**PLEDGE OF EDCF LOAN**

**1. Name of the Project:**

◦ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**2. Borrower:**

◦ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**3. Project Executing Agency:**

◦ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**4. Type of Loan:**

◦ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**5. Loan Amount**

◦ An amount in Korean Won not exceeding the equivalent of \_\_\_\_\_\_\_\_ US dollar ($\_\_\_\_\_\_\_\_\_)

**6. Uses of the Loan**

◦ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**7. Terms of the Loan**

◦ Interest Rate : \_\_\_\_\_\_\_\_\_\_\_\_ percent (\_\_\_\_%) per annum

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

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

*(ii) In case one or more Korean Medium-Large Companies (including a consortium or joint venture (JV) by Korean Medium-Large Companies) enter into the contract, [fifty percent (50%) of the current interest rate shall apply][[1]](#footnote-1).*

*(iii) In case the consortium or joint venture (JV) in which Korean SMEs and/or Medium-Large Companies occupy fifty percent (50%) or above of the share while one or more SMEs take at least twenty percent (20%) of the share enter into a contract, [fifty percent (50%) of the current interest rate shall apply][[2]](#footnote-2).][[3]](#footnote-3)*

*[No interest shall accrue on the loan covering the consulting services provided by Korean Consultant(s).]2*

◦ Maturity : \_\_\_\_\_\_\_\_\_ years including the grace period of \_\_\_\_\_ years

◦ Method of Repayment : Semi-annual installments after the grace period

◦ Interest Payment : Every six (6) months in arrears on outstanding balances

◦ Overdue Charge : Two percent (2.0%) per annum above the Interest Rate

◦ Service Charge : One-Tenth of One percent (0.1%) of the amount of letter of commitment or the amount of each disbursement (Service Charge will be included in the total Loan amount.)

**8. Loan Denomination Currency**

◦ Korean Won

**9. Procurement and Employment of Consultant**

◦ Eligible Source Countries

- Foreign currency portion : The eligible source country for procurement of goods and services including consulting services shall be the Republic of Korea.

\* Procurement from countries other than eligible source countries, if any, shall be set out in the Loan Agreement

- Local currency portion : The eligible source country for procurement of goods and services including consulting services shall be \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

◦ Method of Procurement : Competitive Bidding among Korean suppliers

◦ Method of Employment of Consultant : Limited Competitive Bidding among Korean consulting firms

◦ Procurement Contract or Consulting Contract : To be concluded within Eighteen (18) months after the effective date of the Loan Agreement

**10. Loan Disbursement**

◦ Disbursement Period : Within \_\_\_\_\_\_\_\_\_\_ (\_\_\_\_) months from the effective date of the Loan Agreement or such other period which the Borrower and the Export-Import Bank of Korea shall agree upon.

◦ Disbursement Procedure : Commitment procedure and/or Direct Payment procedure

1. If the recipient country is a Least Developed Country classified by the UN, no interest shall accrue. [↑](#footnote-ref-1)
2. If the recipient country is a Least Developed Country classified by the UN, no interest shall accrue. [↑](#footnote-ref-2)
3. Delete if not applicable [↑](#footnote-ref-3)