

MEMORANDUM OF UNDERSTANDING

FOR A LINE OF CREDIT OF

US\$ 100 MILLION

BETWEEN

THE GOVERNMENT OF THE INDEPENDENT

STATE OF PAPUA NEW GUINEA

AND THE EXPORT IMPORT BANK OF INDIA

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OF PAPUA NEW GUINEA

AND THE EXPORT IMPORT BANK OF INDIA

This Memorandum of Understanding (hereinafter referred to as "MOU") is made between the Government of Papua New Guinea and the Export-Import Bank of India.

Whereas the Government of Papua New Guinea has requested for a concessional facility of USD 100 million Line of Credit for specific projects in Transport and Infrastructure sectors, each of which will be duly processed and approved in accordance with the modalities applicable for such line of credit.

And whereas the Governments of India and the Papua New Guinea have respectively designated the Export-Import Bank of India and the Department of Finance, Government of Papua New Guinea to sign this MOU.

Now therefore, the Export-Import Bank of India and the Government of Papua New Guinea hereby mutually agree as follows:

1. The Export-Import Bank of India (hereinafter referred to as "the Lender") will make available, as per the specific direction of and on such conditions as may be approved by the Government of India, to the Government of Papua New Guinea, a Line of Credit not exceeding One Hundred Million US Dollars (USD 100,000,000.00).
2. The Department of Finance, Government of Papua New Guinea, (hereinafter referred to as "the Borrower") and the Lender will sign separate Line of Credit Agreement (hereinafter referred to as "LOC Agreement") under this MOU, to finance such projects as may be mutually agreed by both Governments.
3. The Line of Credit of USD 100 million, upon approval of the Government of India, will be available for utilisation upon the completion of the following steps:

- Identification of specific project(s) that will utilise the Line of Credit under the agreed terms and conditions, and adoption of the same by the Lender;
 - Receipt by the Lender of relevant supporting / related documents as are normally provided by the Government of India to Exim Bank;
 - Execution of each LOC Agreement by the Export-Import Bank of India and the Government of Papua New Guinea;
 - Declaration by the Export-Import Bank of India that the LOC Agreement has been made effective, following the delivery by the Government of Papua New Guinea of the documents required for this purpose which shall be specified in the text of the Agreement;
 - Any other documents as may be prescribed by Government of India.
4. Projects which can qualify to be considered for finance under the LOC Agreements to be signed pursuant to this MOU as eligible goods in respect of an eligible contract means any goods and services including project exports, consultancy services from India whose purchase may be agreed to be financed by Exim Bank under this Agreement, subject to the condition that not less than 75% of the total credit will be utilised for importing goods and services from India.

Consultancy services under the project will be sourced from India. Execution of any subsequent LOC Agreement and utilisation thereunder is conditional upon satisfactory compliance with the Government of India's extant guidelines on Lines of Credit.

5. The execution of LOC Agreement covered by this MOU shall be subject to approval by the competent authorities of both Governments.

This MOU is drawn up in two (2) originals in English and shall become effective upon signing.

Signed in Port Moresby on 29 April 2016

For the Export-Import
Bank of Bank of India



Mr. Utpal Gokhale
General Manager

For the Government of the
Independent State of Papua
New Guinea



Mr. Dairi Vele
Secretary
Department of Treasury