el futuro bajo el Programa PADES y los fondos a cobrarse de préstamos hechos con recuperaciones del Programa PADES serán depositados en el BANVI, y utilizados para cubrir los gastos relacionados tanto con la Oficina Central del DGPC como sus oficinas locales.

ARTICULO VII. COMPROMISOS GENERALES

SECCION 7.01. Cartas de Implementación del Proyecto. Para ayudar al Prestatario y al MUV en la implementación del Proyecto, A.I.D. puede de tiempo en tiempo emitir Cartas de Implementación del Proyecto que suministrarán información adicional sobre asuntos enunciados en este Convenio. Las Partes también pueden aprobar mutuamente las Cartas de Implementación del Proyecto para confirmar y registrar su mutuo entendimiento de los aspectos de implementación de este Convenio. Las Cartas de Implementación del Proyecto no serán utilizadas formalmente para enmendar el texto del Convenio de Implementación. Sin embargo, pueden ser utilizadas para registrar la revisión de detalles del Proyecto como se establece en el Anexo A, según la Sección 2.01; las renuncias de derechos por las partes para cuyo beneficio existen

and core unit, and site selection which reflect consideration of environment conditions.

4. To enforce the agreements reached with the local authorities for the provision of services and facilities in support of the shelter projects in each of the Plan Socio-Urbano areas.

5. To conduct the studies and enunciate the policies set forth in Annex A.

6. Additional funds collected in the future and the funds collected from loans made with repayments from the PADES Program will be deposited with BANVI and utilized to cover expenses related to the Central DGPC Office and the local DGPC offices.

ARTICLE VII. GENERAL COVENANTS

SECTION 7.01. Project Implementation Letters. To assist Borrower and MUV in the implementation of the Project, A.I.D. from time to time may issue Project Implementation Letters that will furnish additional information about matters stated in this Agreement. The Parties may also jointly agree to Project Implementation Letters to confirm and record their mutual understanding of aspects of the implementation of this Agreement. Project Implementation Letters will not be used formally to amend the text of the Implementation Agreement. However, they may be used to record the revision of details of the Project as set forth in Annex A, pursuant to Section 2.01; waivers of rights by parties for whose benefits such rights exist; or, expectations which are permitted by the Agreement.

tales derechos; o las expectativas permitidas por el Convenio.

SECCION 7.02. Evaluación del Proyecto. Las Partes convienen en establecer un programa de evaluación como parte integral del Proyecto. Excepto cuando las Partes convengan de otra manera por escrito, el programa incluirá durante la implementación del Proyecto y en una o más etapas posteriormente:

A. Una evaluación anual (resúmen del progreso hacia el logro de los objetivos del Proyecto) que incluya:

1. La identificación y evaluación de áreas con problemas o de restricciones que puedan inhibir tal logro; y

2. Determinar cómo tal información puede ser utilizada para ayudar a superar tales problemas en este u otros proyectos.

B. Una evaluación de los costos administrativos del Prestatario en la realización del Proyecto.

C. Un informe de evaluación final analizando el grado en el cual los propósitos del proyecto han sido alcanzados.

SECCION 7.03. Consultas. Las Partes cooperarán para asegurar que se cumpla el propósito de este Convenio. Para este fin, las Partes, a requerimiento de cualquiera de ellas, intercambiarán puntos de vista sobre el progreso del Proyecto, el cumplimiento de las obligaciones bajo el Convenio, el cumplimiento de los consultores, contratistas o proveedores contratados por el Proyecto, y todos los otros asuntos relacionados con el Proyecto.

SECCION 7.04. Ejecución del Proyecto. El Prestatario y el MUV:

SECTION 7.02. Project Evaluation. The Parties agree to establish an evaluation program as an integral part of the Project. Except as the Parties otherwise agree in writing, the program will include during the implementation of the Project and at one or more points thereafter:

A. An annual evaluation summary of progress toward attainment of the objectives of the Project to include:

1. Identification and evaluation of problem areas or constraints which may inhibit such attainment; and

2. Assessment of how such information may be used to help overcome such problems, in this or other projects.

B. An evaluation of the Borrower's administrative costs in implementing the Project.

C. A final evaluation report analyzing the degree to which project purposes have been achieved.

SECTION 7.03. Consultation. The Parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Parties, at the request of either, will exchange views on the progress of the Project, the performance of obligations under this Agreement, the performance of any consultants, contractors or suppliers engaged on the Project, and any other matters relating to the Project.

SECTION 7.04. Execution of the Project. Borrower and MUV will:

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A. Ejecutarán el Proyecto o harán que sea ejecutado con la debida diligencia y eficiencia, en conformidad con prácticas técnicas sólidas, así como también prácticas financieras y de administración sólidas, y en conformidad con los documentos, planes, especificaciones, contratos, cronogramas y otros arreglos, o modificaciones de ellos, que requieran la aprobación de A.I.D. según este Convenio.

B. Proporcionarán una administración calificada y experimentada, entrenando al personal como sea apropiado para el mantenimiento y operación del Proyecto, haciendo que el Proyecto sea operado y mantenido en tal manera que asegure el contínuo y exitoso cumplimiento de los propósitos del Proyecto.

SECCION 7.05. Informes, Registros, Inspecciones, y Auditaje. El Prestatario y el MUV:

A. Proporcionarán a A.I.D., en base trimestral y hasta que se complete el Proyecto y se desembolse enteramente el Préstamo, una copia del Informe del Estado de Progreso del Proyecto mostrando en base trimestral el estado del cumplimiento del cronograma, costos, y financiación del Proyecto o subproyecto. Este formulario será preparado con referencia directa al Plan de Entrega del Proyecto identificado en el Artículo V de acuerdo con los delineamientos provistos por A.I.D. Adicionalmente, el Prestatario proporcionará a A.I.D. un informe de conciliación de pagos en formularios provistos por A.I.D., junto con toda la demás información e informes relacionados con el Proyecto, el Préstamo y con este Convenio, como A.I.D. razonablemente así lo requiera.

B. Mantendrán o harán que se mantengan, de acuerdo con principios de contabilidad generalmente aceptados y

A. Carry out the Project or cause it to be carried out with due diligence and efficiency, in conformity with sound technical, financial, and management practices, and in conformity with those documents, plans, specifications, contracts, schedules or other arrangements, and with any modifications therein, required to be approved by A.I.D. pursuant to this Agreement.

B. Provide qualified and experienced management, and train such staff as may be appropriate, for the maintenance and operation of the Project, and cause the Project to be operated and maintained in such manner as to assure the continuing and successful achievement of the purposes of the Project.

SECTION 7.05. Reports, Records, Inspections, and Audit. Borrower and MUV will:

A. Furnish A.I.D. on a quarterly basis until the Project is completed and the Loan fully disbursed, a copy of the Project Progress Status Report showing the status on a quarterly basis of the time, costs, and financing of the Project or subproject. This form will be prepared with direct reference to the Project Delivery Plan identified in Article V in accordance with guidelines provided by A.I.D. Borrower in addition will furnish to A.I.D. a remittance reconciliation report on forms provided by A.I.D., together with such other information and reports relating to the Project, the Loan, and to this Agreement as A.I.D. may reasonably request.

B. Maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices

prácticas consistentemente aplicadas, libros y registros relacionados con el Proyecto, el Préstamo, y este Convenio, adecuados para mostrar sin limitación el recibo y uso de los fondos, bienes y servicios adquiridos bajo el Préstamo. Tales libros y registros serán también adecuados para mostrar la naturaleza y extensión de las solicitudes de los presuntos proveedores de bienes y servicios, las bases de adjudicación de contratos y los pedidos, y el progreso global del Proyecto hacia su terminación. Tales libros y registros serán auditados regularmente, de acuerdo con normas de auditoría generalmente aceptadas y mantenidos (1) con respecto al Proyecto, por tres años después de la fecha del último desembolso; y (2) con respecto al Préstamo, por tres años después de haberse pagado enteramente el Préstamo.

C. Permitirán a los representantes autorizados de A.I.D. la oportunidad de inspeccionar, en cualquier momento razonable, el Proyecto, los libros, registros, y otros documentos relacionados con el Proyecto, el Préstamo, y este Convenio.

SECCION 7.06. Exactitud de la Información. El Prestatario y el MUV confirmarán que:

A. Los hechos y circunstancias sobre los cuales han informado a A.I.D., o han hecho que se informe a A.I.D., durante las gestiones para llegar a este Convenio con A.I.D., son exactos y completos, e incluyen todos los hechos y circunstancias que podrían afectar materialmente al Proyecto, al Préstamo, y al descargo de responsabilidades del Prestatario y del MUV bajo este Convenio.

B. El Prestatario y el MUV informarán a A.I.D. oportunamente sobre cualquier hecho o circunstancia subsiguientes que puedan afectar materialmente, o

consistently applied, books and records relating to the Project, to the Loan, and to this Agreement, adequate to show without limitation, the receipt and use of funds, goods and services acquired under the Loan. Such books and records will also be adequate to show the nature and extent of solicitations of prospective suppliers of goods and services, the basis of awards of contracts and orders, and the overall progress of the Project toward completion. Such books and records will be audited regularly, in accordance with generally accepted auditing standards, and maintained (1) with respect to the Project, for three years after the date of last disbursement and (2) with respect to the Loan, for three years after the Loan has been fully repaid.

C. Afford authorized representatives of A.I.D. the opportunity to inspect at all reasonable times, the Project, books, records, and other documents relating to the Project, to the Loan, and to this Agreement.

SECTION 7.06. Completeness of Information. Borrower and MUV confirm that:

A. The facts and circumstances of which it has informed A.I.D., or caused A.I.D. to be informed, in the course of reaching this Agreement with A.I.D. are accurate and complete, and include all facts and circumstances that might materially affect the Project, the Loan, and the discharge of Borrower's and MUV's responsibilities under this Agreement.

B. Borrower and MUV will inform A.I.D. in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is

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que razonablemente se pueda creer puedan afectar, al Proyecto, al Préstamo, o al descargo de responsabilidades bajo este Convenio.

SECCION 7.07. Publicidad. El Prestatario y el MUV darán publicidad apropiada al Préstamo y al Proyecto como un programa al cual han contribuido los Estados Unidos, e identificará el sitio del proyecto como se describe en las Cartas de Implementación del Proyecto.

SECCION 7.08. Otros Pagos. El Prestatario y el MUV aseguran que no se recibieron, ni se recibirán pagos por parte de cualquier funcionario del Prestatario o del MUV en conexión con la adquisición de bienes o servicios financiados bajo el Préstamo, exceptuando gravámenes, impuestos, o pagos similares legalmente establecidos en Bolivia por cuenta del Prestatario y del MUV.

SECCION 7.09. Precios Razonables Para Adquisiciones. No se pagarán precios más altos que los razonables por cualesquier bienes o servicios financiados total o parcialmente bajo el Préstamo. Tales items se adquirirán sobre una base justa, y en la medida de lo posible, sobre una base de competencia.

ARTICULO VIII. DERECHOS DE A.I.D.

SECCION 8.01. Suspensión y Aceleración de Pagos.

A. En el caso de que el Prestatario o el MUV contravengan materialmente este Convenio, el Convenio de Préstamo, el Convenio del Agente de Pago, si existiese, o si la República de Bolivia contravenga el Convenio de Garantía de Bolivia, y tal contravención no sea rectificada dentro de un período de noventa (90) días a partir de la fecha de aviso de A.I.D. con respecto a lo expuesto, A.I.D. puede tomar cualesquiera o todas las siguientes medidas:

is reasonable to believe might so affect, the Project, the Loan, or the discharge of responsibilities under this Agreement.

SECTION 7.07. Publicity. Borrower and MUV will give appropriate publicity to the Loan and to the Project as a program to which the United States has contributed, and identify the project site as described in Project Implementation Letters.

SECTION 7.08. Other Payments. Borrower and MUV affirm that no payments have been, or will be, received by any official of Borrower or MUV in connection with the procurement of goods or services financed under the Loan, except fees, taxes, or similar payments legally established in Bolivia for the account of Borrower and MUV.

SECTION 7.09. Reasonable Prices for Procurement. No higher than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Loan. Such items will be procured on a fair and, to the maximum extent practicable, on a competitive basis.

ARTICLE VIII. RIGHTS OF A.I.D.

SECTION 8.01. Suspension and Acceleration.

A. In the event that Borrower or MUV materially breaches this Agreement, the Loan Agreement, the Paying Agency Agreement, if any, or the Republic of Bolivia breaches the Bolivia Guaranty Agreement and such breach is not rectified within a period of ninety (90) days from the delivery of notice by A.I.D. with respecto thereto, then A.I.D. may take any or all of the following actions:

1. Declinar la ejecución del documento de Garantía de A.I.D. sobre cualesquier otros Pagarés para desembolsos bajo el Convenio de Préstamo o el Contrato de Garantía, excepto cuando los Pagarés sean emitidos según la Sección 5.04 del Contrato de Garantía.

2. Requerir del Prestatario el pago por adelantado de inmediato al Inversionista en forma total o parcial del capital no pagado de los Pagarés Elegibles con el interés acumulado y la Comisión de Garantía a la fecha en que tal pago se efectúe, así como también cualquier cargo por el pago demorado que pueda acumularse.

B. En el caso de que la garantía de Pagarés ulteriores sea contraria a la legislación vigente de A.I.D., mediante aviso al MUV y al Prestatario, A.I.D. puede ejecutar las medidas correctivas especificadas en el párrafo A.1 líneas arriba.

SECCION 8.02. Derechos no Renunciables. La aceptación de cualquier Pagaré Elegible por A.I.D., el pago de A.I.D. al Inversionista de cualquier monto según el Contrato de Garantía, la demora o la falta de A.I.D. en efectuar demandas de pago, o la demora o falta de A.I.D. en dar su aprobación escrita para una aceleración de pago de los Pagarés al Inversionista, no se considerará como una renuncia de derechos de A.I.D. pertenecientes a A.I.D. bajo este Convenio, Convenio de Préstamo, Contrato de Garantía, o bajo el Convenio de Garantía de Bolivia.

ARTICULO IX. VARIOS

SECCION 9.01. Comunicaciones. Cualquier aviso, solicitud, documento, u otra comunicación presentada por cualesquiera de las Partes a la otra bajo este Convenio se hará por escrito o

1. Decline to execute an A.I.D. Guaranty Legend on any additional Notes for disbursements under the Loan Agreement or the Contract of Guaranty, except when Notes are issued pursuant to Section 5.04 of the Contract of Guaranty.

2. Require Borrower immediately to prepay to Investor all or any part of the unpaid principal of the Eligible Notes with accrued interest and Guaranty Fee to the date such payment is made, as well as any late payment charge which may accrue.

B. In the event that the guaranty of further Notes is contrary to legislation governing A.I.D., by notice to Borrower, A.I.D. may exercise the remedy specified in paragraph A.1 above.

SECTION 8.02. Non-Waiver of Remedies. The marking of any Eligible Note by A.I.D., the payment of A.I.D. to Investor of any amounts pursuant to the Contract of Guaranty, the delay or failure of A.I.D. to make any claim for payment, or the delay or failure of A.I.D. to give its written approval to an acceleration of the Notes by Investor shall not operate as a waiver by A.I.D. of any rights accruing to A.I.D. under this Agreement, the Loan Agreement, the Contract of Guaranty, or the Bolivia Guaranty Agreement.

ARTICLE IX. MISCELLANEOUS

SECTION 9.01. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram

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por telegrama o cable, y se entenderá como debidamente recibida o entregada cuando se entregue a la parte en las siguientes direcciones:

Al Prestatario:

Dirección Postal:

Gerente General
Banco Nacional de la Vivienda
Casilla 8155
La Paz, Bolivia

Dirección Alterna para Cables:

Telex 2295
BANVI BV
La Paz, Bolivia

Al MUV:

Dirección Postal:

Ministerio de Urbanismo y Vivienda
Av. 20 de Octubre esq. F. Guachalla
Edificio CONAVI, 3er Piso
Casilla 5926
La Paz, Bolivia

A A.I.D.:

Dirección Postal:

Misión Económica de los
Estados Unidos en Bolivia
a/c Embajada de los Estados Unidos
La Paz, Bolivia
Atención: Proyecto 511-HG-006

Dirección Alterna para Cables:

USAID AmEmbassy
La Paz, Bolivia

Al Agente Fiscal de A.I.D.:

Dirección Postal:

American Security and Trust Company
International Department
15th & Pennsylvania Avenue, N.W.
Washington, D.C. 20013

or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To Borrower:

Mail Address:

General Manager
Banco Nacional de la Vivienda
Casilla 8155
La Paz, Bolivia

Alternate Address for Cables:

Telex 2295
BANVI BV
La Paz, Bolivia

To MUV:

Mail Address:

Ministerio de Urbanismo y Vivienda
Av. 20 de Octubre esq. F. Guachalla
Edificio CONAVI, 3er Piso
Casilla 5926
La Paz, Bolivia

To A.I.D.:

Mail Address:

United States Aid Mission to
Bolivia
c/o United States Embassy
La Paz, Bolivia
Attention: Project 511-HG-006

Alternate Address for Cables:

USAID AmEmbassy
La Paz, Bolivia

To A.I.D. Fiscal Agent:

Mail Address:

American Security and Trust Company
International Department
15th & Pennsylvania Avenue, N.W.
Washington, D.C. 20013

JH

Dirección Alterna para Cables:

Security
Washington, D.C.

Al Inversionista:

Como se expone en el Convenio de Préstamo.

Todas las comunicaciones se harán en castellano, salvo que las Partes convengan de otra manera y por escrito. Las direcciones anteriores pueden ser substituidas por otras direcciones dando aviso a cada parte. El Prestatario y el MUV proporcionarán adicionalmente a RHUDO/PSA una copia de cada comunicación enviada a A.I.D. (Dirección Postal: RHUDO/PSA, USAID/Panamá, Apartado 6959, Panamá 5, Panamá).

SECCION 9.02. Plazo del Convenio. El plazo de este Convenio se contará a partir de la fecha de este documento hasta completar el pago de todos los montos adeudados bajo este Convenio y el Convenio de Préstamo. Todas las representaciones y compromisos aquí contenidos estarán vigentes hasta tal fecha.

SECCION 9.03. Enmiendas o Modificaciones. Este Convenio sólo puede ser cambiado mediante instrumento escrito y ejecutado por las partes del mismo.

SECCION 9.04. Integración. Este Convenio invalida todos los convenios y entendimientos anteriores, si existiese alguno, entre las partes de este documento, relacionados con el objeto de este documento. Los convenios descritos en la Sección 1.01 son por el presente documento incorporados por referencia en este Convenio.

Alternate Address for Cables:

Security
Washington, D.C.

To Investor:

As set forth in the Loan Agreement.

All such communications will be in Spanish, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice to each party. Borrower, and MUV in addition, will provide RHUDO/PSA (USAID/Panama, Apartado 6959, Panama 5, Panama) with a copy of each communication sent to A.I.D.

SECTION 9.02. Term of Agreement. The term of this Agreement shall be from the date hereof until the date of full payment of all sums due under this Agreement and the Loan Agreement. All representations and continuing covenants contained herein shall survive until such later date.

SECTION 9.03. Amendments or Modifications. This Agreement may be changed only by a written instrument executed by the parties hereto.

SECTION 9.04. Integration. This Agreement supersedes all prior agreements and understandings, if any, between the parties hereto which relate to the subject matter hereof. The agreements described in Section 1.01 are hereby incorporated by reference in this Agreement.

SECCION 9 05 Ley Vigente. Este Convenio será interpretado de acuerdo con la ley de los Estados Unidos de América aplicable a contratos y transacciones comerciales del Gobierno de los Estados Unidos.

SECTION 9 05 Governing Law This agreement shall be construed in accordance with the law of the United States of America applicable to contracts and commercial transactions of the United States Government.

SECCION 9.06. Idioma del Convenio. Este Convenio está preparado en inglés y castellano En el caso de alguna ambiguedad o conflicto entre las dos versiones, el inglés prevalecerá.

SECTION 9.06. Language of Agreement. This Agreement is prepared in both English and Spanish. In the event of embiguity or conflict between the two versions, the English version will control.

EN TESTIMONIO DE LO CUAL, el Prestatario y el MUV y los Estados Unidos de América, cada uno actuando mediante su representante autorizado, acuerdan que se firme en su nombre este Convenio en el día y año escritos en el encabezamiento del documento.

IN WITNESS WHEREOF, Borrower and MUV and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

REPUBLICA DE BOLIVIA
REPUBLIC OF BOLIVIA
MINISTERIO DE URBANISMO Y VIVIENDA

POR :
BY :

NOMBRE: /s/ Tcnl DEMA Norberto Salomón S
NAME :

TITULO: Ministro de Urbanismo y Vivienda
TITLE : Minister of Urban Development and Housing

FECHA : 12 de julio de 1979
DATE : July 12, 1979

ESTADOS UNIDOS DE AMERICA
UNITED STATES OF AMERICA
AGENCIA PARA EL DESARROLLO INTERNACIONAL
AGENCY FOR INTERNATIONAL DEVELOPMENT

POR :
BY :

NOMBRE: /s/. Paul H Boeker
NAME :

TITULO: Embajador de los Estados Unidos
TITLE : United States Ambassador

FECHA : 12 de julio de 1979
DATE : July 12, 1979

BANCO NACIONAL DE LA VIVIENDA

POR :
BY :

NOMBRE:
NAME : /s/ Lic.Federico Salces P.

TITULO: Gerente General
TITLE : Banco Nacional de la Vivienda

FECHA : 12 de julio de 1979
DATE : July 12, 1979

POR :
BY :

NOMBRE:
NAME : /s/. Abe M. Peña

TITULO: Director, USAID/Bolivia
TITLE : USAID/Bolivia Mission Director

FECHA : 12 de julio de 1979
DATE : July 12, 1979

ANEXO A
ANNEX A

PROYECTO
PROJECT

I. Antecedentes

Este proyecto tiene el propósito de establecer una nueva y estrecha relación entre el Banco de la Vivienda de Bolivia (BANVI), el Ministerio de Urbanismo y Vivienda (MUV) y su principal agencia de desarrollo comunal, la Dirección General de Promoción Comunal (DGPC) para llevar a cabo el proceso de desarrollo del proyecto del Plan Socio-Urbano que resultará en una nueva forma de ayuda con viviendas de bajo costo para familias de bajos ingresos en tres Departamentos de Bolivia: Beni, Chuquisaca y Cochabamba.

Con los fondos de un préstamo HG garantizado por A.I.D., así como con recursos del BANVI (el prestatario de los fondos del préstamo) y del MUV, el BANVI financiará, en áreas urbanas, un proyecto piloto de aproximadamente 2000 soluciones habitacionales individuales. El MUV y la DGCP trabajarán con el BANVI para planificar, programar y observar la entrega de estas soluciones. Utilizando fondos de una Donación para Desarrollo al Gobierno de Bolivia, A.I.D. proporcionará Asistencia Técnica al BANVI, MUV y la DGCP dirigida a mejorar la base institucional para la expansión de los programas del sector público que tratan con los problemas habitacionales de familias de ingresos bajos.

La participación directa del BANVI en el proceso del Plan Socio Urbano implicará el financiamiento de préstamos a beneficiarios individuales de bajos ingresos a través de programas

I. Background

This project is for the purpose of establishing a new and close relationship between the Banco de la Vivienda of Bolivia (BANVI), the Ministerio de Urbanismo y Vivienda (MUV) and its principal community development agency, the Dirección General de Promoción Comunal (DGCP) to carry out the Plan Socio urbano project development process which will result in a new form of low-cost shelter assistance for low-income families in the three Departments of Bolivia: Beni, Chuquisaca & Cochabamba.

With the funds from a HG loan guaranteed by A.I.D., as well as resources of BANVI (the Borrower of the loan funds) and MUV, BANVI will finance, in the urban areas, a pilot project of approximately 2000 individual shelter solutions. The MUV and DGCP will work with BANVI to plan, program and monitor the delivery of these solutions. Utilizing funds from a Development Grant to the Government of Bolivia, A.I.D. will provide Technical Assistance to BANVI, MUV and DGCP leading to an improved institutional base for expanded public sector programs dealing with the shelter problems of low-income families.

Direct participation by BANVI in the Plan Socio Urbano process will involve the financing of loans to individual low-income beneficiaries through formal public sector

formales de préstamos del sector público y derivará en actividades incrementadas de préstamos, hasta el 75 por ciento de la cartera del BANVI para familias de bajos ingresos, hasta 1985. El proyecto deberá resultar en un fortalecimiento de la DGPC cuyo objetivo y capacidad principal es programar varios tipos de soluciones habitacionales para familias de bajos ingresos en Bolivia.

loan programs and will lead to increased lending activities, up to 75% of BANVI's portfolio for low-income families by 1985. The project should result in strengthening DGPC whose primary objective and capability is the programming of various types of shelter solutions for Bolivia's low-income families.

II. Descripción Detallada del Proyecto

El proyecto piloto consiste en el diseño y producción de soluciones habitacionales de bajo costo para Familias Elegibles con Ingresos Mensuales Máximos, dentro de las Areas del Plan Socio-Urbano: Se financiarán aproximadamente 2000 soluciones habitacionales bajo el programa. El desarrollo de las soluciones habitacionales seguirá un proceso de planificación, programación é implementación llamado el Plan Socio-Urbano a ser utilizado por el MUV, la DGCP y el BANVI y que incluye el establecimiento é institucionalización de arreglos para el trabajo entre las agencias nacionales, autoridades regionales y locales y organizaciones de la comunidad para identificar, diseñar, revisar, aprobar, financiar, construir, y pagar proyectos específicos de viviendas de bajos costos dentro de las Areas del Plan Socio-Urbano. Este proyecto piloto y los estudios producidos por él servirán como antecedentes para el establecimiento de una política futura nacional de vivienda para el sector público que articule el rol de las instituciones nacionales de vivienda y desarrollo del Gobierno de Bolivia.

II. Detailed Project Description

The pilot project consists of the design and production of low-income shelter solutions for Eligible Families with Base Maximum Monthly Eligibility Incomes within the Plan Socio Urbano Areas. Approximately 2000 shelter solutions will be financed under this program. The development of shelter solutions will follow a planning, programming and implementation process called the Plan Socio Urbano to be used by the MUV, DGCP and BANVI which includes the establishment and institutionalization of working arrangements among national agencies, regional and local authorities, and community organizations to identify, design, review, approve, finance, construct and repay specific low-income shelter projects within the Plan Socio Urbano Areas. This pilot project and the studies produced therefrom shall serve as background for the establishment of a future national housing policy for the public sector which articulates the role of national housing and development institutions of the Government of Bolivia.

A. Definiciones

1. Familias Elegibles son aquellas familias cuyos ingresos están dentro del rango porcentual especificado

A. Definitions

1. Eligible Families are those families whose incomes fall within the percentile range specified

como Ingresos Mensuales Máximos Elegibles del Ingreso Urbano Nacional de Bolivia al 1° de enero de 1979 ó el Ingreso Mensual Máximo Elegible Actualizado como se define aquí.

2. Ingreso Mensual Máximo Elegible para mejoramiento de viviendas ó soluciones habitacionales que no sean las unidades básicas completadas, será el que no exceda el 15avo porcentual del Ingreso Urbano Nacional de Bolivia (aproximadamente $b3,000 al 1° de enero de 1979) pero cuyos ingresos pueden ser tan bajos como alrededor del 5to porcentual (aproximadamente $b1,500). El Ingreso Mensual Máximo Elegible para unidades básicas completadas no excederá el 35avo porcentual (aproximadamente $b5,000 al 1° de enero de 1979) pero cuyos ingresos pueden ser tan bajos como alrededor del 15avo porcentual (aproximadamente $b3,000).

3. Ingreso Mensual Máximo Elegible Actualizado es el ingreso como se determina después del ajuste anual del Ingreso Mensual Máximo Elegible a ser realizado a principios de cada año después del 1° de enero de 1979 en base a una metodología a ser establecida por el Prestatario y aprobada por A.I.D.

B. Fuentes de Financiamiento/ Aportes

Las fuentes de financiamiento para el programa serán como sigue:

1. Un préstamo HG de $4.0 millones al BANVI.

2. Una Donación de la A.I.D. de $220,000 para asistencia técnica al MUV, la DGPC, y el BANVI.

3. Un aporte por parte del BANVI equivalente a un mínimo de $800,000 ó por lo menos 20 por ciento

as the Base Maximum Monthly Eligibility Income of the Bolivian National Urban Income as of January 1, 1979 or Updated Maximum Monthly Eligibility Income as defined herein.

2. Base Maximum Monthly Eligibility Income for home improvement or shelter solutions other than completed core units shall not exceed the 15th percentile of the Bolivian National Urban Income (approximately $b3,000 as of January 1, 1979) but whose incomes may be as low as around the 5th percentile (approximately $b1,500). The Base Maximum Monthly Eligibility Income for completed core units shall not exceed the 35th percentile (approximately $b5,000 as of January 1, 1979) but whose incomes may be as low as around the 15th percentile (approximately $b3,000).

3. Updated Maximum Monthly Eligibility Income is the income as determined after the annual adjustment of the Base Maximum Monthly Eligibility Income to be made as of the first of each year after January 1, 1979 on the basis of a methodology to be established by the Borrower and approved by A.I.D.

B. Sources of Funding/Inputs

The sources of funding for the program will be as follows:

1. A HG loan of $4.0 million to BANVI.

2. Up to $220,000 Development Grant for technical assistance to MUV, DGPC and BANVI.

3. At least $800,000 and, in any event, such amount as equals 20% of the value of the loans to

del total de préstamos a Familias Elegibles para soluciones habitacionales a desarrollarse bajo este Convenio.

4. Pagos iniciales de Familias Elegibles.

5. $100,000 para dotación de personal a los Planes Socio-Urbanos por parte del MUV.

6. $300,000 en fondos de PADES para control, operaciones y dotación de personal para actividades relacionadas con el proyecto.

7. $200,000 en donación de tierras por los gobiernos locales.

8. $50,000 para la publicación de un manual de viviendas de bajo costo del MUV.

C. Empleo de Fondos/Resultados

Los resultados del programa incluyen lo siguiente:

1. Una coordinación mejorada de viviendas del sector público y de las instituciones de desarrollo urbano de Bolivia mediante el establecimiento de roles institucionales para la DGPC, el BANVI, y el MUV, para planificar, programar é implementar en forma sistemática soluciones habitacionales para familias de bajos ingresos;

2. La capacidad incrementada de estas instituciones para proporcionar vivienda a residentes de bajos ingresos en Bolivia mediante el aumento del capital de trabajo del BANVI, mejorando la capacidad del personal para identificar y desarrollar proyectos en Areas del Plan Socio-Urbano, y dirigiendo el 75 por ciento de la cartera de préstamos del BANVI en el futuro a familias de bajos ingresos;

Eligible Families for shelter solutions developed under the Project shall be provided by BANVI.

4. Purchaser down payments by Eligible Families.

5. $100,000 for local Plan Socio Urbano staffing from MUV.

6. $300,000 in PADES funds for control, operations and staffing for project related activities.

7. $200,000 in land donations by local governments.

8. $50,000 for the publication of a low-cost housing manual by MUV.

C. Utilization of Funding/Outputs

The outputs of the program include the following:

1. Improved coordination of Bolivia's public sector housing and urban development institutions through the establishment of institutional roles for the DGPC, BANVI and MUV to plan, program and implement in a systematic way shelter solutions for low-income families;

2. Increased capability of those institutions to provide housing for low-income residents of Bolivia by augmenting BANVI's working capital, enhancing staff capability to identify and develop projects in Plan Socio Urbano Areas, and directing 75% of BANVI's loan portfolio in the future to housing for low-income families;

3. La preparación de estudios de antecedentes para el desarrollo de una política nacional de vivienda. Estos estudios incluyen lo siguiente: (a) un análisis del potencial para el uso de los recursos de los Consejos de Vivienda en la implementación de programas de viviendas de bajo costo; (b) un análisis de la industria de la construcción para participar en el proceso de entrega de viviendas de bajo costo; (c) un manual de viviendas de bajo costo; y (d) un estudio de la demanda de vivienda existente y proyectada por todos los sectores de la población; y

4. El establecimiento de un mecanismo ó proceso llamado el Plan Socio-Urbano a nivel local, el cuál junta a las autoridades regionales y locales, organizaciones comunales, como también agencias nacionales, para llevar a cabo proyectos de vivienda para sectores de ingreso bajo dentro de un contexto específico local dando especial consideración a aspectos ambientales y el mejoramiento de la infraestructura y servicios.

D. Tasas de Interés/Términos

Los préstamos para soluciones habitacionales financiadas por el BANVI tendrán un interés no menor del 15 por ciento por año con un plazo de pago que permita a las familias con un Ingreso Mensual Máximo Elegible ó menor, pagar no más del 20 por ciento de su ingreso para préstamos de mejoramiento y no más del 25 por ciento de su ingreso para unidades básicas aparte del pago inicial máximo del 5 por ciento para préstamos de mejoras de viviendas y 10 por ciento para unidades básicas. Los datos del Ingreso Mensual Máximo Elegible Actualizado serán establecidos a principios de cada año de acuerdo con una metodología desarrollada por el Prestatario y el MUV y aprobada por A.I.D.

3. Preparation of background studies for the development of a national housing policy. They include the following: (a) An analysis of the potential for the use of Housing Council resources in the implementation of low-income shelter programs; (b) an analysis of the construction industry to participate in the low-income shelter delivery process; (c) a manual of low-cost housing; and (d) a study of existing and projected demand for shelter by all sectors of the population; and

4. Establishment of a mechanism or process called the Plan Socio Urbano at the local level which brings together regional and local authorities, community organizations, as well as national agencies to carry out low-income shelter projects within a specific local context giving special consideration to environmental concerns and the upgrading of infrastructure and services.

D. Interest Rates/Terms

Loans for the shelter solutions financed by BANVI will carry an interest of not less than 15% per annum with a repayment period which will allow families with the Base Maximum Monthly Eligibility Income or less to pay not more than 20% of their income for improvement loans and 25% of their income for core units taking into account a maximum down payment of 5% for home improvement loans and 10% for core units. Updated Base Maximum Monthly Eligibility Income data will be established as of the first of each year according to a methodology developed by the Borrower and approved by A.I.D.

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E. Plan Socio Urbano

El BANVI proporcionará financiamiento a las soluciones habitacionales descritas en este Anexo para proyectos desarrollados dentro los parámetros del Plan Socio-Urbano que tiene como sus principales objetivos los siguientes:

1. Asistir al proceso de crecimiento urbano para evitar asentamientos expontáneos costosos;

2. Asegurar la provisión de tierras y viviendas para habitantes de bajos ingresos, con participación de las autoridades locales y de la comunidad;

3. Evitar la distribución no equitativa de tierras mediante la aplicación de medidas legales en casos necesarios;

4. Proyectar las necesidades futuras de asentamiento de población con bajos ingresos;

5. Promover la organización de comunidades de bajos ingresos y la participación activa de los residentes del área en programas de desarrollo de auto ayuda;

6. Hacer posible la extensión de la infraestructura municipal a vecindarios de bajos ingresos, dando énfasis al trabajo de auto ayuda de la comunidad;

7. Enlazar los patrones y las medidas de asentamiento a los planes de desarrollo existentes en determinadas áreas; y

8. Contribuir a la reducción del déficit de viviendas que afecta a las familias de bajos ingresos.

E. Plan Socio Urbano

BANVI will provide financing for the shelter solutions described in this Annex for projects developed within the parameters of the Plan Socio Urbano which has as its main objectives the following:

1. To assist the urban growth process so as to avoid costly spontaneous settlement;

2. To assure the provision of land and shelter for low-income inhabitants, in participation with local and community authorities;

3. To avoid inequitable land distribution by application of legal means if necessary;

4. To project the future settlement needs of low-income populations;

5. To promote organization of low-income communities and active participation by area residents in self-help development programs;

6. To make possible the extension of municipal infrastructure to low-income neighborhoods, emphasizing community self-help work;

7. To tie settlement patterns and actions to an area's existing land development plans; and

8. To contribute to reduction of the housing deficit affecting low-income families.

Plan de Implementación

A continuación se delinéa la mínima estructura institucional (personal) esperada para llevar a cabo el programa y las responsabilidades mínimas de las Partes en el diseño, construcción y observación del programa.

Estructura Institucional (Personal - Financiamiento)

1. Oficina Central MUV/DGPC dotará el siguiente personal: (a) un coordinador; (b) dos arquitectos/ingenieros; (c) tres especialistas en desarrollo de la comunidad con experiencia en viviendas para bajos ingresos; (d) un planificador urbano con experiencia en viviendas; (e) un gerente financiero; y (f) un oficial economista.

2. El MUV y los gobiernos municipales financiarán y dotarán de personal a las oficinas locales de la DGPC en cada una de las áreas del Plan Socio Urbano como sigue: (a) un coordinador con experiencia en viviendas para bajos ingresos; (b) oficiales de desarrollo de la comunidad; (c) oficiales de vivienda.

3. El BANVI creará sobre la base de su oficina actual de Asistencia Técnica y Proyectos bajo la supervisión del Gerente General una Unidad de Vivienda de Bajos Ingresos (UVBI). El apoyo de esta unidad será proporcionado por los diferentes departamentos del BANVI.

4. El MUV preparará un presupuesto operacional para proporcionar fondos durante dos años para las operaciones del Plan Socio Urbano a que se refiere este programa incluyendo los recursos de PADES los mismos que comprenderán tanto los fondos cobrados como los recuperables en el futuro. El MUV obtendrá la aprobación del Ministerio de

Implementation Plan

The following outlines the expected minimum institutional structure (staff) to carry the program and minimum responsibilities of the Parties in the design, construction and monitoring of the program.

Institutional Structure (Staff - Funding)

1. MUV/DGPC Central Office to staff the following personnel: (a) a coordinator; (b) two architect/engineers with experience in shelter for low-income families; (c) three community development specialists with experience in low-income shelter; (d) an urban planner with experience in housing; (e) a financial manager; and (f) an economic officer.

2. MUV and municipal governments for Plan Socio Urbano will fund and staff DGPC local offices in each of the Plan Socio Urbano areas as follows: (a) a coordinator with experience in low-income housing; (b) community development officers; (c) housing officers.

3. BANVI will on the basis of its present office of Technical Assistance and Projects create under the supervision of the General Manager a Low-Income Housing Unit (LIHU). Support of this unit will come from different departments of BANVI.

4. MUV will prepare an operational budget to provide funding for two years for Plan Socio Urbano operations in this project, including PADES's funds already collected, as well as the funds to be collected. MUV will secure approval from Ministry of Finance and transfer funds of PADES to BANVI.

Finanzas y transferirá los fondos de PADES al BANVI. Los desembolsos de estos fondos los efectuará el BANVI al MUV en base al presupuesto sometido por el MUV y aprobado por el BANVI y A.I.D.

Disbursements from such account will be made by BANVI to MUV on the basis of the budget submitted by MUV and approved by BANVI and A.I.D.

Pasos Operacionales
Operational Steps

Función Function	Responsabilidad Responsibility	Revisor/Aprobación Reviewer/Approval
Desarrollo de Proyectos del Plan Socio-Urbano. Development of Plan Socio Urbano Projects.	Unidad local de la DGPC con ayuda de la Oficina Central de la DGPC. DGPC Local Unit with assistance from DGPC Central Office.	MUV (Departamento de Planificación Urbana). MUV (Department of Urban Planning).
Identificación Inicial/Planificación del Programa de Mejoramiento de Viviendas para el área. Incluyendo: (a) su relación con el plan regulador, (b) datos básicos actuales para la comunidad a ser seleccionada, (c) disponibilidad de servicios, (d) datos técnicos y económicos para las soluciones propuestas, (e) consideraciones y guías ambientales. Initial Identification/Planning Shelter Improvement Program for the area. To include (a) relation with plan regulador (b) baseline data for community to be selected (c) availability of services (d) technical and economic data for proposed solutions (e) environmental considerations and guidelines.	Unidad local de la DGPC y Autoridades de Servicios Locales así como organizaciones de la comunidad. DGPC Local Unit and Local Service Authorities as well as community organizations.	BANVI/A.I.D.
Autorización para proceder con los planes finales. La autorización deberá indicar los parámetros generales de los proyectos. Authorization to proceed with final plans. Authorization should indicate general parameters of projects.	BANVI/A.I.D.	

Función Function	Responsabilidad Responsibility	Revisor/Aprobación Reviewer/Approval
Los Planes Técnicos Finales son completados. Las estimaciones de costo completadas. Final Technical Plans are completed. Cost estimates completed.	Unidad Local de la DGPC. DGPC Local Unit.	BANVI/A.I.D.
Las solicitudes de préstamos individuales son presentadas al BANVI. Individual loan requests are submitted to BANVI.	DGPC local. Local DGPC.	BANVI para préstamos individuales. BANVI for individual loans.
Los contratos de construcción son ejecutados con los contratistas seleccionados por el BANVI con apoyo de las DGPCs Central y Local Construction contracts are executed with contractors selected by BANVI with support from Central and Local DGPCs	BANVI/DGPCs.	
Se inicia la construcción - construcción de instalaciones de agua y alcantarillado negociadas por el MUV con constructores locales. Construction initiated - construction of water, sewage facilities negotiated by MUV with local builders.	MUV	El BANVI aprueba la selección del constructor. BANVI approves selection of builder and unit.
El BANVI firma el contrato con el constructor local. Los desembolsos a hacerse en base a la certificación de la Unidad Local de la DGPC. BANVI signs contract with local builder. Disbursements to be made upon certification by DGPC Local Unit.	BANVI	Unidad Local del DGPC. DGPC Local Unit.
Los desembolsos para la construcción serán hechos por el BANVI en base a la certificación de terminación de la DGPC local. Disbursement for construction to be made by BANVI upon certification completion from local DGPC.	DGPC local Local DGPC	BANVI

Función Function	Responsabilidad Responsibility	Revisor/Aprobación Reviewer/Approval
Para mejoramiento de viviendas individuales, el BANVI anticipará fondos a la DGPC local para adquisición de materiales. For individual home improvements BANVI will advance funds for purchasing of material to Local DGPC.	DGPC Local. Local DGPC.	BANVI.
Los materiales se pondrán a disposición de los individuos para mejoramiento de viviendas aprobadas para financiamiento por el BANVI después que la documentación pertinente sea firmada por el BANVI y la Familia Elegible. Materials will be made available to individuals for home improvements approved for financing by BANVI and after proper documentation is signed by BANVI with Eligible Family.	DGPC Local. Local DGPC.	BANVI.
Las autoridades locales proporcionarán la infraestructura externa al sitio si es requerida antes de empezar la construcción de la infraestructura interna del sitio. Local authorities will provide off-site infrastructure if required before construction on-site infrastructure starts.	Autoridades locales. Local authorities.	BANVI DGPC local. BANVI local DGPC.

ANEXO B
ANNEX B

SOLICITUD DE DESEMBOLSO Y CERTIFICADO
REQUEST FOR DISBURSEMENT AND CERTIFICATE

El Ministerio de Urbanismo y Vivienda (MUV) y el Banco Nacional de la Vivienda (BANVI) certifican mediante el presente documento a la Agencia para el Desarrollo Internacional de los Estados Unidos bajo el Convenio de Implementación fechado _____ lo siguiente:

1. Los fondos provenientes de esta solicitud de desembolso serán utilizados para los propósitos y de acuerdo con los términos y condiciones del Convenio de Implementación.

2. Para los desembolsos en forma de adelantos al fondo rotativo en conformidad con la Sección 5.01 B.1:

a. El adelanto será utilizado para los costos del contrato de construcción de acuerdo con el Convenio de Implementación y el Anexo A; o

b. Los adelantos se utilizarán para los costos de adquisición de materiales de acuerdo con el Convenio de Implementación y el Anexo A.

3. Para los desembolsos destinados a préstamos para mejora de vivienda y unidades básicas completas para Familias Elegibles o como liquidación al Fondo Rotativo de adelanto establecido en la Lista I y de acuerdo con la Sección 5.01 B.2:

a. Todos los costos incurridos para construcción y compra de materiales cumplen con todos los requerimientos respectivos establecidos en el Convenio de Implementación.

b. Los fondos provistos fueron usados para pagar servicios que han sido ejecutados satisfactoriamente y

The Ministerio de Urbanismo y Vivienda (MUV) and Banco Nacional de la Vivienda (BANVI) hereby certifies to the United States for International Development (A.I.D.) under the Implementation Agreement dated _____ that:

1. The funds for which disbursement is requested will be used for the purposes and in accordance with the terms and conditions of the Implementation Agreement.

2. For disbursements as a revolving fund advance set pursuant to Section 5.01 B.1:

a. The advance will be utilized for contract construction costs in accordance with the Implementation Agreement and Annex A; or

b. The advance will be utilized for materials purchase costs in accordance with the Implementation Agreement and Annex A.

3. For disbursements for completed home improvement loans and completed core unit mortgages for Eligible Families or as liquidation of the Revolving Fund of advance set forth in Schedule I and pursuant to Section 5.01 B.2:

a. All the costs incurred for construction and materials meet all the respective requirements therefore as set forth in the Implementation Agreement.

b. The funds provided were used to pay for services that have been satisfactorily performed and materials

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para materiales provistos apropiadamente de acuerdo con los contratos para el proyecto de lotes y servicios o para los proyectos de infraestructura o para los materiales de mejoras habitacionales.

c. Los Préstamos para Mejoramiento de Viviendas o para hipotecas para viviendas básicas se han efectuado por los montos indicados en la Table I de acuerdo con el Convenio de Implementación y el Anexo A.

d. La Tabla adjunta es exacta, completa y correcta.

4. El tipo de cambio especificado en el Artículo V, Sección 5.05 es_____ pesos bolivianos por dolar americano.

El Prestatario solicita desembolsos como sigue:

Adelanto Sección 5.01B.1 _____
Préstamos para Mejoras de Vivienda Sección 5.01B.2 _____
Hipotecas para Unidades Básicas Sección 5.01B.2 _____
Desembolso Total _____
Menos Liquidación de Adelantos_____
Solicitud de Desembolso Neta en Dólares _____

BANCO NACIONAL DE LA VIVIENDA

POR :
BY : _____

NOMBRE:
NAME : _____

TITULO:
TITLE : _____

FECHA :
DATE : _____

properly provided in accordance with the contracts for the core units or the infrastructure projects or for home improvement materials.

c. Home Improvement Loans or core unit mortgages have been made for the amounts shown on Schedule I in accordance with the Implementation Agreement and Annex A.

d. The Schedule attached hereto is accurate, complete and correct.

4. The exchange rate specified in Article V, Section 5.05 is_____ Pesos Bolivianos per United States dollar.

Borrower requests disbursements as follows:

Advance Section 5.01B.1 _____
Home Improvement Loans Section 5.01B.2 _____
Core Unit Mortgages 5.01B.2 _____

Total Disbursement _____
Less Liquidation of Advances_____
Net Disbursement Request in Dollars _____

MINISTERIO DE URBANISMO Y VIVIENDA

POR :
BY : _____

NOMBRE:
NAME : _____

TITULO:
TITLE : _____

FECHA :
DATE : _____

Sitio del Proyecto	(1) Total de Mejoramiento de Viviendas completado desde la última Certificación	(2) Total de unidades básicas completadas desde la última Certificación	(3) Valor total del mejoramiento de viviendas completado desde la iniciación	(4) Valor total de las unidades básicas completadas desde la iniciación	Desembolso solicitado (80% de 1+2) 1/
Project Site	(1) Total Home Improvement loans completed since last Certificate	(2) Total core unit mortgages completed since last Certificate	(3) Total value of home improvement loan completed since inception	(4) Total value of core unit mortgages completed since inception	Disbursement requested (80% of 1+2) 1/
	$b _____	$b _____	$b _____	$b _____	$b _____
	US$ _____	US$ _____	US$ _____	US$ _____	US$ _____

1/ El último desembolso deberá mostrar que las sumas de las columnas 3 y 4 son iguales al monto total del préstamo HG desembolsado.

1/ Last disbursement should show that the additions of columns 3 and 4 equal the total amount of the HG disbursed.

Distribución de Ingresos de los Beneficiarios
Del 5 al 15 porcentual _____%
Del 15 al 35 porcentual _____%

Income Distribution of Beneficiaries
5th to 15th percentile _____%
15th to 35th percentile _____%

CONFORMED
COPY

IMPLEMENTATION AGREEMENT

BETWEEN

CAJA CENTRAL DE AHORRO Y PRESTAMO PARA LA VIVIENDA

AND

THE UNITED STATES OF AMERICA

FOR

SHELTER SOLUTIONS FOR LOW-INCOME FAMILIES

IN

RURAL AREAS

PROJECT NUMBER 511-HG-005

RECORD COPY

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Implementation Agreement ("Agreement") dated as of June 21, 1979, 1979, between the Caja Central de Ahorro y Préstamo Para la Vivienda ("Borrower"), and the United States of America, acting through the Agency for International Development ("A.I.D.").

ARTICLE I. THE AGREEMENT

Section 1.01. Background and Purpose. Reference is made to a series of related agreements dated as stated therein, whereunder Borrower agrees to borrow a sum as specified in Article III from the Investor named in the Loan Agreement ("Investor"), A.I.D. agrees to guaranty Borrower's repayment obligations to Investor, and the Government of Bolivia agrees to reimburse A.I.D. for any losses that A.I.D. may incur by virtue of the A.I.D. guaranty to Investor. These agreements, and a loan associated Paying Agency Agreement, if any, designed to facilitate the financing of the project described below, are called, respectively the "Loan Agreement", Paying Agency Agreement", A.I.D. "Contract of Guaranty", and the "Bolivia Guaranty Agreement." The purpose of this Implementation Agreement is to set forth the understandings between Borrower and A.I.D. with respect to the project ("Project") described in Article II.

Section 1.02. Definitions. The terms used herein shall have the same meaning as in the Loan Agreement, a Paying Agency Agreement, if any, Contract of Guaranty, and the Bolivia Guaranty Agreement unless otherwise defined herein.

ARTICLE II. THE PROJECT

Section 2.01. Project Description. The project, which is further described in Annex A, attached hereto, will consist of shelter solutions for low-income families. Within the limits of the description of the Project in

this Section, details of the Project as set forth in Annex A may be changed by written agreement pursuant to the procedure set forth in Section 7.01.

ARTICLE III. FINANCING

Section 3.01. The A.I.D. Guarantied Loan. To assist Borrower to meet the costs of carrying out the Project, Borrower will borrow up to Four Million United States dollars ($ 4,000,000) from Investor. A.I.D. will guaranty to Investor the repayment of the Loan and all outstanding interest thereon by Borrower. The terms and conditions of the Loan Agreement shall be subject to approval by A.I.D.

Section 3.02. Borrower Resources for the Project

A. The specific resources provided by Borrower for the Project will be, unless A.I.D. otherwise agrees, not less than the equivalent of U.S.$ 1,000,000, including costs borne on an "in-kind" basis.

B. Borrower agrees to provide or cause to be provided for the Project all funds, in addition to the Loan, and all other resources required to carry out the Project effectively and in a timely manner.

Section 3.03. Additional Resources. To assist Borrower to meet the costs of carrying out the Project, A.I.D. shall provide up to $ 100,000 of A.I.D. grant funds. The amount of funds and specific assistance shall be, as specified in and subject to the terms and conditions of the Grant Agreement between Borrower and the Agency for International Development.

Section 3.04. Final Disbursement

A. The Final Disbursement Date is the date to be specified in the Loan Agreement for the final disbursement or such other date as the Parties may agree to in writing.

B. After the Final Disbursement Date and except as A.I.D. may otherwise agree in writing, A.I.D. will not guaranty additional borrowings under the Loan Agreement.

ARTICLE IV. FEES AND PAYMENT

Section 4.01 A.I.D. Fees. Borrower shall pay to A.I.D. a fee in two parts:

A. Disbursement Fee. Borrower shall pay to A.I.D. a fixed disbursement fee amounting to U.S.$ 40,000. Such fee shall be paid to A.I.D. at the time and from the proceeds of the first disbursement. Borrower shall so instruct Investor in the "Request for Borrowing" required under the Loan Agreement. This fee to the extent paid shall be non-refundable, notwithstanding the failure of Borrower to subsequently receive additional disbursements up to the full amount of the Loan.

B. Guaranty Fee. In addition, Borrower shall pay A.I.D. a guaranty fee calculated at the rate of one-half of one per cent (1/2%) per annum of the aggregate unpaid principal amount of all Eligible Notes issued and outstanding under the Loan Agreement. This Fee shall accrue from the date each Eligible Note is issued under the Loan Agreement, and shall be payable concurrently with payments of interest on each such Note until each Note is fully repaid.

Section 4.02. Payments by Borrower to Investor and A.I.D.

A. In order to facilitate principal and interest repayments due Investor and the payment of the A.I.D. Guaranty Fees to A.I.D., Borrower agrees to remit all such sums to the A.I.D. Fiscal Agent ("Fiscal Agent") at the address specified herein. Other fees due Investor and A.I.D., such as the Investor's commitment fee and the A.I.D. disbursement fee, shall be paid

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as directed by the party to whom payment is owed. It is understood that the Fiscal Agent shall apply such remittances in accordance with the Loan Agreement and this Agreement. In the event Borrower fails to remit to the Fiscal Agent when due any payment required by the Loan Agreement, A.I.D. in its sole discretion may make payment to Investor under the A.I.D. Contract of Guaranty from A.I.D.'s own resources. In such event, A.I.D. will give notice to the Borrower. Borrower agrees to promptly repay A.I.D. the amount expended.

B. A.I.D. may at any time discontinue its engagement of the Fiscal Agent and give notice thereof to the Borrower and Investor. In such event, the payments due Investor and the Guaranty Fees due A.I.D. will be made to such other fiscal agent, trustee, or banking institution in the United States, or directly to Investor and to A.I.D. as A.I.D. shall designate by notice to Borrower and Investor.

Section 4.03. Late Payments Charge. In the event of late payment of amounts due A.I.D., including fees under Section 4.01 or of any sums due A.I.D. by way of reimbursement under Section 4.02(A), Borrower shall pay a late charge. Such charge shall consist of interest on the outstanding unpaid amount at the rate of interest contained in the Loan Agreement for the Loan, in every case computed as if each calendar year consisted of 360 days and each calendar month consisted of 30 days.

ARTICLE V. DISBURSEMENTS

Section 5.01. General Basis for Disbursement

A. Reference is made to the Loan Agreement which sets forth certain conditions to be met before the Investor is obligated to make disbursements. Except as A.I.D. may otherwise agree, all of the conditions precedent to

disbursement in the Loan Agreement must be met to Investor and A.I.D.'s satisfaction before A.I.D. will guaranty repayment of a specific disbursement. In addition, A.I.D. requires that certain conditions precedent relating to the Project be met as specified below.

B. Subject to the terms and conditions of the Loan Agreement, Contract of Guaranty and this Agreement, Borrower may request disbursements under the Loan in accordance with the following:

1. Advance. Disbursement may be made to Borrower of up to $ 500,000 to be utilized as a revolving fund for construction and materials purchases upon Certification in the form set out in Annex B. Further documentation to replenish such fund or liquidate such advances shall be provided in accordance with subparagraph 2 below.

2. Shelter Solution Program. Disbursements may be made to Borrower for reimbursement of an amount equal to eighty per cent (80%) of the amount of completed home improvement loans or completed core unit mortgages executed by eligible families upon Certification in the form set out in Annex B and documented in accordance with Schedule I thereto up to an amount of $ 4,000,000. Disbursement requests shall include liquidation of the revolving fund advance as provided for in subparagraph 1 at the earliest practical times as determined under a plan mutually acceptable to A.I.D.

C. All documents and materials required to be approved by A.I.D. as a condition for a disbursement being guarantied shall be delivered to A.I.D. far enough in advance of disbursement to permit proper review, but in no event less than 30 days prior to disbursement.

Section 5.02. Conditions Precedent for A.I.D.'s Guaranty of the First Disbursement. Prior to A.I.D.'s guaranty of the first disbursement under

the Loan, Borrower will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

A. A legal opinion of Counsel to the Government of Bolivia, with respect to those matters set forth in Article III of the Loan Agreement concerning the validity of the Bolivia Guaranty Agreement.

B. A legal opinion of Counsel to Borrower with respect to those matters set forth in Article III of the Loan Agreement concerning the validity of the Loan Agreement.

C. A Request for Disbursement and Certificate duly signed and completed in the form of Annex B.

D. An updated Project Delivery Plan showing project timing, financing, environmental planning and results, types of Shelter Solutions and Shelter Solution delivery to the benefitting low-income families over the duration of the implementation period. This plan shall be prepared by Borrower and approved by A.I.D.

E. Such other evidence or materials as A.I.D. may reasonably request.

Section 5.03. Conditions Precedent to A.I.D.'s Guaranty of Additional and Final Disbursements. Prior to A.I.D.'s guaranty of additional and final disbursements under the Loan, and except as A.I.D. may otherwise agree in writing, Borrower shall deliver in form and substance satisfactory to A.I.D.:

A. An updated legal opinion from Counsel to Borrower as required in Section 5.02 B. above.

B. A Request for Disbursement and Certificate in the form of Annex B.

C. Such other evidence or materials as A.I.D. may reasonably request.

Section 5.04. Terminal Date for Conditions Precedent

A. If all of the conditions specified in Section 5.01 and 5.02 have not been met as of the date specified in the Loan Agreement for the first disbursement, or such later date and under such conditions as A.I.D. may agree to in writing, A.I.D., at its option, may terminate its own obligations under this Agreement by written notice to Borrower.

B. If all of the conditions specified in Section 5.03, with respect to additional and final disbursements, have not been met as of the dates for additional and final disbursements established in the Loan Agreement or such later date and under such conditions as A.I.D. may agree to in writing, A.I.D., at its option, may terminate its obligations under this Agreement by written notice to Borrower.

C. In case of termination pursuant to subparagraph A or B above, A.I.D. shall have no further obligation under the Contract of Guaranty to guarantee Notes issued by Borrower to Investor, except when notes are issued pursuant to Section 5.04 of the Contract of Guaranty.

D. In case Borrower has failed to comply with conditions precedent in Section 6.01 by August 31, 1979, or such later date and under such conditions as A.I.D. may agree to in writing, A.I.D. at its option may terminate its obligation under this agreement by written notice to the Borrower.

Section 5.05. Exchange Rate. The rate of exchange used for the purpose of preparing a Request for Disbursement and Certificate shall be the lawful rate of exchange in Bolivia, on a date within 30 days prior to the disbursement as specified by Borrower in the Request for Disbursement and Certificate, Annex B, which will produce the most units of currency in the country of the

Borrower for each United States dollar, without reduction for any commissions, stamp taxes or like charges.

ARTICLE VI. SPECIAL COVENANTS

Section 6.01. Covenant on Conditions Precedent to the Signing of the Loan Agreement. Before executing a Loan Agreement with an Investor, Borrower shall comply with the following conditions to the satisfaction of A.I.D.:

(1) Borrower and its association members shall have executed a formal agreement specifying the responsibilities of each agency for project preparation and execution.

(2) Borrower shall have established procedures to insure that its association members secure agreements, as necessary, with municipal and neighborhood associations or utility organizations in project implementation areas providing for adequate support for project activities.

(3) Borrower shall have established the procedures to record the Program financing within its system, and the systems of its association members, including inflows and outflows of resources, financial and administrative charges, so evaluation of the use and effects of the Loan can be made at any time.

(4) Borrower shall have established a staff augmentation program in accord with Annex A.II.E. for the Rural Loan department affecting both Central and Regional levels as part of the project planning process and in preparation for project execution.

(5) Borrower shall have prepared a Project Delivery Plan approved by A.I.D. which shall have been prepared by Borrower and its association members for each location detailing project timing, financing, environmental planning

and the results, types of Shelter Solutions and Shelter Solution Delivery to the benefitting low-income families.

(6) Borrower will have made arrangements for the provision of office space, and general administration support for the consultants to be funded with grant funds from A.I.D.

(7) Borrower shall have developed a methodology to annually update the Base Maximum Monthly Eligible Income as defined in Annex A.

(8) Borrower shall have agreed to and after A.I.D. approval published the lending criteria and credit qualifications for project loans to benefitting low-income families.

(9) Borrower shall meet the requirement set forth in Section 6.03, paragraph (10).

(10) Borrower shall provide all necessary assistance in arrangements to permit the Government of Bolivia and A.I.D. to execute a Host Country Guaranty on or before the date of execution of a Loan Agreement in which the Government of Bolivia shall provide for a full faith and credit guaranty to A.I.D. in United States dollars assuring against any and all losses to A.I.D. by virtue of A.I.D.'s guaranty to the Investor or from the non-payment of the guaranty fee.

(11) Borrower shall have prepared and A.I.D. shall have approved an announcement requesting loan proposals from Investors.

Section 6.02. Use of Loan Proceeds. The Borrower will use the proceeds of the Loan for the sole purpose of financing the Project in the manner prescribed in this Agreement.

Section 6.03. Covenants on Project Activities. Borrower agrees:

(1) To take all the necessary steps to permit compliance by other participating institutions with the terms of this Agreement.

(2) Until the completion of the Project maintain on its staff sufficient personnel to carry out the Project.

(3) To review and provide assistance and make recommendations to A.I.D. with respect to anything required by this Agreement to be satisfactory to A.I.D.

(4) To secure from its member associations not less than 20 per cent of the value of loans to eligible families for shelter solutions developed under the project.

(5) Develop environmental guidelines for use in reviewing and approving shelter solutions, including home improvement and core unit, and site selection which reflect consideration of environmental conditions.

(6) To provide for the periodic inspections of the construction work under each project and take the necessary steps to correct or cause to be corrected any defect or deficiencies.

(7) To direct its loan activities under policies and procedures so that at least twenty-five per cent (25%) of its loan portfolio will be directed at low-income families by 1985.

(8) To furnish in a timely fashion all documents required of it under this Agreement.

(9) Where as a result of prepayments or otherwise (reflows) Borrower's member savings and loan associations receive from any Eligible Family funds in excess of the amount needed to make the repayment required under the

Loan, Borrower agrees to make such excess funds available for use and for the production of shelter solutions similar to the ones developed under the Project.

(10) Borrower will develop and implement among its association members an interest rate policy for lending consistant with the cost of available resources and need to continue the growth of the savings and loan system.

(11) Utilize the Loan proceeds so that approximately ten per cent (10%) of the shelter solutions will benefit low income families whose incomes are below the fifth (5th) Bolivian National Urban Income percentile, which is as of January 1, 1979, b$ 1,500 per month. Utilize the Loan funds so that approximately seventy per cent (70%) of the shelter solutions will benefit "Eligible Families" whose incomes are between the fifth and fifteenth (5-15) Bolivian National Urban Income percentile which is, as of January 1, 1979, between b$ 1,500 to b$ 3,000 per month. Utilize the remaining Loan funds so that approximately twenty per cent (20%) of the shelter solutions will benefit "Eligible Families" between the fifteenth and the thirty-five (15-35) Bolivian National Urban Income percentile which is as of January 1, 1979, between b$ 3,000 and b$ 5,000 per month.

ARTICLE VII. GENERAL COVENANTS

Section 7.01. Project Implementation Letters. To assist Borrower in the Implementation of the Project, A.I.D. from time to time may issue Project Implementation Letters that will furnish additional information about matters stated in this Agreement. The Parties may also jointly agree to Project Implementation Letters to confirm and record their mutual understanding of aspects of the implementation of this Agreement. Project Implementation Letters will not be used formally to amend the text of the

Implementation Agreement. However, they may be used to record the revision of details of the Project as set forth in Annex A, pursuant to Section 2.01; waivers of rights by parties for whose benefits such rights exist; or, expectations which are permitted by the Agreement.

Section 7.02. Project Evaluation. The Parties agree to establish an evaluation program as an integral part of the Project. Except as the Parties otherwise agree in writing, the program will include during the implementation of the Project and at one or more points thereafter:

A. An annual evaluation summary of progress toward attainment of the objectives of the Project to include:

i. Identification and evaluation of problem areas or constraints which may inhibit such attainment; and,

ii. Assessment of how such information may be used to help overcome such problems, in this or other projects.

B. A final evaluation report analyzing the degree to which project purposes have been achieved.

Section 7.03. Consultation. The Parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Parties, at the request of either, will exchange views on the progress of the Project, the performance of obligations under this Agreement, the performance of any consultants, contractors or suppliers engaged on the Project, and any other matters relating to the Project.

Section 7.04. Execution of the Project. Borrower will:

A. Carry out the Project or cause it to be carried out with due diligence and efficiency, in conformity with sound technical, financial, and management practices, and in conformity with those documents, plans, specifications,

contracts, schedules or other arrangements, and with any modifications therein, required to be approved by A.I.D. pursuant to this Agreement.

B. Provide qualified and experienced management, and train such staff as may be appropriate, for the maintenance and operation of the Project, and cause the Project to be operated and maintained in such manner as to assure the continuing and successful achievement of the purposes of the Project.

Section 7.05. Reports, Records, Inspections, and Audit. Borrower will:

A. Furnish A.I.D. on a quarterly basis until the Project is completed and the Loan fully disbursed, a copy of the Project Progress Status Report showing the status on a quarterly basis of the time, costs, and financing of the Project or subproject. This form will be prepared with direct reference to the Project Delivery Plan identified in Article V in accordance with guidelines provided by A.I.D. Borrower in addition will furnish to A.I.D. a remittance reconciliation report on forms provided by A.I.D., together with such other information and reports relating to the Project, the Loan, and to this Agreement as A.I.D. may reasonably request.

B. Maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to the Project, to the Loan, and to this Agreement, adequate to show without limitation, the receipt and use of funds, goods and services acquired under the Loan. Such books and records will also be adequate to show the nature and extent of solicitations of prospective suppliers of goods and services, the basis of awards of contracts and orders, and the overall progress of the Project toward completion. Such books and records will be audited regularly, in accordance with generally accepted

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auditing standards, and maintained (1) with respect to the Project, for three years after the date of last disbursement and (2) with respect to the Loan, for three years after the Loan has been fully repaid.

C. Afford authorized representatives of A.I.D. the opportunity to inspect at all reasonable times, the Project, books, records, and other documents relating to the Project, to the Loan, and to this Agreement.

Section 7.06. Completeness of Information. Borrower confirms that:

A. The facts and circumstances of which it has informed A.I.D., or caused A.I.D. to be informed, in the course of reaching this Agreement with A.I.D. are accurate and complete, and include all facts and circumstances that might materially affect the Project, the Loan, and the discharge of Borrower's responsibilities under this Agreement.

B. Borrower will inform A.I.D. in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect, the Project, the Loan, or the discharge of responsibilities under this Agreement.

Section 7.07. Publicity. Borrower will give appropriate publicity to the Loan and to the Project as a program to which the United States has contributed, and identify the project site as described in Project Implementation Letters.

Section 7.08. Other Payments. Borrower affirms that no payments have been, or will be, received by any official of Borrower in connection with the procurement of goods or services financed under the Loan except fees, taxes, or similar payments legally established in Bolivia for the account of Borrower.

Section 7.09. Reasonable Prices for Procurement. No higher than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Loan. Such items will be procured on a fair and, to the maximum extent practicable, on a competitive basis.

ARTICLE VIII. RIGHTS OF A.I.D.

Section 8.01. Suspension and Acceleration

A. In the event that Borrower materially breaches this Agreement, the Loan Agreement, the Paying Agency Agreement, if any, or the Republic of Bolivia breaches the Bolivia Guaranty Agreement and such breach is not rectified within a period of ninety (90) days from the delivery of notice by A.I.D. with respect thereto, then A.I.D. may take any or all of the following actions:

1. Decline to execute an A.I.D. Guaranty Legend on any additional Notes for disbursements under the Loan Agreement or the Contract of Guaranty, except when Notes are issued pursuant to Section 5.04 of the Contract of Guaranty.

2. Require Borrower immediately to prepay to Investor all or any part of the unpaid principal of the Eligible Notes with accrued interest and Guaranty Fee to the date such payment is made, as well as any late payment charge which may accrue.

B. In the event that the guaranty of further Notes is contrary to legislation governing A.I.D., by notice to Borrower, A.I.D. may exercise the remedy specified in paragraph A.1. above.

Section 8.02. Non-Waiver of Remedies. The marking of any Eligible Note by A.I.D., the payment of A.I.D. to Investor of any amounts pursuant to the Contract of Guaranty, the delay or failure of A.I.D. to make any claim

for payment, or the delay or failure of A.I.D. to give its written approval to an acceleration of the Notes by Investor shall not operate as a waiver by A.I.D. of any rights accruing to A.I.D. under this Agreement, the Loan Agreement, the Contract of Guaranty, or the Bolivia Guaranty Agreement.

ARTICLE IX. MISCELLANEOUS

Section 9.01. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To Borrower:

Mail Address: Caja Central de Ahorro y Préstamo
para la Vivienda
Casilla 4808
La Paz, Bolivia

Alternate Address for Cables: CACEN, La Paz, Bolivia

To A.I.D.:

Mail Address: USAID/Bolivia
La Paz, Bolivia
Attention: Project 511-HG-005

Alternate Address for Cables: Agency for International Development
Washington, D.C.

TO A.I.D. Fiscal Agent:

Mail Address: American Security & Trust Company
International Department
15th & Pennsylvania Avenue, N.W.
Washington, D.C. 20013

Alternate Address for Cables: Security
Washington, D.C.

To Investor:

Mail Address: (
(As set forth in the Loan Agreement.
Alternate Address for Cables: (

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice to each party. Borrower, in addition, will provide the RHUDO/PSA (USAID/Panama, Apartado 6959, Panama 5, Panama) with a copy of each communication sent to A.I.D.

Section 9.02. Term of Agreement. The term of this Agreement shall be from the date hereof until the date of full payment of all sums due under this Agreement and the Loan Agreement. All representations and continuing covenants contained herein shall survive until such later date.

Section 9.03. Amendments or Modifications. This Agreement may be changed only by a written instrument executed by the parties hereto.

Section 9.04. Integration. This Agreement supersedes all prior agreements and understandings, if any, between the parties hereto which relate to the subject matter hereof. The agreements described in Section 1.01, are hereby incorporated by reference in this Agreement.

Section 9.05. Governing Law. This agreement shall be construed in accordance with the Law of the United States of America applicable to contracts and commercial transactions of the United States Government.

IN WITNESS WHEREOF, Borrower and the United States of America, each acting through its duly authorized representative, have caused this

Agreement to be signed in their names and delivered as of the day and year first above written.

USAID/BOLIVIA

/s/ Abe M. Peña

TITLE: Director

DATE: June 21, 1979

REPUBLIC OF BOLIVIA
CAJA CENTRAL DE AHORRO Y PRESTAMO
PARA LA VIVIENDA

/s/ Ernesto Wende

TITLE: President

DATE: June 21, 1979

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT

/s/ Peter Kimm

TITLE: Director Office of Housing

DATE: June 21, 1979

ANNEX A

PROJECT DESCRIPTION

I. Background

This project is for the purpose of strengthening the relationship between the Caja Central de Ahorro y Préstamo para la Vivienda (CACEN) and its member savings and loan associations to provide low-cost shelter assistance for low-income families in rural areas and market towns of Bolivia.

Utilizing the funds from a HG loan guaranteed by AID, as well as resources of CACEN (the Borrower of loan funds), CACEN will finance in rural areas, a project of approximately 2,870 individual shelter solutions. The CACEN, through its newly established Rural Loan Department, will assist member associations to design and implement low-income shelter solutions in outlying rural areas. Utilizing funds from a Development Grant, AID will provide Technical Assistance to expand the capability of and establish a process for the private sector to deal with shelter problems of low-income families in rural areas heretofor unserved. Participation by CACEN and its member associations will involve the financing of loans to individual low-income beneficiaries through formal private sector loan programs and will lead to increased lending activities, up to 25 per cent of CACEN's portfolio for low-income families, by 1985.

II. Detailed Project Description

The project consists of the design and production of low-income shelter solutions for Eligible Families with Base Maximum Monthly Eligibility Incomes in rural areas as defined below.

CACEN's member associations will receive development proposals from neighborhood organizations, principally rural cooperatives. With the assistance of CACEN, member associations will design individual shelter solution programs for neighborhood organizations taking into consideration environmental concerns as well as related infrastructure services and facilities. Self-help activities building on the "minga" concept will be utilized in conjunction with the loans made by specific associations to upgrade and maintain the level of services and facilities needed for the shelter solutions financed.

A. Definitions

1. Eligible Families are those families whose incomes fall within the percentile range specified as the Base Maximum Monthly Eligibility Income of the Bolivian National Urban Income as of January 1, 1979, or the Updated Maximum Monthly Eligibility Income as defined herein.

2. Base Maximum Monthly Eligibility Income for home improvement shelter solutions in rural areas or solutions other than core units shall not exceed the 5th percentile (b$ 1,500 as of January 1, 1979). For home improvement shelter solutions in rural market towns, the Base Maximum Monthly Eligibility Income shall not exceed the 15th percentile (b$ 3,000 as of January 1, 1979), but may be as low as the 5th percentile (b$ 1,500). For core unit shelter solutions the Base Maximum Monthly Eligibility Income shall not exceed the 35th percentile (b$ 5,000 as of January 1, 1979), but may be as low as the 15th percentile (b$ 3,000).

3. Updated Maximum Monthly Eligibility Income is the income as determined after the annual adjustment of the Base Maximum Monthly Eligibility Income to be made as of the first of each year after January 1, 1979,

on the basis of a methodology to be established by the Borrower and approved by AID.

4. Rural Areas are all the land areas in Bolivia including the areas of the Capital Cities in the Departments of Pando and Beni, but excluding the areas within the city limits of all the Capital Cities in the other seven Departments.

B. Source of Funding/Inputs

The sources of funding for the program will be as follows:

1. A HG loan of $ 4.0 million to CACEN;

2. An AID Development Grant to CACEN and its member associations;

3. At least $ 800,000 and, in any event, such amount as equals 20 per cent of the value of the loans to eligible families for shelter solutions developed under the project to be secured by Borrower from its member associations;

4. Purchaser down payments by eligible families; and

5. $ 200,000 from CACEN and member associations to staff the project.

C. Outputs

The outputs of the program will be as follows:

1. Assistance to the Savings and Loan System to advance its involvement in financing low-cost shelter programs in rural areas throughout the country by augmenting working capital, CACEN securing from its member associations 20 per cent of the funds required for the program and 25 per cent of the CACEN loan portfolio to low-income families by 1985.

2. Expanded staff capability to produce shelter solutions in rural areas and market towns around the country.

D. Interest Rates/Terms

Loans for the shelter solutions financed by CACEN will carry an interest of not less than 15 per cent per annum with a repayment period which will allow families with a Base Maximum Monthly Eligibility Income or less to pay not more than 15 per cent of their income for home improvement loans and 25 per cent of their income for core units taking into account a maximum downpayment of 5 per cent for home improvement loans and 10 per cent for core units. Updated Base Maximum Monthly Eligibility Income Data will be established as of the first of each year after January 1, 1979, according to a methodology developed by the Borrower and approved by AID.

E. Implementation Plan

The following outlines the expected minimum institutional structure (staff) to carry the program and minimum responsibilities of the parties in the design, construction and monitoring of the program.

Institutional Structure (Staffing-Funding)

1. Rural Loan Department of CACEN staffed with the following personnel: (a) a coordinator with experience in low-income housing and the Savings and Loan System; (b) two or more housing generalists to assist in the project.

2. CACEN reaches agreement with member S and L associations to fund support staffs for small associations consisting of a housing generalist and program developers.

3. CACEN and the Savings and Loan Associations refine agreement on program, building upon previous experience and program parameters.

Operational Steps

Function	Responsibility	Reviewer/ Approval
Identification of target projects.	CACEN assisting S&L	AID
Design of standard home improvement program with consideration of environmental factors and needed infrastructure services and facilities.	CACEN assisting S&L	AID
Design of core unit projects with consideration of environmental factors and infrastructure services and facilities.	CACEN assisting S&L	AID
Promote program.	S&L/CACEN	
Credit review and execution of documents with individual beneficiaries.	S&L	
Monitor loan disbursements and related infrastructure service and facilities to be upgraded and maintained.	S&L/CACEN	

ANNEX B

REQUEST FOR DISBURSEMENT AND CERTIFICATE

The Caja Central de Ahorro y Préstamo Para la Vivienda (Borrower) hereby certifies to the United States Agency for International Development (A.I.D.) under the Implementation Agreement dated June 21, 1979 that:

1. The funds for which disbursement is requested will be used for the purposes and in accordance with the terms and conditions of the Implementation Agreement.

2. For disbursements as a revolving fund advance pursuant to Section 5.01 (B) (1):

(A) The advance will be utilized for contract construction costs in accordance with the Implementation Agreement and Annex A.

(B) The advance will be utilized for materials purchase costs in accordance with the Implementation Agreement and Annex A.

3. For disbursements for completed home improvement loans and completed core unit mortgages or as liquidation of the revolving fund advance set forth in Schedule I and pursuant to Section 5.01 (B) (2):

(A) All the costs incurred for construction and materials meet all the respective requirements therefore as set forth in the Implementation Agreement.

(B) The funds provided were used to pay for services that have been satisfactorily performed and materials properly provided in accordance with the contracts for the core units or the infrastructure projects or for home improvement.

(C) Home Improvement Loans or Core Unit Mortgages have been made for the amounts shown on Schedule I in accordance with the Implementation Agreement and Annex A.

4. The exchange rate specified in Article V, Section 5.05, is _____ Pesos Bolivianos per United States dollar.

Borrower requests disbursement as follows:

Advance Section 5.01 (B) (1)	_____
Home Improvement Loans Section 5.01 (B) (2)	_____
Core Unit Mortgages Section 5.01 (B) (2)	_____
Total Disbursement	_____
Less Liquidation of Advances	_____
Net Disbursement Request in Dollars	_____

CAJA CENTRAL DE AHORRO Y PRESTAMO PARA LA VIVIENDA

BY : _____

TITLE: _____

DATE : _____

SCHEDULE I TO ANNEX B

Project Site	(1) Total Home Improvement Loans completed since last Certificate	(2) Total core unit mortgages completed since last Certificate	(3) Total value of home improvement loan completed since inception	(4) Total value of core unit mortgages completed since inception	Disbursement requested (80% of 1 + 2) 1/
	b $	b $	b $	b $	b $
	U.S.$_____	U.S.$_____	U.S.$_____	U.S.$_____	U.S.$_____

1/ Last disbursement should show that the additions of columns 3 and 4 equal the total amount of the HG disbursed.

Income Distribution of Beneficiaries
Under 5th percentile _____%
5th to 15th percentile _____%
15th to 35th percentile _____%