



**OFID** The OPEC Fund for International Development

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LOAN NO. 1194P

**MULTIPHASE ROADS REHABILITATION  
AND MAINTENANCE PROGRAM  
(PHASE I)**

**LOAN AGREEMENT**

**BETWEEN**

**THE DOMINICAN REPUBLIC**

**AND**

**THE OPEC FUND FOR  
INTERNATIONAL DEVELOPMENT**



**DATED**

**JUNE 20, 2008**

AGREEMENT dated June 20, 2008, between the Dominican Republic (“the Borrower”) and OFID.

Whereas the Borrower has requested assistance from OFID in the financing of the Program described in Schedule 1;

And whereas OFID has approved a loan to the Borrower in the amount of thirty million Dollars (\$ 30,000,000) upon the terms and conditions set forth hereinafter;

Now, therefore, the parties to this Loan Agreement (the “Agreement”) hereby agree as follows:

Article 1

GENERAL CONDITIONS; DEFINITIONS

1.01 The General Conditions attached hereto shall constitute an integral part of this Agreement.

1.02 In addition to the terms defined in the preamble, the following terms and expressions shall have the following meanings or, where they duplicate terms and conditions in the General Conditions, the following specific meanings:

- (a) “Authorized Representative of the Borrower” means the Secretary of State for Finance;
- (b) “Closing Date” means March 31, 2012;
- (c) “Dollar and the sign \$” mean and refer to the lawful currency of the United States of America;



- (d) "Eligible Expenditure Commencement Date" means December 4, 2007;
- (e) "Executing Agency" means the Ministry of Public Works and Communications;
- (f) "General Conditions" means OFID General Conditions Applicable to Public Sector Loan Agreements, December 2007;
- (g) "Grace Period" means the period beginning on June 20, 2008 and ending five (5) years from that Date; and
- (h) "Loan Administrator" means the Inter-American Development Bank.

\* \* \*

Article 2  
THE LOAN

2.01 OFID agrees to lend to the Borrower and the Borrower agrees to borrow from OFID the Loan in the amount of thirty million Dollars (\$ 30,000,000) on the terms and conditions set forth in this Agreement.

2.02 The Borrower shall pay interest at the rate of three and three quarters of one percent (3.75%) per annum on the principal amount of the Loan withdrawn and outstanding.

2.03 The Borrower shall pay a Service Charge at the rate of one per cent (1%) per annum on the principal amount of the Loan withdrawn and outstanding.

2.04 Interest and Service Charges shall be paid semi-annually on January 15 and July 15 in each year into OFID Account.



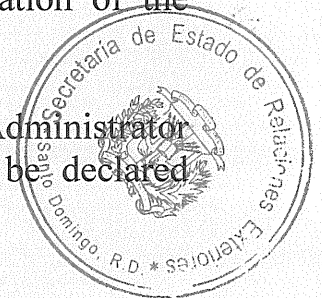
2.05 Immediately following the end of the Grace Period, the Borrower shall repay the principal of the Loan in Dollars, or in any other freely convertible currency acceptable to OFID Management, in an amount equivalent to the Dollar amount due according to the market exchange rate prevailing at the time and place of repayment. Repayment shall be effected in thirty (30) semi-annual instalments in the amounts, and on the dates, all as specified in Schedule 3 (AMORTIZATION).

\* \* \*

Article 3  
EFFECTIVENESS

3.01 This Agreement shall enter into force and effect in accordance with Section 3.02 upon receipt by OFID of:

- (a) satisfactory evidence that the execution and delivery of this Agreement on behalf of the Borrower have been duly authorized and ratified according to the constitutional requirements of the Borrower;
- (b) a certificate issued by the Minister of Justice or the Attorney General or any other competent legal authority of the Borrower confirming that this Agreement has been duly authorized and ratified by the Borrower and constitutes a valid and binding obligation of the Borrower in accordance with its terms; and
- (c) evidence that the loan agreement between the Loan Administrator and the Borrower has been declared effective or will be declared effective concurrently with this Agreement.



3.02 As soon as possible after the conditions specified in Section 3.01 shall have been satisfactorily fulfilled, this Agreement shall enter into full force and effect on the Date of Effectiveness.

3.03 If this Agreement shall not have become effective within ninety (90) after the Date of the Agreement, the Agreement and all obligations of the parties hereunder shall terminate, unless OFID Management, after consideration of the reasons for the delay, shall establish a later date for the purposes of this Section.

\* \* \*

Article 4  
ADDRESSES

4.01 The parties' addresses are as specified below:

For the Borrower:

The Ministry of Finance  
Av. Mexico #45  
Santo Domingo  
Dominican Republic  
Facsimile: (+1- 809) 682 0498

For OFID:

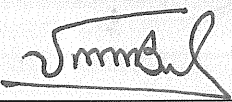
The OPEC Fund for International Development  
Parkring 8  
A-1010 Vienna  
Austria  
Facsimile: (++43-1) 513 92 38



\* \* \*

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

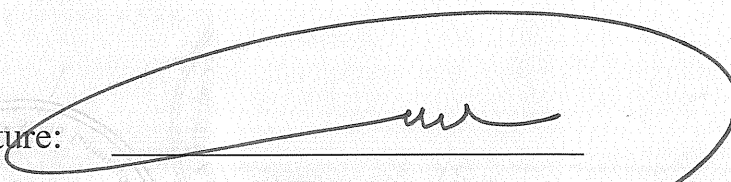
FOR THE BORROWER:

Signature: 

Name: H.E. Vicente Bengoa

Title: Secretary of State for Finance

FOR THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT:

Signature: 

Name: Mr. Suleiman J. Al-Herbish

Title: Director-General



\* \* \*

589/08

16/10/08



CONSULADO DE LA REPUBLICA DOMINICANA  
VIENA - AUSTRIA

CERTIFICO: que la firma que aparece al pié de este documento  
es la del Sr. Vicente Bengoa, Secretario de Estado de  
Hacienda de la República Dominicana y que es  
la misma que acostumbra a usar en todos sus actos y la cual se debe entera fe y crédito.

Mag Peter Stania  
P.R. Consular



594/08

16/10/08



CONSULADO DE LA REPUBLICA DOMINICANA  
VIENA - AUSTRIA

CERTIFICO: que la firma que aparece al pié de este documento  
es la del Sr. Suleiman J. Al-Herbish, Director  
General del Fondo OPEP y que es  
la misma que acostumbra a usar en todos sus actos y la cual se debe entera fe y crédito.

Mag Peter Stania  
P.R. Consular



REPUBLICA DOMINICANA  
SECRETARIA DE ESTADO DE RELACIONES EXTERIORES  
CERTIFICO: que la firma que aparece al pié de este documento  
es la del Sr. Mag Peter Stania y que es  
Consul honorario la misma que acostumbra a usar en todos sus actos y a la cual se  
debe entera fe y crédito.  
Sto Dgo, R.D. 23-10-2008  
LEG N° --- LIBRO ---

Elizabeth Williams  
SUB-ENCARGADA  
DIVISION DE LEGALIZACIONES  
DEL DEPARTAMENTO CONSULAR

THE DOMINICAN REPUBLIC  
MULTIPHASE ROADS REHABILITATION  
AND MAINTENANCE PROGRAM  
(PHASE I)

SCHEDULE 1  
DESCRIPTION OF THE PROGRAM

The Program aims at improving the quality of road infrastructure, through the rehabilitation and maintenance of highways and roads, to reduce transport costs and travel times and, in general, to support sustainable growth in the Dominican Republic. The objectives of the Program will be achieved through the implementation of the following components:

**(a) Rehabilitation and Maintenance of Roads:** encompasses the rehabilitation of 239 km and preventive maintenance of 275 km of the primary and secondary national road network as defined by the Borrower's Ministry of Public Works and Communications.

**(b) Maintenance by Microenterprises:** includes the preventive and periodic maintenance work of over two thousand kilometres of rural roads. The main activities to be financed include patchwork, vegetation control, profiling and recovery of surface layers, cleaning, repairing and replacement of sewers. In addition, bridge and ditch repairs, masonry repairs and the maintenance of signs will also be included within the scope of the Program. Roads will be selected annually according to the priorities established by the Administrative System of Rural Road Maintenance, giving due priority to those roads that are in good or maintainable conditions.

**(c) Institutional Strengthening:** This component aims to support the management and maintenance of the Weights and Dimensions Control System. Support includes the following main activities: (i) updating road inventory; (ii) preparation of a road maintenance standards manual, that will be gradually incorporated into works contracts; (iii) development of standard bidding documents for maintenance and rehabilitation contracting; (iv) upgrading management control systems; and (v) monitoring present and projecting future road usage and its impact on governmental entities and the local construction industry. In addition, this component provides for specific technical assistance, which may arise during the course of the Program's implementation.

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THE DOMINICAN REPUBLIC  
MULTIPHASE ROADS REHABILITATION  
AND MAINTENANCE PROGRAM  
(PHASE I)

SCHEDULE 2  
LOAN ALLOCATION

1. Unless otherwise agreed between the Borrower and OFID Management, the Loan proceeds of \$ 30,000,000 shall be utilized towards financing 40.49% of the total costs of the Rehabilitation and Maintenance of Roads component of the Program as described in paragraph (a) of Schedule 1 of this Agreement.
2. Notwithstanding the allocation of the Loan proceeds or the disbursement percentage set forth in paragraph 1 above, if OFID Management has reasonably estimated that the amount of the Loan then allocated to the component specified above will be insufficient to finance the agreed percentage of all expenditures in that component, OFID Management may, by notice to the Borrower, reduce the disbursement percentage then applicable to such expenditures in order that further withdrawals in respect of the said component may continue until all expenditures thereunder shall have been made.

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THE DOMINICAN REPUBLIC  
MULTIPHASE ROADS REHABILITATION  
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(PHASE I)

SCHEDULE 3  
AMORTIZATION

<u>No.</u>	<u>Date of Repayment</u>	<u>Amount Due</u> (Expressed in Dollars)
1	July 15, 2013	1,000,000
2	January 15, 2014	1,000,000
3	July 15, 2014	1,000,000
4	January 15, 2015	1,000,000
5	July 15, 2015	1,000,000
6	January 15, 2016	1,000,000
7	July 15, 2016	1,000,000
8	January 15, 2017	1,000,000
9	July 15, 2017	1,000,000
10	January 15, 2018	1,000,000
11	July 15, 2018	1,000,000
12	January 15, 2019	1,000,000
13	July 15, 2019	1,000,000
14	January 15, 2020	1,000,000
15	July 15, 2020	1,000,000
16	January 15, 2021	1,000,000
17	July 15, 2021	1,000,000
18	January 15, 2022	1,000,000
19	July 15, 2022	1,000,000
20	January 15, 2023	1,000,000
21	July 15, 2023	1,000,000
22	January 15, 2024	1,000,000
23	July 15, 2024	1,000,000
24	January 15, 2025	1,000,000
25	July 15, 2025	1,000,000
26	January 15, 2026	1,000,000
27	July 15, 2026	1,000,000
28	January 15, 2027	1,000,000
29	July 15, 2027	1,000,000
30	January 15, 2028	<u>1,000,000</u>
	Total:	<u>30,000,000</u>

