

Loan Agreement No.EC-P8



LOAN AGREEMENT

For

Chachimbiro Geothermal Development Project (Phase I)

Between

JAPAN INTERNATIONAL COOPERATION AGENCY

And

EMPRESA PÚBLICA ESTRATÉGICA
CORPORACIÓN ELÉCTRICA DEL ECUADOR - CELEC EP

Dated October 24, 2024



REPÚBLICA DEL ECUADOR MINISTERIO DE ECONOMÍA Y FINANZAS Subsecretaría de <u>Financiamiento Público</u>
REGISTRO No. <u>777</u>
FECHA <u>24 de octubre 2024</u>
PAGINA No. <u>00000045</u>
Registro de la Deuda Pública

Table of Contents

Article I Loan

Section 1. Amount and Purpose of Loan

Section 2. Use of Proceeds of Loan

Article II Repayment, Interest and Front-End Fee

Section 1. Repayment of Principal

Section 2. Interest and Method of Payment thereof

Section 3. Front-End Fee and Method of Payment thereof

Article III Particular Covenants

Section 1. General Terms and Conditions

Section 2. Guarantee for Loan

Section 3. Procurement Procedure

Section 4. Disbursement Procedure

Section 5. Administration of Loan

Section 6. Table of Contents and Headings

Section 7. Notices and Requests

Schedule 1 Description of Project

Schedule 2 Allocation of Proceeds of Loan

Schedule 3 Amortization Schedule

Schedule 4 Procurement Procedure

Schedule 5 Commitment Procedure

Schedule 6 Reimbursement Procedure

Schedule 7 Transfer Procedure

Schedule 8 Advance Procedure



Loan Agreement No. EC-P8, dated October 24, 2024, between the JAPAN INTERNATIONAL COOPERATION AGENCY and EMPRESA PÚBLICA ESTRATÉGICA CORPORACIÓN ELÉCTRICA DEL ECUADOR - CELEC EP

On the basis of the Exchange of Notes between THE GOVERNMENT OF JAPAN and THE GOVERNMENT OF THE REPUBLIC OF ECUADOR dated October 03, 2024, concerning a Japanese loan to be extended with a view to promoting the economic stabilization and development efforts of the Republic of Ecuador,

the JAPAN INTERNATIONAL COOPERATION AGENCY (hereinafter referred to as "JICA") and EMPRESA PÚBLICA ESTRATÉGICA CORPORACIÓN ELÉCTRICA DEL ECUADOR - CELEC EP (hereinafter referred to as the "Borrower") herewith conclude the following Loan Agreement (hereinafter referred to as the "Loan Agreement", which includes all agreements supplemental hereto).

Article I

Loan

Section 1. Amount and Purpose of Loan

JICA agrees to lend the Borrower an amount not exceeding SIX BILLION FIVE HUNDRED EIGHTY TWO MILLION Japanese Yen (¥6,582,000,000) as the principal for the implementation of the Chachimbiro Geothermal Development Project (Phase I) described in Schedule 1 attached hereto (hereinafter referred to as the "Project") on the terms and conditions set forth in the Loan Agreement and in accordance with the relevant laws and regulations of Japan (hereinafter referred to as the "Loan"); provided, however, that when the cumulative total of disbursements under the Loan Agreement reaches the above-mentioned maximum amount of the Loan, JICA shall make no further disbursement.

Section 2. Use of Proceeds of Loan

- (1) The Borrower shall use the proceeds of the Loan for the purchase of eligible goods and services necessary for the implementation of the Project from suppliers, contractors or consultants (hereinafter collectively referred to as the "**Supplier(s)**") of the eligible source country(ies) described in Section 2. of Schedule 4 attached hereto (hereinafter referred to as the "**Eligible Source Country(ies)**") in accordance with the allocation described in Schedule 2 attached hereto.
- (2) The final disbursement under the Loan Agreement shall be made within the period from the Effective Date of the Loan Agreement to the same day and month seven (7) years after the Effective Date of the Loan Agreement unless otherwise agreed upon between JICA and the Borrower (hereinafter referred to as the "**Disbursement Period**"), and no further disbursement shall be made by JICA after the Disbursement Period has expired.
- (3) Notwithstanding the stipulation in Section 2. (2) above, if the expiry date of the Disbursement Period is not a banking business day in Japan, the immediately succeeding banking business day in Japan shall be deemed the expiry date of the Disbursement Period.
- (4) Notwithstanding the stipulation in Section 1. above, no disbursement shall be made under the Loan Agreement in respect of payments made prior to the date of Exchange of Notes first above written for expenditures to purchase eligible goods and services necessary for the implementation of the Project from the Supplier(s).



Article II

Repayment, Interest and Front-End Fee

Section 1. Repayment of Principal

The Borrower shall repay the principal of the Loan to JICA in accordance with the Amortization Schedule as set forth in Schedule 3 attached hereto.

Section 2. Interest and Method of Payment thereof

- (1) The Borrower shall pay the interest to JICA semi-annually on October 20 and April 20 each year (hereinafter each referred to as the "**Payment Date**") in arrears at the rate of one point one five percent (1.15%) per annum on the principal corresponding to categories (a) and (b) below disbursed (hereinafter referred to as the "**Principal (I)**") and outstanding for each Interest Period:
 - (a) the principal of the Loan allocated to Categories (A) and (B) (provided for in Section 1. of Schedule 2 attached hereto); and
 - (b) any principal reallocated from Category (E) (provided for in Section 1. of Schedule 2 attached hereto) and disbursed with respect to Section 2. (1) (a) above.

- (2) The Borrower shall pay the interest to JICA semi-annually on October 20 and April 20 each year (hereinafter each referred to as the "**Payment Date**") in arrears at the rate of one-hundredth percent (0.01%) per annum on the principal corresponding to categories (a) and (b) below disbursed (hereinafter referred to as the "**Principal (II)**") and outstanding for each Interest Period:
 - (a) the principal of the Loan allocated to Categories (C) and (D) (provided for in Section 1. of Schedule 2 attached hereto); and
 - (b) any principal reallocated from Category (E) (provided for in Section 1. of Schedule 2 attached hereto) and disbursed with respect to Section 2. (2) (a) above.

Section 3. Front-End Fee and Method of Payment thereof

The Borrower shall pay the Front-End Fee as stipulated in Section 3.05. of the General Terms and Conditions.



ESPACIO EN BLANCO

Secretaría General



ESPACIO EN BLANCO

Secretaría General



ESPACIO EN BLANCO

Secretaría General



Article III

Particular Covenants

Section 1. General Terms and Conditions

Other terms and conditions generally applicable to the Loan Agreement shall be set forth in JICA's General Terms and Conditions for Japanese ODA Loans, dated November 2014 (hereinafter referred to as the "**General Terms and Conditions**"), with the following supplemental stipulations:

- (1) The term "principal" wherever mentioned in the General Terms and Conditions shall be replaced by "Principal (I) and Principal (II)".
- (2) Section 2.01.(z) of the General Terms and Conditions shall be read as follows:

"Overdue Charge" means a charge to be paid by the Borrower to JICA calculated at the rate of two percent (2%) per annum over and above the interest rate specified in the Loan Agreement on the overdue amount of principal, Refund (excluding any part of the Refund corresponding to accrued interest) or Any Other Charges (excluding the Front-End Fee and the Prepayment Premium) required under the Loan Agreement for the Overdue Period. No interest or Overdue Charge shall be applied to any amount of accrued or overdue interest under the Loan Agreement.
- (3) Section 3.02. (2) of the General Terms and Conditions shall be read as follows:
 - (2) When all disbursements to be made under the Loan Agreement have been completed;
 - (a) if there has been any reallocation between Categories which caused any changes in the amounts of Principal (I) and Principal (II), the amortization schedule attached to the Loan Agreement shall be recalculated and amended by JICA based on the amounts of Principal (I) and Principal (II) after such reallocation (hereinafter referred to as the "**Recalculated Schedule**"); and

- (b) if the cumulative total of all disbursements is less than the maximum amount of the Loan stipulated therein, the difference between the maximum amount of the Loan and the cumulative total of all disbursements shall be deducted proportionately from all subsequent installments of repayment of the principal, as indicated in the amortization schedule attached to the Loan Agreement, or the Recalculated Schedule, if any reallocation as stipulated in paragraph (a) above was made, as applicable, excluding the Subsequent Installments;
- (c) provided, however, that all fractions of less than ONE THOUSAND Japanese Yen (¥1,000) of such subsequent installments after the calculations in accordance with paragraph(s) (a) and/or (b) above, shall be added to the first installment of the subsequent installments.
- (4) Section 3.06. of the General Terms and Conditions shall be read as follows:
Should repayment of principal of the Loan or payment of the Refund (excluding any part of the Refund corresponding to accrued interests), the Refund Date of which falls after the Disbursement Period expires, interest or Any Other Charges (excluding the Front-End Fee and the Prepayment Premium) required under the Loan Agreement be delayed, interest specified in Section 3.03. shall cease to accrue on the overdue amount of principal and the Refund on and after the repayment or payment due date and the Overdue Charge shall be payable. Overdue Charge shall not be applied to any amount of accrued or overdue interests under the Loan Agreement.
- (5) With regard to Section 3.08. (1) of the General Terms and Conditions, the Borrower shall have all repayment and/or prepayment of principal and payment of Refund, interest and Any Other Charges under the Loan Agreement credited to "JICA-Loan" account No. 0207787 with MUFG Bank, Ltd., Head Office, Japan.

Section 2. Guarantee for Loan

The Borrower shall, in accordance with Section 7.02. of the General Terms and Conditions, cause a Guarantee executed by the Republic of



Ecuador (hereinafter referred to as the "Guarantor") to be given to JICA immediately after the execution of the Loan Agreement.

Section 3. Procurement Procedure

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

Section 4. Disbursement Procedure

The disbursement procedure mentioned in Section 5.01. of the General Terms and Conditions shall be Commitment Procedure, Reimbursement Procedure, Transfer Procedure and/or Advance Procedure as stipulated in the Schedules attached hereto.

Section 5. Administration of Loan

- (1) The Borrower shall employ consultants for the implementation of the Project.
- (2) Should the funds available from the proceeds of the Loan be insufficient for the implementation of the Project, the Borrower shall make arrangements promptly to provide such funds as shall be needed.
- (3) The Borrower shall furnish JICA with progress reports for the Project on a quarterly basis (in March, June, September and December of each year) until the Project is completed, in such form and in such detail as JICA may reasonably request.
- (4) Promptly, but in any event not later than six (6) months after completion of the Project, the Borrower shall furnish JICA with a project completion report in such form and in such detail as JICA may reasonably request.

(5) The Borrower shall:

- (a) furnish JICA, as soon as possible, with a copy of engagement letter signed by authorized person of auditor acceptable to JICA, in which the said auditor agreed to audit the records and accounts related to the applicable expenditures financed out of the proceeds of the Loan allocated to the Categories (B) and (D), and submit to the Borrower a certified copy of the report of such audit;
- (b) maintain, or cause to be maintained, records and accounts adequate to reflect, in accordance with consistently maintained sound accounting practices, the expenditures financed out of the proceeds of the Loan;
- (c) have the records and accounts referred to in Section 5. (5) (a) above for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by the said auditor;
- (d) furnish JICA as soon as available, but in any case not later than six (6) months after the end of each fiscal year, with a certified copy of the report of such audit by the said auditor, of such scope and in such detail as JICA may reasonably request;
- (e) furnish JICA with such other information concerning said records and accounts, and the audit thereof, as JICA may from time to time reasonably request;
- (f) retain, until at least five (5) years after the Completion Date, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (g) enable JICA's representatives to examine such records;
- (h) ensure that such records and accounts are included in the annual audits referred to in Section 5. (5) (c) above and that the report of such audit contains a separate opinion by the said auditor as to whether the statements of expenditures submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related disbursement; and
- (i) in the event that the use of a specified amount of the Loan is not justifiable according to a certified copy of the report of such audit referred to in Section 5. (5) (c) above, refund to JICA, upon request of JICA, such unjustifiable amount together with the accrued interest thereon. Notwithstanding the above, if such refund is made before the



Disbursement Period expires, the accrued interest thereon shall be paid to JICA on the Payment Date immediately following the date the refund is made.

- (6) When the Borrower, in the opinion of JICA, fails to perform its obligations stated in any of the paragraphs of Section 5. (5) above, JICA may, by notice to the Borrower, suspend in whole or in part the rights of the Borrower under the Loan Agreement until JICA determines that such failure has been fully remedied. However, this stipulation does not impair JICA's further exercise of the rights stated in Section 6.01 of the General Terms and Conditions.

Section 6. Table of Contents and Headings

Table of contents and the headings of Articles or Sections herein are inserted for convenient reference only, are not part of the Loan Agreement and do not affect the construction of, or be taken into consideration in interpreting the Loan Agreement.

Section 7. Notices and Requests

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

For JICA

Postal address:

JAPAN INTERNATIONAL COOPERATION AGENCY
LATIN AMERICA AND THE CARIBBEAN DEPARTMENT

5-25, Niban-cho, Chiyoda-ku, Tokyo, 102-8012, Japan

Attention: Director General

For the Borrower

Postal address:

EMPRESA PÚBLICA ESTRATÉGICA
CORPORACIÓN ELÉCTRICA DEL ECUADOR - CELEC EP
Av. 6 de Diciembre N26-235 y Orellana - Edificio Transelectric
9th floor
Zip code: 170522

Attention: General Manager

If the above addresses and/or names are changed, the party concerned shall immediately notify the other party hereto in writing of the new addresses and/or names.



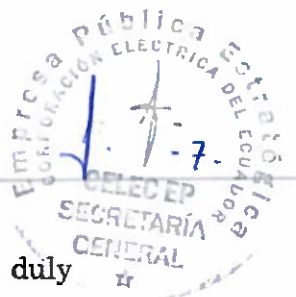
ESPACIO EN BLANCO

Secretaría General



ESPACIO EN BLANCO

Secretaría General



IN WITNESS WHEREOF, JICA and the Borrower, acting through their duly authorized representatives, have caused the Loan Agreement to be duly executed in their respective names and delivered at Quito, Ecuador, as of the day and year first above written.

For

For

JAPAN INTERNATIONAL
COOPERATION AGENCY

EMPRESA PÚBLICA ESTRATÉGICA
CORPORACIÓN ELÉCTRICA DEL
ECUADOR - CELEC EP

三浦 淳一

MIURA Junichi
Chief Representative
JICA Ecuador Office

Gustavo Sánchez
General Manager

Schedule 1

Description of Project

Section 1. Outline of the Project

(1) Objective:

The objective of the Project is to promote the use of renewable energy to diversify the energy matrix through the construction of the geothermal plant in Imbabura province and to help activate sustainable socio-economic development in Ecuador, contributing to climate change mitigation.

(2) Location:

Imbabura Province, Ecuador

(3) Executing Agency:

Empresa Pública Estratégica Corporación Eléctrica del Ecuador - CELEC EP

(4) Scope of the Work:

- (a) Civil works
- (b) Well drilling services and materials
- (c) Consulting services
- (d) Transmission line

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

Any balances remaining on the aforementioned items are to be financed by the Borrower.

Section 2. Limitation of Government Budget

Disbursement of the proceeds of the Loan shall be made within the limit of the Japanese Government's annual budgetary appropriations for JICA.



Schedule 2

Allocation of Proceeds of Loan

Section 1. Allocation

Category	Amount of the Loan Allocated (in million Japanese Yen)	% of Expenditure to be Financed
(A) Designated Account for Well Drilling Services and Materials	3,988	100%
(B) Well Drilling Services and Materials	0	
(C) Designated Account for Consulting Services	1,921	100%
(D) Consulting Services	0	
(E) Contingencies	673	
<hr/>		
Total	6,582	

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

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

(1) With regard to disbursement in any of Categories (A), (B), (C) and (D), the amount to be disbursed shall be calculated from the eligible expenditure by

multiplying with the percentage of the respective Category stipulated in this section, unless otherwise agreed upon between JICA and the Borrower.

Section 2. Reallocation upon change in cost estimates

If the estimated cost of items included in any of Categories (A), (B), (C) and (D) shall increase, the amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Loan, will be allocated by JICA, at the request of the Borrower, to such Category from other Categories, subject, however, to the requirements for contingencies, as determined by JICA, in respect of the cost of items in the other Categories.





Schedule 3

Amortization Schedule

1. Repayment of Principal (I)

Due Date	Amount (in Japanese Yen)
On October 20, 2034	113,720,000
On each April 20 and October 20 beginning April 20, 2035 through October 20, 2054	113,682,000

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

2. Repayment of Principal (II)

Due Date	Amount (in Japanese Yen)
On October 20, 2034	46,880,000
On each April 20 and October 20 beginning April 20, 2035 through October 20, 2054	46,853,000

Schedule 4

Procurement Procedure

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

- (1) Procurement of all goods and services, except consulting services, to be financed out of the proceeds of the Loan shall be in accordance with the Guidelines for Procurement under Japanese ODA Loans dated April 2012 (hereinafter referred to as the "Procurement Guidelines").
- (2) Employment of consultants to be financed out of the proceeds of the Loan shall be in accordance with the Guidelines for the Employment of Consultants under Japanese ODA Loans dated April 2012 (hereinafter referred to as the "Consultant Guidelines").

Section 2. Eligible Source Country(ies)

The Eligible Source Country(ies) for procurement of all goods and services (including consulting services) to be financed out of the proceeds of the Loan are all countries and areas.

Section 3. JICA's review of decisions relating to procurement of goods and services (except consulting services)

In the case of contracts to be financed out of the proceeds of the Loan allocated to Category (A) and/or (B), as specified in Section 1. of Schedule 2 attached hereto, the following procedures shall, in accordance with Section 4.02. of the General Terms and Conditions, be subject to JICA's review and concurrence. For such contracts for the well drilling services, as specified in Section 1. of Schedule 1, the single-stage two-envelope bidding procedure, as provided for in Section 2.03 (1) of the Procurement Guidelines, shall be adopted, and for such contracts for the well drilling materials, as specified in Section 1. of Schedule 1, International Shopping shall be adopted.

- (1) With regard to any contract the amount of which is estimated to be not less than ONE BILLION Japanese Yen (¥1,000,000,000):
- (a) If the Borrower wishes to adopt procurement procedures other than International Competitive Bidding, the Borrower shall submit to JICA a Request for Review of Procurement Procedure(s) (as per Form No. 1 attached hereto). The Borrower shall submit to JICA, for JICA's reference, such other documents related to the procurement procedures as JICA may reasonably request. When JICA has no objection, JICA shall inform the Borrower accordingly. When Limited International Bidding, International Shopping, Local Competitive Bidding or other national procurement method is adopted, all subsequent procedures shall be substantially in accordance with the following sub-paragraphs (d) through (h). When Direct Contracting is adopted, before a bid/proposal is invited from the concerned firm(s), the Borrower shall submit to JICA, for JICA's review and concurrence, the draft documents to request for a bid/proposal including conditions of contract. After obtaining the concurrence of JICA, the Borrower may send the documents to the concerned firm(s). The Borrower may then negotiate the contract; and the subsequent procedures shall be in accordance with the following sub-paragraph (h).
 - (b) Before advertisement of pre-qualification, the Borrower shall submit to JICA, for JICA's review and concurrence, the draft pre-qualification documents including invitation, instructions to applicants, qualification criteria and requirements, and application forms. The Borrower shall submit to JICA, for JICA's reference, such other documents related to the draft pre-qualification documents as JICA may reasonably request. When JICA has no objection, JICA shall inform the Borrower accordingly. When the Borrower wishes to make any important alteration to the pre-qualification documents, JICA's concurrence shall be obtained before the alteration is notified to prospective applicants.
 - (c) When the pre-qualified applicants have been selected, the Borrower shall submit to JICA, for JICA's review and concurrence, the detailed process and result of evaluation of pre-qualification. The Borrower shall submit to JICA, for JICA's reference, such other documents related to the pre-qualification as JICA may reasonably request. When JICA has no objection, JICA shall inform the Borrower accordingly.
 - (d) Before inviting bids, the Borrower shall submit to JICA, for JICA's review and concurrence, the draft bidding documents including invitation, instructions to bidders, evaluation and qualification criteria, bidding forms,

conditions of contract, specifications and drawings. The Borrower shall submit to JICA, for JICA's reference, such other documents related to the draft bidding documents as JICA may reasonably request. When JICA has no objection, JICA shall inform the Borrower accordingly. When the Borrower wishes to make any important alteration to the bidding documents, JICA's concurrence shall be obtained before the alteration is notified to prospective bidders.

- (e) The Borrower shall, before opening price bids, submit to JICA, for JICA's review and concurrence, the detailed process and result of evaluation of technical bids. The Borrower shall submit to JICA, for JICA's reference, such other documents related to the detailed process and result of evaluation as JICA may reasonably request. When JICA has no objection, JICA shall inform the Borrower accordingly.
- (f) Before sending a notice of award to the successful bidder, the Borrower shall submit to JICA, for JICA's review and concurrence, the detailed process and result of evaluation of price bids and proposal for award. The Borrower shall submit to JICA, for JICA's reference, such other documents related to the detailed process and result of evaluation as JICA may reasonably request. When JICA has no objection, JICA shall inform the Borrower accordingly.
- (g) When, as provided for in Section 5.10 of the Procurement Guidelines, the Borrower wishes to reject all bids and re-bid or to reject all bids and negotiate with the lowest evaluated bidder (or, failing a satisfactory result of such negotiation, with the next-lowest evaluated bidder) with a view to obtaining a satisfactory contract, the Borrower shall inform JICA of its reasons, requesting prior review and concurrence. When JICA has no objection, JICA shall inform the Borrower accordingly. The subsequent procedure shall be substantially in accordance with the sub-paragraph (h). In the case of re-bidding, all subsequent procedures shall be substantially in accordance with the sub-paragraphs (a) through (h).
- (h) Promptly after signing a contract, the Borrower shall submit to JICA, for JICA's review and concurrence, a duly certified copy of the contract, together with a Request for Review of Contract (as per Form No. 2 attached hereto). The Borrower shall submit to JICA, for JICA's reference, such other documents related to the contract as JICA may reasonably request. When JICA has no objection, JICA shall inform the Borrower accordingly; provided, however, that the Borrower wishes to make any important alteration to the draft conditions of contract and other documents in the



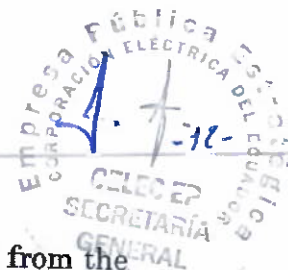
bidding document reviewed and concurred by JICA, JICA's concurrence shall be obtained before the contract is signed in addition to JICA's concurrence to the signed contract.

- (i) When the Borrower wishes to make any important modification or termination of the contract reviewed and concurred by JICA including any change in the contract amount, JICA's concurrence shall be obtained before making such modification or termination.
 - (j) Notwithstanding the provision of sub-paragraph (i) above, with respect to the adjustment of the contract amount made in accordance with the provisions of the original contract (including the price adjustment clauses or re-measurement under the original contract) reviewed and concurred by JICA, the Borrower may make an adjustment to the contract amount pursuant to the original contract and shall submit to JICA promptly the post-fact notification reporting the adjustment made on the contract amount, instead of obtaining the prior concurrence of JICA.
- (2) With regard to any contract the amount of which is estimated to be less than ONE BILLION Japanese Yen (¥1,000,000,000):
- (a) Promptly after signing a contract, the Borrower shall submit to JICA, for JICA's review and concurrence, a duly certified copy of the contract, together with a Request for Review of Contract (as per Form No. 2 attached hereto). The Borrower shall submit to JICA, for JICA's reference, such other documents related to the contract as JICA may reasonably request. When JICA has no objection, JICA shall inform the Borrower accordingly.
 - (b) When the Borrower wishes to make any important modification or termination of the contract reviewed and concurred by JICA including any change in the contract amount, JICA's concurrence shall be obtained before making such modification or termination.
 - (c) Notwithstanding the provision of sub-paragraph (b) above, with respect to the adjustment of the contract amount made in accordance with the provisions of the original contract (including the price adjustment clauses or re-measurement under the original contract) reviewed and concurred by JICA, the Borrower may make an adjustment to the contract amount pursuant to the original contract, and shall submit to JICA promptly the post-fact notification reporting the adjustment made on the contract amount, instead of obtaining the prior concurrence of JICA.

Section 4. JICA's review of decisions relating to employment of consultants

In the case of contracts to be financed out of the proceeds of the Loan allocated to Category (C) and/or (D), as specified in Section 1. of Schedule 2 attached hereto, the following procedures shall, in accordance with Section 4.02. of the General Terms and Conditions, be subject to JICA's review and concurrence.

- (1) Before proposals are invited from consultants, the Borrower shall submit to JICA, for JICA's review and concurrence, a Short List of Consultants, the draft Request for Proposals including letter of invitation, instructions to consultants, proposal forms, terms of reference, and conditions of contract, and the document of detailed evaluation criteria supplementing the draft Request for Proposals. The Borrower shall submit to JICA, for JICA's reference, such other documents related to the draft Request for Proposals as JICA may reasonably request. When JICA has no objection, JICA shall inform the Borrower accordingly. When the Borrower wishes to make any important alteration to the Request for Proposals reviewed and concurred by JICA, JICA's concurrence shall be obtained before the alteration is notified to the short-listed consultants.
- (2) When Quality- and Cost-Based Selection (QCBS), as provided for in Section 3.02 of the Consultant Guidelines, is adopted, the Borrower shall, before opening financial proposals, submit to JICA, for JICA's review and concurrence, the detailed process and result of evaluation of technical proposals. The Borrower shall submit to JICA, for JICA's reference, such other documents related to the detailed process and result of evaluation as JICA may reasonably request. When JICA has no objection, JICA shall inform the Borrower accordingly.
- (3) Before initiating contract negotiations with the highest-ranked consultant, the Borrower shall submit to JICA, for JICA's review and concurrence, the detailed process and result of evaluation of proposals. The Borrower shall submit to JICA, for JICA's reference, such other documents related to the detailed process and result of evaluation as JICA may reasonably request. When JICA has no objection, JICA shall inform the Borrower accordingly.
- (4) If the Borrower wishes, as provided for in Section 3.01. (4) of the Consultant Guidelines, to use single-source selection, the Borrower shall inform JICA in writing of its reasons, for JICA's review and concurrence, together with the



name of the consultant to be appointed. Before a proposal is invited from the concerned consultant, the Borrower shall submit to JICA, for JICA's review and concurrence, the draft Request for Proposals including terms of reference and conditions of contract. The Borrower shall submit to JICA, for JICA's reference, such other documents as JICA may reasonably request. After obtaining the concurrence of JICA, the Borrower may send the Request for Proposals to the concerned consultant. The Borrower then negotiates the contract, and the subsequent procedures shall be in accordance with the following sub-paragraph (5).

- (5) Promptly after signing a contract, the Borrower shall submit to JICA, for JICA's review and concurrence, a duly certified copy of the contract, together with a Request for Review of Contract (as per Form No. 3 attached hereto). The Borrower shall submit to JICA, for JICA's reference, such other documents related to the contract as JICA may reasonably request. When single-source selection is adopted in accordance with sub-paragraph (4), the Borrower shall also submit to JICA, for JICA's review and concurrence, the result of evaluation of the head of the consultant, regardless of his/her title ("project manager," "team leader" or whatever he/she is called). When JICA has no objection, JICA shall inform the Borrower accordingly; provided, however, that the Borrower wishes to make any important alteration to the draft conditions of contract and other documents in the Request for Proposals which have been already reviewed and concurred by JICA, JICA's concurrence shall be obtained before the contract is signed in addition to JICA's concurrence to the signed contract.
- (6) When the Borrower wishes to make any important modification or termination of the contract reviewed and concurred by JICA including any change in the contract amount, JICA's concurrence shall be obtained before making such modification or termination. In this regard, a change of the head of the consultant, regardless of his/her title ("project manager," "team leader" or whatever he/she is called), shall be regarded as an important modification of the contract.
- (7) Notwithstanding the provision of sub-paragraph (6) above, with respect to the adjustment of the contract amount made in accordance with the provisions of the original contract (including the price adjustment clauses) which have already been reviewed and concurred by JICA, the Borrower may make an adjustment to the contract amount pursuant to the original contract, and shall

submit to JICA promptly the post-fact notification reporting the adjustment made on the contract amount, instead of obtaining the prior concurrence of JICA.



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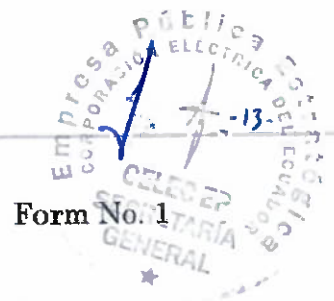
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ESPACIO EN BLANCO
Secretaría General



CELEC EP
Corporación Eléctrica del Ecuador

ESPACIO EN BLANCO
Secretaría General



Date:
Ref. No.

**JAPAN INTERNATIONAL COOPERATION AGENCY
LATIN AMERICA AND THE CARIBBEAN DEPARTMENT**

Attention: Director General

Ladies and Gentlemen:

REQUEST FOR REVIEW OF PROCUREMENT PROCEDURE(S)

Reference : Loan Agreement No . EC-P8, dated October , 2024, for
Chachimbiro Geothermal Development Project (Phase I)

In accordance with the relevant provisions of the Loan Agreement under reference, we hereby submit for your review the Procurement Procedure as per attached sheet.

We should be grateful if you would notify us of your concurrence.

Very truly yours,

For: _____
(Name of the Borrower)

By: _____
(Authorized Signature)

Attached Sheet for Form No. 1

1. Name of the Project
Chachimbiro Geothermal Development Project (Phase I)

2. Procedure for Procurement
 Limited International Bidding
 International Shopping
 Direct Contracting
 Local Competitive Bidding or Other National Procurement Method

3. Reason for Selection of Procedure for Procurement in Detail

4. Name and Nationality of the Concerned Firm(s)
(in the cases of Limited International Bidding and Direct Contracting)

5. Estimated Contract Amount
Foreign Currency
Local Currency

6. Main Items Covered by the Contract

7. Schedule
 - i) Date of Contract
 - ii) Completion Date



Form No. 2

Date:
Ref. No.

**JAPAN INTERNATIONAL COOPERATION AGENCY
LATIN AMERICA AND THE CARIBBEAN DEPARTMENT**

Attention: Director General

Ladies and Gentlemen:

REQUEST FOR REVIEW OF CONTRACT

Reference: Loan Agreement No. EC-P8, dated October , 2024, for
Chachimbiro Geothermal Development Project (Phase I)

In accordance with the relevant provisions of the Loan Agreement under reference, we hereby submit for your review a certified copy of the Contract attached hereto. The details of the Contract are as follows:

1. Number and Date of Contract: _____
2. Name and Nationality of the Supplier: _____
3. Address of the Supplier: _____
4. Name of the Employer/Purchaser: _____
5. Contract Amount: _____
6. Eligible Expenditure: _____
7. Amount of Financing Applied for: _____
(representing ___ % of eligible expenditure)
8. Scope of Contract: _____
9. (In case the Supplier is a joint venture) Name, Nationality and Address of each member of the joint venture:
(A company): _____
(B company): _____

We should be grateful if you would notify us of your concurrence to the Contract.

Very truly yours,

For: _____
(Name of the Borrower)

By: _____
(Authorized Signature)

Date:
Ref. No.

JAPAN INTERNATIONAL COOPERATION AGENCY
LATIN AMERICA AND THE CARIBBEAN DEPARTMENT

Attention: Director General

Ladies and Gentlemen:

REQUEST FOR REVIEW OF CONTRACT (for consulting services)

Reference: Loan Agreement No. EC-P8, dated October , 2024, for
Chachimbiro Geothermal Development Project (Phase I)

In accordance with the relevant provisions of the Loan Agreement under reference, we hereby submit for your review a certified copy of the Contract attached hereto. The details of the Contract are as follows:

1. Number and Date of Contract: _____
2. Name and Nationality of the Consultant: _____
3. Address of the Consultant: _____
4. Name of the Employer/Client: _____
5. Contract Amount: _____
6. Eligible Expenditure: _____
7. Amount of Financing Applied for: _____
(representing ___% of eligible expenditure)
8. (In case the Consultant is a joint venture) Name, Nationality and Address of each member of the joint venture:
(A company): _____
(B company): _____

We should be grateful if you would notify us of your concurrence to the Contract.

Very truly yours,

For: _____
(Name of the Borrower)

By: _____
(Authorized Signature)



Schedule 5

Commitment Procedure

The latest version of the Brochure on Commitment Procedure for Japanese ODA Loans (hereinafter referred to as the "Commitment Brochure") shall be applied with the following supplemental stipulations, for disbursement of the proceeds of the Loan excluding the allocation to Categories (A) and (C) as specified in Section 1. of Schedule 2 attached to the Loan Agreement for the purchase of goods and services from the Supplier(s) with respect to the portion of the contract stated in the internationally traded currency other than that of Ecuador.

1. The Paying Bank and the Issuing Bank mentioned in the Commitment Brochure shall be MUFG Bank, Ltd., Tokyo.



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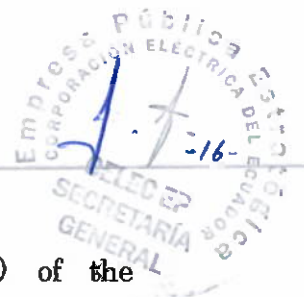
Secretaría General

Schedule 6

Reimbursement Procedure

The latest version of the Brochure on Reimbursement Procedure for Japanese ODA Loans (hereinafter referred to as the "**Reimbursement Brochure**") shall be applied with the following supplemental stipulations, for disbursement of the proceeds of the Loan excluding the allocation to Categories (A) and (C) as specified in Section 1. of Schedule 2 attached to the Loan Agreement for the payments already made to the Supplier(s).

1. The Paying Bank mentioned in this Schedule, including the Reimbursement Brochure shall be MUFG Bank, Ltd., Tokyo.
2. The Section 3. of the Reimbursement Brochure shall be read as follows:
 - 3.01. The Borrower shall designate a foreign exchange bank in the territories of the Borrower (hereinafter referred to as the "**Agent Bank**"), as stipulated in the Loan Agreement, as its agent for the purpose of taking any action, on behalf of the Borrower, required or permitted under this brochure. Immediately after the signing of the Loan Agreement, the Borrower shall designate the Agent Bank, and with no delay furnish JICA a notice regarding the name of such Agent Bank in writing.
 - 3.02. Any action taken or arrangement or agreement entered into by the Borrower with the Paying Bank shall be fully binding on the Borrower. The Borrower may revoke or modify the authority conferred on the Agent Bank if the consent of JICA is obtained.
 - 3.03. The Borrower shall make necessary arrangement with the Paying Bank including, but not limited to the following:
 - (a) to open a Loan Account with the Paying Bank; and
 - (b) to confirm necessary arrangements for transaction of funds after the proceeds of the Loan is credited to the Loan Account.



3. Submission of supporting documents as per Section 2.01.(b) of the Reimbursement Brochure shall be disregarded and Form SOE substantially in the form attached hereto shall be substituted for Form SSP(R) attached to the Reimbursement Brochure. Furthermore, wherever mentioned as "Summary Sheet of Payments" in the Reimbursement Brochure including the attached Form RFD(R) therein, shall be read as "Statement of Expenditures".

4. Notwithstanding the stipulation in Section 2.03. of the Reimbursement Brochure, the amount stated in the Request for Reimbursement shall be in Japanese Yen.



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Statement of Expenditure

L/A No.:

Date:

Application Serial No.:

1. Transaction	2 Purchaser	3 Supplier	4. * Nationality of Supplier	5. Description of Goods and/or Services	6. ** Category	7. Origin	8. Contract Amount, Contract No., and JICA Concurrence No. (if any)	9. Date of Payment	10. *** Amount of Payment (without Tax)	11. **** Nature of Payment	12. ***** Procedure for Procurement	13. Amount Applied for Financing (without Tax)	14. ***** Disbursement Ratio
1													
2													
3													
Total													

The undersigned certifies that the Supplier(s) and goods and / or services stated above are eligible under the Loan Agreement.
Exchange rate :

*

**

Payment was made to the Supplier(s).

Note for 4. Nationality of Supplier: Country in which the Supplier is incorporated and registered.

Note for 6. Category: Category Name described in Section 1. of Schedule 2 of the Loan Agreement.

Note for 10. Amount of Payment: If not in Japanese Yen, state both the amount in the currency in which the payment was made to the Supplier(s), and its converted amount(s) calculated in accordance with the Reimbursement Brochure, as well as the conversion rate(s).

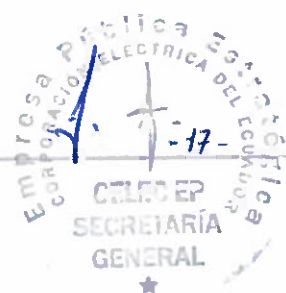
Note for 11. Nature of Payment: A down payment, an installment payment or the final payment, etc.

Note for 12. Procedure for Procurement: Procurement method such as ICB, ICB+PQ, LCB, Direct Contracting, etc.

Note for 14. Disbursement Ratio: Ratio of Amount Applied for Financing against Amount of Payment in the currency in which the Payment was made to the Supplier(s).

For (Name of the Borrower)

(Authorized Signature)



Schedule 7

Transfer Procedure

The latest version of the Brochure on Transfer Procedure for Japanese ODA Loans (hereinafter referred to as the "**Transfer Brochure**") shall be applied with the following supplemental stipulations, for disbursement of the proceeds of the Loan excluding the allocation to Categories (A) and (C) as specified in Section 1. of Schedule 2 attached to the Loan Agreement for the payments to be made to the Supplier(s).

1. The Paying Bank mentioned in this Schedule, including the Transfer Brochure, shall be MUFG Bank, Ltd., Tokyo.
2. The local currency of the Borrower's country wherever mentioned in the Transfer Brochure is United States Dollar.
3. Transfer Procedure shall only be applied for Type A, and the whole of Section 4. and 5.03. of the Transfer Brochure shall be disregarded.
4. The following shall be replaced with the Section 5.01., 5.02. and 5.04. of the Transfer Brochure:
 - 5.01. The Borrower shall designate a foreign exchange bank in the territories of the Borrower (hereinafter referred to as the "**Agent Bank**"), as stipulated in the Loan Agreement, as its agent for the purposes of taking any action, on behalf of the Borrower, required or permitted under this brochure. Immediately after the signing of the Loan Agreement, the Borrower shall designate the Agent Bank, and with no delay furnish JICA a notice regarding the name of such Agent Bank in writing.
 - 5.02. (1) The Borrower shall make necessary arrangement with the Paying Bank including, but not limited to, the following:

- (a) to open a Loan Account of the Agent Bank with the Paying Bank; and
 - (b) immediately after the disbursement made by JICA has been credited to the Loan Account of the Agent Bank, to make the Paying Bank transfer the disbursed amount to the corresponding account(s) of the Supplier(s) pursuant to the Transfer Instruction for Type A issued by the Borrower.
- (2) Notwithstanding the stipulation in 5.02.(1) above, even if the Paying Bank has not received the Transfer Instruction from the Borrower by the time JICA makes the disbursement, the Paying Bank may transfer the disbursed amount to the corresponding account of the Supplier(s) pursuant to a copy of the Transfer Instruction which JICA has received from the Borrower.

5.04. Any action taken or arrangement or agreement entered into by the borrower with the Paying Bank shall be fully binding on the Borrower.

5. The supporting documents evidencing each payment and its usage, as mentioned in 3.02. (1) (d) of the Transfer Brochure, shall be as follows:

(1) For payments to the supplier(s) for shipment/delivery of goods:

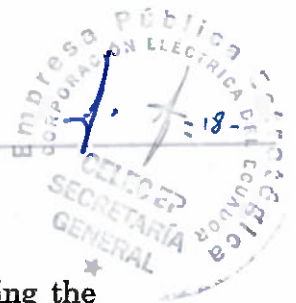
(a) the invoice from the supplier(s) specifying the goods, with their quantities and prices, which have been or are being supplied/shipped and if any, bill of lading or similar document evidencing shipment/delivery of the goods listed on the invoice.

(2) For payments under civil works contracts:

the claim, bill or invoice from the contractor(s) showing, in sufficient detail, the work performed by the contractor(s) and amount claimed therefor, certified by the chief engineer or project officer of the Executing Agency assigned to the Project to the effect that the work performed by the contractor(s) is satisfactory and in accordance with the terms of the relevant contract; such certificate can be made separately from the claim, bill or invoice.

(3) For payments for consulting services:

(a) the claim from the consultant(s) indicating, in sufficient details, the services rendered, period covered, and amount payable to them.



(4) For payments for other services rendered:

(a) the claim, bill or invoice from the service provider(s) specifying the nature of services rendered and amounts charged therefor.

Note: If such services relate to importation of goods (e.g. freight, insurance payments), adequate references shall be given to enable JICA to relate each of these items to the specific goods, the cost of which has been or is to be financed by JICA.



Schedule 8

Advance Procedure

The latest version of the Brochure on Advance Procedure for Japanese ODA Loans (hereinafter referred to as the "**Advance Brochure**") shall be applied with the following supplemental stipulations, for disbursement of the proceeds of the Loan allocated to Categories (A) and (C) as specified in Section 1. of Schedule 2 attached to the Loan Agreement.

1. The Paying Bank wherever mentioned in the Advance Brochure, shall be MUFG Bank, Ltd., Tokyo.
2. The Section 11 of the Advance Brochure shall be read as follows:
 - 11.01. The Borrower shall designate a foreign exchange bank in the territories of the Borrower (hereinafter referred to as the "**Agent Bank**"), as stipulated in the Loan Agreement, as its agent for the purposes of taking any action, on behalf of the Borrower, required or permitted under this procedure. Immediately after the signing of the Loan Agreement, the Borrower shall designate the Agent Bank, and with no delay furnish JICA a notice regarding the name of such Agent Bank in writing. Any action taken or arrangement or agreement entered into by the Borrower with the Paying Bank shall be fully binding on the Borrower. The Borrower may revoke or modify the authority conferred on the Agent Bank if consent of JICA is obtained.
 - 11.02. The Borrower shall make necessary arrangement with the Paying Bank, including, but not limited to, the following for this brochure:
 - (a) to open a Loan Account with the Paying Bank; and
 - (b) to confirm necessary arrangements for transaction of funds to the Designated Account after the proceeds of the Loan is credited to the Loan Account.
3. The Borrower shall exclusively for the Project open and maintain Designated

Accounts denominated in Japanese Yen with the Paying Bank for disbursements of the proceeds of the Loan allocated to Categories (A) and (C), immediately after the signing of the Loan Agreement, subject to the following: The total disbursement for the Designated Accounts shall be in the amount not exceeding the amount allocated to such Category.

Que la fotocopia que antecede en

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fojas, es igual al documento que reposa en los archivos de la empresa.

a 6 - XI - 2024

SECRETARIO GENERAL DE CELEC EP

Miguel Jinas



REPÚBLICA DEL ECUADOR
MINISTERIO DE ECONOMÍA Y FINANZAS
Subsecretaría de **Fin**anciamiento Público

REGISTRO No. 777

FECHA 24 octubre 2024

PAGINA No. 000000045

Registro de la Deuda Pública

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THE UNIVERSITY OF CHICAGO
 DIVISION OF THE PHYSICAL SCIENCES
 DEPARTMENT OF CHEMISTRY
 5712 S. UNIVERSITY AVENUE
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