

No. 20759

**BRAZIL
and
JAPAN**

**Exchange of notes constituting an agreement concerning
a Japanese loan for the implementation of a port
improvement project. Brasília, 5 November 1981**

Authentic text: English.

Registered by Brazil on 22 February 1982.

**BRÉSIL
et
JAPON**

**Échange de notes constituant un accord relatif à un prêt du
Japon aux fins de l'exécution d'un projet d'amé-
nagement portuaire. Brasília, 5 novembre 1981**

Texte authentique : anglais.

Enregistré par le Brésil le 22 février 1982.

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN BRAZIL AND JAPAN CONCERNING A JAPANESE LOAN FOR THE IMPLEMENTATION OF PORT IMPROVE- MENT PROJECT

I

EMBAIXADA DO JAPÃO² BRASIL

Brasília, November 5, 1981

Excellency,

I have the honour to confirm the following understanding recently reached between the representatives of the Government of Japan and of the Government of the Federative Republic of Brazil concerning a Japanese loan to be extended with a view to strengthening the friendly relations and the economic cooperation between the two countries:

1. A loan in Japanese Yen up to the amount of twenty-two billion yen (¥ 22,000,000,000) (hereinafter referred to as "the Loan") will be extended to the Empresa de Portos do Brasil S/A — Portobras (hereinafter referred to as "PORTOBRAS") by the Overseas Economic Cooperation Fund (hereinafter referred to as "the Fund") in accordance with the relevant laws and regulations of Japan for the implementation of the Port Improvement Project (hereinafter referred to as "the Project").

2. (1) The Loan will be made available by a loan agreement to be concluded between PORTOBRAS and the Fund. The terms and conditions of the Loan as well as the procedures for its utilization will be governed by the said loan agreement which will contain, inter alia, the following principles:

- (a) The repayment period will be twelve (12) years after the grace period of five (5) years.
- (b) The rate of interest will be five and three quarters (5.75) per cent per annum.
- (c) The disbursement period will be five (5) years from the date of the signing of the loan agreement.

(2) The loan agreement mentioned in subparagraph (1) above will be concluded after the Fund is satisfied of the feasibility of the Project.

(3) The disbursement period mentioned in sub-paragraph (1) (c) above may be extended with the consent of the authorities concerned of the two Governments.

3. The repayment of principal of the Loan as well as the payment of interest thereon shall be guaranteed by the Government of the Federative Republic of Brazil.

4. (1) The Loan will be made available to cover payments to be made by Brazilian executing agencies to suppliers, contractors and/or consultants of eligible source countries under such contracts as have been or may be entered into between them for purchases of products and/or services to be required for the implementation of the Project, provided that such purchases are made in such eligible source countries for products produced in and/or services supplied from those countries.

¹ Came into force on 5 November 1981 by the exchange of the said notes.

² Embassy of Japan.

(2) The scope of eligible source countries mentioned in sub-paragraph (1) above will be agreed upon between the authorities concerned of the two Governments.

(3) A part of the Loan may be used to cover eligible local currency requirements for the implementation of the Project.

5. The Government of the Federative Republic of Brazil will ensure that, through PORTOBRAS, products and/or services mentioned in sub-paragraph (1) of paragraph 4 are procured in accordance with the guidelines for procurement of the Fund, which set forth, inter alia, the procedures of international tendering to be followed except where such procedures are inapplicable or inappropriate.

6. The Government of the Federative Republic of Brazil will exempt the Fund from all fiscal levies or taxes imposed in the Federative Republic of Brazil on and/or in connection with the Loan and interest accruing therefrom.

7. With regard to the shipping of products purchased under the Loan, the two Governments will respect the principles of fair and free competition of the shipping companies of the two countries.

8. Japanese nationals whose services may be required in the Federative Republic of Brazil in connection with the supply of products and/or services mentioned in sub-paragraph (1) of paragraph 4 will be accorded such facilities as may be necessary for their entry into the Federative Republic of Brazil and stay therein for the performance of their work.

9. The Government of the Federative Republic of Brazil will, upon request, furnish the Government of Japan with information and data on the progress of the Project.

10. The two Governments will consult with each other in respect of any matter which may arise from or in connection with the foregoing understanding.

I should be grateful if Your Excellency would confirm the foregoing understanding on behalf of the Government of the Federative Republic of Brazil.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

[Signed]

NOBUO OKUCHI

Ambassador Extraordinary
and Plenipotentiary of Japan
to the Federative Republic of Brazil

His Excellency Ambassador Ramiro Saraiva Guerreiro
Minister for External Relations

II

November 5th, 1981

DAOC/DAI/DPF/DTC/257/651.22(E10)(B46)
680.3(B46)

Excellency,

I have the honour to acknowledge receipt of Your Excellency's note of today's date, which reads as follows:

[See note I]

2. I have further the honour to confirm on behalf of the Government of the Federative Republic of Brazil the understanding set forth in Your Excellency's note.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

[Signed]

RAMIRO SARAIVA GUERREIRO

His Excellency Nobuo Okuchi
Ambassador Extraordinary and Plenipotentiary
of Japan
