

PD-AAD-827

His Excellency  
Gen. Afonso de Albuquerque Lima  
Minister of Interior  
Rio de Janeiro, GB

Excellency:

In response to the request contained in your letter of 6 October 1967 concerning the São Francisco Valley Phase II project, I am pleased to advise you that USAID will arrange for the continuation through November 30, 1967 of the services of the four U.S. Bureau of Reclamation engineers now remaining in Brazil on the understanding that your government desires to implement Phase II of this project and will make every effort to complete the plans and financial arrangements for Phase II by November 30. I would like to request your concurrence, however, to the retroactive financing of this extension from Phase II funds at such time as loan financing for Phase II is arranged through FINEP.

As we have previously explained in several discussions with SUDENE and SUVALE, we did not include the expenses of the Phase II project in our fiscal year 1968 grant fund request. Since June 30, the BuRec team has been supported by emergency financing. Unfortunately, we cannot continue to supply funds in this manner. Thus, unless arrangements for the financing of Phase II are completed by November 30, 1967, we shall be compelled to terminate the services of the BuRec engineers as of that date.

Although the loss of the present BuRec personnel would be unfortunate for the project, and would cause considerable delay, it would not signify a loss of interest in the project by USAID. We are convinced of the great potential of the São Francisco Valley, and feel certain that a mutually satisfactory development program can be planned through the cooperation of SUVALE, SUDENE and USAID.

If you would like to discuss this matter further, or if there is any way we may be of service, please call upon us.

Accept, Excellency, the renewed assurances of my highest regard and esteem.

Yours truly,

Stuart H. Van Dyke  
Minister-Director

MMV:hl

cc: SUDENE      bc: NEEIN  
     SUVALE      ENRB  
                 Brazil/Desk

Clearances: GFGower, TFCP  
                 Hinkleine, DDOM

512-0541  
5120237-11

February 20, 1969

MEMORANDUM

PD-AAD-827 27

TO: Files

FROM: Daryl L. Roberts, Water Resources Engineer, LA/DR/ENGD

SUBJECT: Quarterly Report - Period Ending December 31, 1968, on Multiple Development of the Sao Francisco River Basin - Brazil (Loan 512-L-054)

U.S. Technical Assistance

The informal selection of the bulk of the team was completed as called for in the PIO/T.

SUVALE Personnel

Progress in recruitment although excellent in some respects, remains spotty. There still remains a serious lack of competent draftsmen, surveyors, construction inspectors and other sub-professional personnel so necessary for project studies and implementation. The recruitment is seriously hampered by the fact that SUVALE cannot pay enough to attract qualified persons to remain in the field.

Sao Desiderio Project

Work activities consisted of land classification, collection of field design data, preparation of plans and specifications for construction of the first six kilometers of canal by force account, preparation of materials and equipment drawings and operation procedures, the preparation of plans and specifications for a concrete pipe plant and the manufacture of concrete pipe and continuation of construction on the first six kilometers of main canal.

Formosa Project

Design and construction activities were essentially at a standstill awaiting completion of the land classification surveys. Land classification data obtained in the field was analyzed and tabulated and work was started on preparation of land classification maps.

Rio Corrente Pilot Project

Topographic maps at a scale 1:5,000 with one-meter contour intervals are being processed.

Jequitai Project

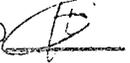
The diamond core drilling was completed at the Cachoeirao de Ramao damsite.

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The core drilling and the surface geologic studies indicate the rock is so badly fractured that the lower dam sites are probably infeasible. It appears that the Cachoeirao site at the upper end of the Canyon may be satisfactory. The drilling program is to be shifted to this site for evaluation.

Pirapora Pilot Project

A development farm north of Pirapora was acquired from the Ministry of Agriculture. Although the soils on this farm may be marginal (land classification studies are not completed), a decision was reached to use about 70 gross hectares of it for an experimental farm. Initially about 15 hectares will be utilized for crop experiments. Design and specifications are well under way for a small floating pumping plant on the Sao Francisco River, with a steel pipe discharge line to a small earth equalizing reservoir, from which a canal will be developed to serve the area to be irrigated.

Clearance: Benjamin G. Watkins, Deputy Chief Engineer, LA/DR/ENGD 

**AIRGRAM**

**DEPARTMENT OF STATE**

**UNCLASSIFIED**

CLASSIFICATION

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DISTRIBUTION

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ENSA

FROM RIO DE JANEIRO

SUBJECT Review of Draft of Final Report of Bureau of Reclamation Technical Assistance Team to SUVALE  
LA(18)04-69 - LOAN 512-L-054

REFERENCE STATE 194436

DATE SENT

10/16/73

PASS TO NEXT DESK: ENRO/WASHDC

1. The draft of the final report to USAID for ultimate submittal to SUVALE prepared by the Bures Technical Assistance Team (TAT) covering its work for SUVALE has been reviewed by the Engineering Division (ENRO) of USAID/Brazil.

2. To be most meaningful and to have the greatest usefulness to SUVALE now and in the immediate future, it is ENRO's opinion, reinforced by talks with SUVALE officials, that the report should particularly focus on:

1. The objectives of the TAT assignment;
2. The extent to which these objectives were fulfilled, with an evaluation of the accomplishments;
3. The remaining work to be done, with specific recommendations for its implementation; and
4. Conclusions of the TAT that would be helpful to SUVALE with other, perhaps more generalized, recommendations relevant to further development of the Sao Francisco Valley.

3. ENRO appreciates that the report was prepared in a relatively short time even though the TAT Chief of Party had been advised in October 1972 that outlines and drafts should be submitted to ENRO for review. Under the circumstances that ultimately prevailed no such prior ENRO review was possible, as the draft report was given to ENRO only at the time of departure of the last TAT member. The present draft represents a professional effort but also reflects the pressure to meet the deadline imposed by contract limitations.

PAGE 1 OF

DRAFTED BY <u>XXXXXXXXXXXX</u>	ENRO	PHONE NO. 475	DATE 10.15.73	APPROVED BY: ENRO: G.B. Sparrow
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AID AND OTHER AGENCIES  
AD/AID - Miss Fox  
CDO - Mr. Mackell

**UNCLASSIFIED**

CDO:BMeca

CLASSIFICATION

4. MRO has endeavored to provide constructive comments and guidelines in the following brief paragraphs. It is as anxious as Burec to have this last assignment of the IAF completed as expeditiously as possible. It believes that through judicious editing and the elimination of what could be considered extraneous material, a condensed and more sharply focussed report could emerge which would be more responsive to SIVALE's present needs -- recognizing that even these may be reoriented following possible GOB action on the recommendations of the Development and Research Corporation team. Regardless of this eventuality, such a revised report would be valuable to whatever entity is charged with the ultimate development of the Sao Francisco Valley.

The draft report, considered in its entirety and in perspective, appears to subdivide into three main sections:

1. The General SIVALE Program
2. The Jesuita Project
3. Appendixes

MRO feels that the bulk of what could be contained in an approximation to this first section could be appreciably condensed through consideration and acceptance of at least some if not all of the following measures. (Others may readily occur to the final editor having succinctness in mind).

1. Elimination of such material that is merely repetitive of that appearing in former reports, being only included for background purposes. A simple reference to the relevant report could be used where pertinent. Granted, some basic data must be included, but these could generally be limited to condensed summaries.
2. Elimination of paragraphs containing generalizations that contribute no new data (e.g., the paragraphs on page I-16).
3. Reduction of text where possible through greater use of tables (e.g., part of paragraph C.7 in Chapter I).
4. Elimination of some data that are usually not included in a professional engineering report (e.g., listing of Burec personnel, especially those visiting Brazil on IDY).
5. Reduction in quantities of such data as are not essential to the general understanding of the report (e.g., tabulation of participants' names and dates of training [if, indeed, this particular item should be included at all in this report]).

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7. The four photographs appear to contribute little to the report; ~~but~~ their exclusion seems warranted.
8. Reference to the rate of inflation in Brazil, if necessary, should be limited to data readily substantiated quantitatively, and should preclude any projections or forecasts (see page I-20).
9. Chapter V dealing with the Equital Project appears to contain all essential data, and with its recommendations should be helpful to SUVALE in any further implementation of this project that may be undertaken. Some editorial tightening could be considered.
10. SUVALE's comments on the report are understood to be limited to spelling of place names and perhaps minor editorial revisions. These comments had been expected to be received by last week; SMO is pressing SUVALE to forward these as soon as possible. When received, the comments will be transmitted to SMO promptly.

ROCHSIRA

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PD-1110-827

ALLIANCE FOR PROGRESS

GRANT AGREEMENT

(P.L. 480 104(e) funds)

Between the

FUNDO DE FINANCIAMENTO DE ESTUDOS DE PROJETOS

E PROGRAMAS (FINEP)

and the

UNITED STATES OF AMERICA

Dated: August 27, 1965

ALLIANCE FOR PROGRESS

GRANT AGREEMENT

AGREEMENT, in furtherance of the Alliance for Progress, dated the 27 day of August, 1965, between the FUNDO DE FINANCIAMENTO DE ESTUDOS DE PROJETOS E PROGRAMAS ("FINEP") and the UNITED STATES OF AMERICA, acting through the Agency for International Development ("A.I.D.") with the concurrence of the Government of the United States of Brazil, acting through the Coordinating Commission for the Alliance for Progress ("COCAP").

SECTION 1

The Grant

SECTION 1.1. The Grant. A.I.D. agrees to grant to FINEP, pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended, up to Cr\$1,000,000,000 (one billion cruzeiros) to assist in financing the Brazilian currency costs of goods and services required for the Program as defined in Section 1.2.

SECTION 1.2. The Program. As used in this Agreement, "Program" shall mean a program of loans or grants by FINEP, directly or through other entities in Brazil ("Financial Agents"), to public and private entities in Brazil

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("Study Entities") to assist in financing the costs of economic and engineering studies ("Studies"), and the carrying out of Studies by FINEP. Studies shall consist of:

a. Feasibility studies ("Feasibility Studies") of specific projects in the public or private sectors which will contribute to the economic development of Brazil. Feasibility Studies shall include the analysis of the economic and technical feasibility and financial soundness of, and the development of adequate preliminary engineering, economic and financial data on specific, defined projects. Such Feasibility Studies shall be in such a form and such a quality as to support applications for the financing of projects by investors and lending institutions inside and outside Brazil and to support financing by the Government of Brazil. Final engineering plans shall not be financed under this Agreement.

b. Prefeasibility investigations of projects, designed to produce the data necessary for determination of whether or not a feasibility study or studies (not necessarily financed hereunder) should be undertaken.

c. Program studies ("Program Studies"), including general surveys, sectoral, regional and other studies designed to identify priority areas, sectors and sub-sectors for investment and to locate specific projects for which Feasibility Studies or prefeasibility investigations should be carried out.

SECTION 1.3. Use of Grant. Funds made available under this Agreement shall be used exclusively to finance:

- a. the costs of Studies;
- b. technical assistance and professional services to assist FINEP; and
- c. technical assistance and related commodities to develop the competence of public Study Entities to carry out Studies of the type contemplated in the Program.

Repayments of any funds loaned by FINEP to Study Entities shall be used for the purposes of the Program.

SECTION 2Conditions PrecedentSECTION 2.1. Conditions Precedent to Disbursements.

Prior to the first disbursement under this Agreement referred to in Section 3.1, FINEP shall furnish or cause to be furnished in form and substance satisfactory to A.I.D. a certificate substantially in the form of Exhibit No. 1 attached hereto.

SECTION 2.2. Terminal Date for Fulfillment of Conditions Precedent. Except as A.I.D. may otherwise agree in writing, if the condition required by Section 2.1 has not been satisfied by September 30, 1965, A.I.D. may at any time thereafter terminate this Agreement by giving notice to FINEP.

SECTION 3Disbursement

SECTION 3.1. Disbursement. To obtain disbursements, FINEP may from time to time and in accordance with the needs of the Program and pursuant to procedures to be mutually agreed upon, request A.I.D. to disburse cruzeiros to FINEP or its designee. Disbursements shall be made to a special account ("Special Account") in a bank to be mutually agreed upon by A.I.D. and FINEP. Funds deposited in the Special Account shall be kept separate from all other funds of FINEP.

SECTION 3.2. Other Forms of Disbursement. Disbursement may also be made under this Agreement through such other means and by such other procedures as A.I.D. and FINEP may mutually agree to in writing.

SECTION 3.3. Interest on Special Account. Interest earned by FINEP on balances maintained in the Special Account shall be considered as part of the funds which A.I.D. has agreed to make available hereunder, and shall be deducted from A.I.D.'s disbursements to FINEP in accordance with procedures to be specified by A.I.D.

SECTION 3.4. Terminal Date for Disbursement. Except as A.I.D. may otherwise agree in writing, A.I.D. shall make no disbursements after September 11, 1966.

SECTION 4

Covenants Concerning the Program

SECTION 4.1. Criteria Governing Program Studies. FINEP covenants that in making Loans for Studies, it shall adhere to and/or shall cause the Financial Agents and Study Entities to adhere to the following criteria for the selection of Studies and award of contract to carry out the Study:

- a. Only projects and programs having priority in the economic development of Brazil shall be studied under the Program.
- b. Studies shall be prepared through contracts with private consulting firms of established professional standing and which either have a record of successful performance as a firm in the same or similar work or have on their staffs professional personnel of established reputation and experience in the same or similar work, who will conduct the Study. FINEP shall procure, and shall use its best efforts to encourage the Study Entities to procure consulting services on the basis of quality of service and experience rather than on the basis of price.
- c. The scopes of work for Studies shall be developed in accordance with accepted engineering standards and practices.

SECTION 4.2. Source of Eligible Consultants. Only qualified United States firms, Brazilian firms, or joint ventures of American and Brazilian firms shall be eligible to carry out the Studies. For purposes of this Section, a United States firm shall mean a firm incorporated or legally domiciled in and having its principal place of business in the United States, and a Brazilian firm shall mean a firm incorporated or legally domiciled in Brazil and having its principal place of business in Brazil.

SECTION 4.3. Major Studies.

a. Studies for which FINEP loans, grants, or otherwise utilizes funds made available under this Agreement in an amount in excess of two hundred million cruzeiros (Cr\$200,000,000) shall be hereinafter referred to as "Major Studies".

b. Consulting services to carry out Major Studies shall be procured in accordance with procedures to be agreed to by FINEP and A.I.D. Said services shall be procured only from firms having a record of successful performance as a firm in the same or similar work.

c. FINEP and/or Borrowers shall not execute contracts for consulting services for Major Studies until FINEP has received A.I.D.'s concurrence thereto.

SECTION 4.5. Eligibility Date. No services on Studies may be financed which were performed prior to the effective date of this Agreement.

SECTION 4.6. Sub-Agreements. FINEP covenants that it will include or cause to be included in all agreements with Financial Agents, Study Entities and contracts with consulting firms ("Sub-Agreements") such provisions as shall be necessary to carry out FINEP's obligations under this Agreement. FINEP will make available for A.I.D. review any form Sub-Agreements it may prepare for use in the Program.

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SECTION 5Additional Covenants and Warranties

SECTION 5.1. Conduct of the Program. FINEP will carry out and complete the Program, with due diligence and efficiency, providing any additional resources which may be required. The Program shall be carried out in conformity with sound financial and engineering practices.

SECTION 5.2. Utilization of Funds. All funds provided under this Agreement shall be used exclusively for the Program. No funds made available hereunder shall at any time be used to promote or assist any project or activity associated with or financed by any country not included in A.I.D. Geographic Code 935, as in effect at the time of such projected use, without the prior written consent of A.I.D.

SECTION 5.3. Information and Marking. Appropriate arrangements shall be made by FINEP, satisfactory to A.I.D., to publicize the Program as United States aid in furtherance of the Alliance for Progress. Such publicity shall include, but shall not be limited to, prominent display of the Alliance for Progress symbol and the "Hand Clasp" symbol at the site of the Program.

SECTION 5.4. Notice of Material Developments. FINEP represents and warrants that it has disclosed to A.I.D. all circumstances which may materially affect this Program or the discharge

of its obligations under this Agreement, and covenants that it will inform A.I.D. of any conditions which interfere, or which it is reasonable to believe will interfere, with any of the foregoing.

SECTION 5.5. Taxation. This Agreement and the execution, delivery and registration thereof shall be free from all taxes, fees, or other charges, if any, imposed under the laws of Brazil or any laws in effect in its territory.

SECTION 5.6. Commissions, Fees and Other Payments. FINEP warrants and covenants that, in connection with obtaining the grant or taking any action under or with respect to this Agreement, it has not paid and will not pay or agree to pay nor to the best of its knowledge has there been paid or will there be paid or agreed to be paid by any other person, or entity, commissions, fees or other payments of any kind, except as regular compensation to FINEP's full time officers and employees or as compensation for bona fide professional, technical or other comparable services. FINEP shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical or comparable services to which it is a party or of which it has knowledge (indicating whether such payment has or is to be made on a contingent basis), and, if the amount of any such payment is deemed unreasonable by A.I.D., FINEP shall cause a reduction satisfactory to A.I.D. to be made therein.

SECTION 5.7. Records; Reports; Inspections.

a. FINEP shall maintain or cause to be maintained in accordance with sound accounting practices, books and records adequate to identify the disposition of all funds disbursed hereunder, and to indicate the progress of the Program. Such books and records shall be maintained until five (5) years after the final disbursement pursuant to this Agreement.

b. Such books and records shall be open at all times for examination by authorized representatives of the Government of Brazil and A.I.D. which procedure is consistent with Article II, Section 5, of the agreement between the Government of the United States of Brazil and the Government of the United States of America, signed on May 30, 1953, and subsequently approved by the Brazilian Congress. For this purpose, if FINEP and A.I.D. mutually agree, FINEP may maintain, within its accounting system, a segregated set of books and records for all transactions specifically related to the grant. Examination of the books and records will be carried out in practice by procedures which may include the following whenever mutually agreed to by FINEP and A.I.D.:

1. Joint auditing under mutually agreed to conditions;
2. The use of independent auditors selected by FINEP and acceptable to A.I.D.;
3. The inspection outside the premises of FINEP of certified documentation relating to the grant.

c. FINEP shall cooperate with and give reasonable assistance to, and shall facilitate inspection by A.I.D. with respect to the execution of the Program, in conformity with this Agreement, and shall afford all reasonable opportunity for authorized representatives of A.I.D. to visit any part of the territory of Brazil for purposes related to this Agreement.

d. FINEP shall promptly furnish A.I.D. such financial and other reports and information relating to the grant or transactions pursuant to this Agreement and any covenants thereof as A.I.D. may request.

SECTION 6Remedies of A.I.D.

SECTION 6.1. Events of Default; Acceleration. If any of the following events ("Events of Default") occurs:

- a. FINEP fails to comply with any of the provisions contained in this Agreement;
- b. Any representation or warranty made by or on behalf of FINEP with respect to obtaining the grant or made or required to be made under this Agreement is determined by A.I.D. to be incorrect in any material respect;
- c. An event occurs which A.I.D. determines to be an extraordinary situation which makes it improbable that the purposes of the grant will be attained or that FINEP will be able to perform its obligations under this Agreement;
- d. Any disbursement would be in violation of the law governing A.I.D.;

then, A.I.D., at its option, after giving prior notice in writing to the Borrower, may decline to make any further disbursements under the grant.

SECTION 6.2. Refunds. If A.I.D. determines that any disbursement made by it under this Agreement is not supported by

valid documentation submitted by FINEP in accordance with the terms of this Agreement, or is not used in accordance with the terms of this Agreement, or is in violation of the law governing A.I.D. (including A.I.D. regulations applicable to the Program), A.I.D., at its option, may, notwithstanding the availability of any other remedy provided for under this Agreement or the exercise of the remedies provided for in Section 7.1, require FINEP to refund to A.I.D., within thirty (30) days after receipt of a request therefor, an amount not to exceed the amount of such disbursement. No request shall be made by A.I.D. pursuant to this Section later than five (5) years after the date of the final disbursement pursuant to this Agreement.

SECTION 6.3. Waivers. No delay in exercising any right, power or remedy accruing to A.I.D. under this Agreement shall be construed as a waiver of any of such rights, powers or remedies.

SECTION 7MiscellaneousSECTION 7.1. Use of Representatives.

a. All actions required or permitted to be performed or taken under this Agreement by FINEP or A.I.D. may be performed by their respective duly authorized representatives.

b. FINEP designates the person or persons holding the position or positions specified in Exhibit No. 1 hereto as its representative with authority to designate in writing other representatives of FINEP in its dealings with A.I.D. FINEP's representatives designated pursuant to said Exhibit No. 1, unless A.I.D. is given notice otherwise, shall have authority to agree on behalf of FINEP to any modification of this Agreement. Until receipt by A.I.D. of written notice of revocation by FINEP of the authority of any of its representatives, A.I.D. may accept the signature of such representatives on any instrument as conclusive evidence that any action effected by such instrument is authorized by FINEP.

SECTION 7.2. Successors to Rights of A.I.D. If, by operation of any law of the United States of America or by virtue of assignment, any corporate or other agency of the Government of the United States of America succeeds to the rights and obli-

/...

gations of A.I.D. under this Agreement, such agency shall be deemed to be A.I.D. for purposes hereof.

SECTION 7.3. Other Agreements. This Agreement is entered into pursuant to the following agreements between the United States of America and the United States of Brazil:

- a. the agreement relating to Technical Cooperation, dated December 19, 1950;
- b. the agreement for Special Technical Services, dated May 30, 1953; and
- c. the Agricultural Commodity Agreement, dated September 11, 1963, as amended.

SECTION 7.4. Effective Date. This Agreement shall enter into effect as of the day and year first above written.

SECTION 7.5. Communications. Any communication or document given, made or sent by FINEP or A.I.D. pursuant to this Agreement, shall be in writing and shall be deemed to have been duly given, made or sent to the party to which it is addressed when it shall be delivered by hand or by mail, telegram, cable or radiogram to such party at the following addresses:

To FINEP:

Mail Address:

Fundo de Financiamento de Estudos  
de Projetos e Programas (FINEP)  
Ministério da Fazenda - 11º andar - s/1121  
Rio de Janeiro - Brazil.

Cable Address:

same as above.

/...

To A.I.D. (five copies):

Mail Address:

Office of Capital Development  
Agency for International Development  
Embaixada dos Estados Unidos da América  
Rio de Janeiro, Brasil.

Cable Address:

USAID  
Amembassy  
Rio de Janeiro.

Other addresses may be substituted for the above upon the giving of notice as provided herein.

All communications and documents submitted to A.I.D. hereunder shall be in English, except as A.I.D. and FINEP may otherwise agree in writing.

/...

IN WITNESS WHEREOF, FINEP and the United States of America, each acting through its respective duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

FUNDO DE FINANCIAMENTO DE ESTUDOS DE PROJETOS E PROGRAMAS (FINEP)

UNITED STATES OF AMERICA

By: [Signature]

By: [Signature]

Title: Minister of Planning  
Chairman, Board of Directors

Title: Director, USAID/Brazil

Concurrence:

~~GOVERNMENT~~ OF THE UNITED STATES OF BRAZIL

By: Francisco de Assis Greico

Title: Coordinator, COCAP

In the presence of:

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\_\_\_\_\_  
\_\_\_\_\_



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Department of State

TELEGRAM

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FM AMEMBASSY BRASILIA  
TO SFCSTATE WASHDC 9468

UNCLAS BRASILIA 4210

AIDAC

E.O. 11652: N/A  
SUBJECT: LOAN 512-L-054

1. OUR MEMORANDUM RECORDS SHOW \$8,444,198.00 AS AMOUNT OF SUBJECT LOAN AS OF DECEMBER 31, 1974 WHICH IS IN AGREEMENT WITH THE REPORT W-743/1 AS OF 12/31/74. PLEASE ADVISE AMOUNTS AND DATES OF ANY DEOBLIGATIONS AFTER DECEMBER 31, 1974.

2. LATEST REPORT W-743/1 WE HAVE RECEIVED IS AS OF FEBRUARY 28, 1975.  
CRIMINS

**AIRGRAM**

**DEPARTMENT OF STATE**

**UNCLASSIFIED**

CLASSIFICATION

*John A. Cornish*  
5120237-15

For each address check one ACTION

INFO

DATE REC'D.

PD-AAD-827

TO - AID/W TOAID A 2151

X

*To Aid 3109  
attached*

FROM - RIO DE JANEIRO

SUBJECT - Action Plan for Accelerating Industrial Development  
in the State of Minas Gerais

REFERENCE -

1. The Institute of Studies for the Industrial Development of Minas Gerais (INDI) has received proposals from Arthur D. Little Inc. and from Battelle Foundation for contracting for the development of an "Action Plan for Accelerating Industrial Development in the State of Minas Gerais." INDI is an agency established directly under the auspices of CEMIG, the Electric Power Co. of the state and the Bank of the State of Minas Gerais.
2. We understand that INDI/CEMIG plans to present the A.D. Little proposal to FINEP, the USAID assisted secondary lending institution for feasibility studies and technical assistance for financing which requires USAID approval.
3. The contract proposal includes four stages (1) economic analysis, natural resources survey, and identification of problems and recommendations for solution. (2) Sectorial study of promising areas (3) detailed studies of the most promising potential industries (4) identifying the potential investors and the preparation of promotional material contacts with specific investors.
4. Indicated sectors for logical areas in which to seek industrial development are:
  1. Processing of agricultural products and by-products (including food processing)
  2. Mining and metallurgy
  3. Building materials and non-metallic minerals
  4. Textiles
  5. Electrical and mechanical goods
  6. Chemicals, including petrochemicals and pharmaceuticals

OTHER AGENCY

*Stott*

~~XXXXXXXX~~

PAGE 1 OF 2 PAGES

DRAFTED BY  
Wyman R. Stone/esc

OFFICE  
ENRO

PHONE NO. DATE  
9/5/68

APPROVED BY:  
Herman Kleine - DDCM

AID AND OTHER CLEARANCES

**UNCLASSIFIED**

CLASSIFICATION

5. Mission has informally received (from A.D. Little), copy of their proposal to INDI which contains \$1,064,000 for 135 man-months of their direct-hire personnel and 7 man-months of consultant services. Budget is divided \$926,000 and \$138,000 of \$ equivalent cruzeiro expenses.
6. Mission is extremely anxious for AID/W evaluation of what we may anticipate regarding the effectiveness of such projects in terms of a benefit-cost ratio based on similar projects which have been carried out in other missions under AID or similar sponsorships.

Data on State of Minas Gerais

Area: 56,688 square kilometers

1967 population: 11,680,000

Climate: Variable dependent on topography.

Topography: Very variable including mountain ranges, rolling country and broad flat valleys.

Economy: Previously produced much gold and semi-precious stones.

Recently agricultural and growing basic industry based on important iron mines. Agriculture quite backward.

Transportation: Roads 27,000 kilometers highway of which 4,500 paved increasing rapidly railroads 6,000 kilometers.

Electricity: Installed capacity 1,000 megawatts.

Banks: 100 commercial banks. State banks, Economic banks of State of Minas Gerais, State Development Banks.

~~XXXXXXXXXX~~

Priority action is requested because we have just learned that the loan request will be submitted to us in about one week.

TUFHILL



Department of State

TELEGRAM

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PAGE 01 RIO DE 11701 111908Z

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ACTION AID 85

INFO IGA 02, E 04, INR 07, /098 W

R 111830Z SEP 68  
FM AMEMBASSY RIO DE JANEIRO  
TO SECSTATE WASHDC 4169

UNCLAS RIO DE JANEIRO 11701

AIDAC

TOAID 3409

SUBJECT: ACTION PLAN FOR ACCELRRATING INDUSTRIAL  
DEVELOPMENT OF MINAS GERAIS

REFERENCE: TOAID A-2151

1. REQUEST ANSWER TO REFGRAM INCLUDE RESULTS FROM  
SIMILAR AND LITTLE STUDIES PERFORMED IN NIGERIA AND  
PERU. TUTHILL

UNCLASSIFIED

Director	
Opty. D.	
Ast. D.D.	<i>[Handwritten mark]</i>
Dpty. D.	<i>[Handwritten mark]</i>
Pol. Off.	
Sec.	

UNCLASSIFIED

*h-p* LGP  
054 5120237-16  
PD-MAD-827

MEMORANDUM OF CONVERSATION

Date: September 5, 1970  
Time: 9:30AM  
Place: IPEA's Office-BEG 29th floor

SUBJECT: The Role of IPEA in FINEP Loan Implementation

PARTICIPANTS: Dr. Marcos Vianna, President/Superintendent, IPEA;  
Messrs. G. Ragnald van Realte, DCCD/USAID;  
Joseph King, CDLS/USAID

*[Handwritten initials]*  
File  
COPIES TO  
Dist  
Cys Rec  
Action

USAID participants and Messrs. WALLIS, BOM; RJBellamy, DDCM;  
DBJensen, ADND; RPalmer, ADOP; WDelbert, ADPR; ANewark, DCCF;  
WStone, PRRO; BSadgan, LGS; BSeiff, LGS; Madson, PRU; WPadgett  
ARPO; PBoies, FEPO; AID/W: IA/OR (2) and Brazil Desk (9)

The meeting was held at our request to discuss FINEP with the new superintendent, Dr. Marcos Vianna.

Dr. van Realte opened the meeting with a brief review of the history and original objectives of the FINEP loan, concluding with our observation that today (only months before the expiration of the loan's reimbursement date) the loan is less than half disbursed, and approximately 50% of the loan remains uncommitted. He indicated that this problem, and the future of FINEP, had been discussed with the previous superintendent of IPEA, Dr. Eduardo José Paris, and that the latter had concurred in the suggestion that IPEA take a more active role in the programming and utilization of FINEP loan funds.

Dr. Vianna expressed his general agreement with this idea, and stated that he, too, was interested in taking FINEP more responsive to the public sector in Brazil. He outlined the plan (described in earlier memoranda) to divide IPEA into two institutes, one of research and the other of planning. The latter will be moved to Brasilia, as will FINEP.

The plan, apparently already approved by Minister Veloso, is for FINEP to become a "steering arm" of IPEA's planning institute thus providing an opportunity for IPEA, through the leverage of FINEP funds, to take an increasingly active role in coordination and planning (which is now rendered more difficult by the fact that the coordinating ministry is on the same level as the ministries to be coordinated). A new department is to be created within IPEA, to be headed by Nilson Holanda of the BNB (if his nomination is approved by Veloso) which hopefully will evaluate plans, programs and projects under consideration by various ministries, by virtue of being able to offer funds to finance feasibility studies or pre-feasibility studies.

The studies thus financed by FINEP would be mostly in the public sector. At the same time, however, Dr. Vianna noted that he is doing everything to encourage the chiefs of his operating divisions (e.g. transportation, agriculture, education) to take the initiative in identifying and "promoting" projects, by bringing together and coordinating agencies concerned in their respective fields. If successful, Dr. Vianna feels this should lead to additional studies in both the private and public sectors.

Dr. Vianna felt that the implementation of the new system, including FINEP, would probably have to await IPEA's move to Brasilia, now scheduled for the first quarter of 1971. He indicated, however, that FINEP, with its functions recast as described above, would continue to exist. He also felt confident that, if the loan terminal date could be extended, the loan funds would find increased utilization. He suggested that he present these plans to A.I.D. as soon as they are definite, in a letter requesting an extension of the terminal date.

A second question discussed concerned the way for an interim arrangement for the review of FINEP projects. Mr. King suggested that this problem might be solved on an interim basis through an accord between FINEP and IPEA which would provide for mutual concurrence in an early analysis of the policy and technical aspects of scopes of work for proposed studies. He indicated that A.I.D. was prepared to accept FINEP's capabilities to staff the other tasks indicated in the Loan Agreement although arrangements would be needed in some areas.

Dr. Vianna stated that he would be in contact with Dr. Burns to discuss this approach. He said that he would call in a week or so or when he was prepared to discuss a means for formalizing the suggested interim procedure with FINEP.

Drafted by:   
 J. A. T. B. van der Vliet, K. S. King, etc.  
 September 3, 1970

MEMORANDUM OF UNDERSTANDING  
THE AGENCY FOR INTERNATIONAL DEVELOPMENT,  
THE DEPARTMENT OF INTERIOR, AND THE DEPARTMENT OF AGRICULTURE

The Agency for International Development (hereinafter referred to as "A.I.D."), pursuant to section 632(b) of the Foreign Assistance Act of 1961, as amended, requests the Department of Agriculture (hereinafter referred to as "USDA") to assist the Department of the Interior (hereinafter referred to as "Interior") by providing skilled agricultural technicians to implement certain requirements of the "Participating Agency Service Agreement" No. LA(IB)04-69, as amended (hereinafter referred to as the "PASA"), entered into on November 20, 1968, between A.I.D. and the Department of the Interior, Bureau of Reclamation (hereinafter referred to as "Bu. Rec.").

USDA agrees, in accordance with the request by A.I.D., to assist Interior by arranging for USDA employees to fill such positions required for the implementation of the PASA as may be mutually agreed upon by USDA, Interior and A.I.D. In carrying out this Memorandum of Understanding the International Agricultural Development Service (hereinafter referred to as "IADS") shall represent USDA and Bu. Rec. shall represent Interior.

The provisions of the General Agreement Between the Department of Agriculture and the Agency for International Development of February 15, 1966, and the Appendices thereto with respect to rights and privileges of USDA employees who are performing services requested by A.I.D. shall be applicable to USDA employees assigned pursuant to this Memorandum of Understanding to fill positions required for the implementation of the PASA. Such USDA employees shall receive the same benefits and treatments as are accorded Bu. Rec. employees assigned to the PASA.

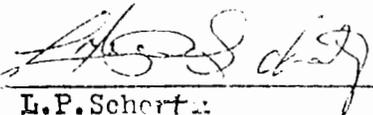
The Bu. Rec. through its Team Leader is responsible to A.I.D. and the Government of Brazil for satisfactory completion of the project. All team members including USDA employees are under the general direction and coordination of the Bu. Rec. Team Leader. USDA employees will, however, receive technical instructions, guidelines and backstopping from the USDA. With respect to project services, official communications on technical, professional, and personnel matters may be direct between the USDA employee and his home office. Copies of such communications affecting the administration and direction of the team effort will be provided by IADS to Bu. Rec. or the Team Leader in Rio. Bu. Rec. will provide IADS with copies of correspondence between the Team Leader and Bu. Rec. when pertinent to agricultural positions or programs.

IADS, Bu. Rec. and A.I.D. shall mutually agree upon annual budgets, and any necessary amendments thereto, for the costs to be incurred in connection

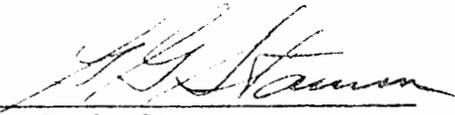
with services and employees made available by USDA to Interior pursuant to this Memorandum of Understanding. USDA will bill A.I.D., through Interior, quarterly for all costs incurred in connection with services and employees so made available and A.I.D. will reimburse USDA through Interior for the costs so billed.

If any party hereto finds it necessary to terminate its obligations hereunder in whole or in part, A.I.D. agrees to reimburse USDA for all costs incurred under this Memorandum of Understanding.

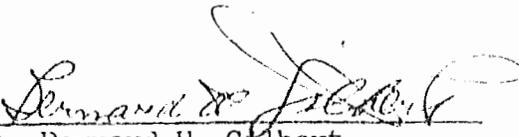
APPROVED FOR:  
Department of Agriculture

Signature:   
Typed Name: L.P. Schertz  
Title: Acting Administrator  
Date: MAR 13 1969

APPROVED FOR:  
Department of Interior  
Bureau of Reclamation

Signature:   
Typed Name: G. G. Stamm  
Title: Asst. Commissioner  
Date: MAR 13 1969

APPROVED FOR:  
Agency for International Development

Signature:   
Typed Name: Bernard H. Gilbert  
Title: LA PASA Operations Officer  
Date: March 12, 1969

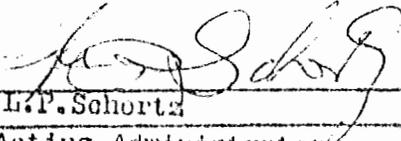
Approval of Department of Agriculture FY 1969 Budget Plan for Subject PASA

SUBJECT: PASA LA(IB)04-69, Amd. 1; Brazil Project 512-22-120-252.6  
Multiple Development of the Sao Francisco River Basin.

As specified in the Memorandum of Understanding dated March 12, 1969, the Agency for International Development, the Bureau of Reclamation (Department of the Interior) and the Department of Agriculture -

Hereby approve the Department of Agriculture Budget Plan for Fiscal Year 1969 for subject PASA, Attachment "A" hereto.

APPROVED FOR:  
Department of Agriculture

Signature:   
Typed Name: L.P. Schertz  
Title: Acting Administrator  
Date: MAR 13 1969

APPROVED FOR:  
Department of Interior  
Bureau of Reclamation

Signature:   
Typed Name: G. G. Stamm  
Title: Asst. Commissioner  
Date: MAR 13 1969

APPROVED FOR:  
Agency for International Development

Signature:   
Typed Name: Bernard H. Gilbert  
Title: LA PASA Operations Officer  
Date: March 12, 1969

Department of Agriculture  
 Budget Plan - Fiscal Year 1969  
 Services Under PASA LA(IB)04-69, Amendment 1, Brazil,  
 Participating Agency Service Agreement with the Department of Interior, Bureau of Reclamation

Position	Class. Grade	FC Grade	Rate	Man Years	Salary	Differ-ential	11 TOTAL	12 Personnel Benefits	21 Int'l.* Travel	22 Transportation of Things	TOTAL
GS											
Agri. Econ. (Prod. Econ.) (To be selected)	-	4/5	19,139	3/12	4,785	-	4,785	375	2,770	2,845	\$10,775
Prod. & Mkt. Econ. (Market. Econ.) (To be selected)	-	4/5	19,139	3/12	4,785	-	4,785	375	2,770	2,845	10,775
Farm Planner (Agronomist) (To be selected)	-	5/5	16,329	3/12	4,085	-	4,085	320	2,770	2,845	10,020
Assistant	13/7	-	17,289	14 wks	5,055	-	5,055	395	3,060	-	8,510
<u>S Support:</u>											
Country Officer) Fred Thompson	14/7	-	20,336	1/12	1,800	-	1,800	140	1,010	-	2,950

E: An additional (Agronomist) Farm Planner is to be recruited by USDA for assignment in FY 1970.

TOTAL	43,030
23 Rent, Communications, Utilities	-
25 Other Services	1,800
26 Supplies and Materials	-
31 Equipment	-

Authorized hereby by the Department of the Interior from the \$129,000 "Contingency Funds" included in the FY 1969 Budget Plan of the BuRec, Appendix "A" of Amendment 1 to this PASA Agr., executed November 20, 1968.

Overhead 15 % 6,725

noted Per Diem: \$5,000

Attachment "A"

GRAND TOTAL \$51,555\*  
 Rounded to \$52,000\*



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL

5720237-18



PD-AAD-827

RUA MELVIN JONES N.º 5 - RIO DE JANEIRO - TEL.: 51-5520

April 19, 1968

FINEP - Financiadora de Estudos de  
Projetos S/A  
Rua Araújo Porto Alegre, 36 - 7º andar  
Rio de Janeiro, GB

Attention: Dr. Francisco Manoel de Mello Franco

Subject: Implementation Letter No. 3  
A.I.D. Loan No. 512-L-054

Gentlemen:

The purpose of this letter is to confirm that FINEP has met all conditions of the loan agreement and implementation letters under the subject Loan with respect to the financing of the State of Bahia Agricultural Credit Supply. The project is entered on our approved list, and eligible cruzeiro costs may be reimbursed up to a limit of the cruzeiro equivalent of \$187,500 (NCR\$600,000 stated in dollars).

You may draw against the cruzeiro revolving fund for disbursements to this project, requesting replenishment of the revolving fund on the usual quarterly basis.

Sincerely yours,

Dwight B. Johnson  
Deputy Asst. Director for  
Capital Development and Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL



RUA MELVIN JONES N.º 5 - RIO DE JANEIRO - TEL: 31-5820

May 13, 1968

FINEP - Financiadora de Estudos  
de Projetos S/A  
Rua Araujo Porto Alegre 36 - 7 and.  
Rio de Janeiro, GB

Attention: Dr. Francisco Manoel de Mello Franco

Subject: A.I.D. Loan No. 512-L-054  
Implementation Letter No. 9

Gentlemen:

We refer to your letter No. 105/68, dated 16 April 1968, and  
to our letter of 9 May 1968 in response thereto.

It is the purpose of this letter to inform you that we are  
processing a release to you of NCr\$830.000, which, in addition  
to funds you have on hand, will cover your authorized cruzeiro  
disbursements through June 30, 1968.

Sincerely yours,

  
Dwight B. Johnson  
Deputy Assistant Director  
for Capital Development & Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL



RUA MELVIN JONES N.º 5 - RIO DE JANEIRO - TEL.: 31-5820

May 20, 1968

FINEP - Financiadora de Estudos de Projetos S.A.  
Rua Araújo Porto Alegre, 36 - 7º andar  
Rio de Janeiro, GB

Attention: Mr. Francisco Manoel de Mello Franco

Subject: Implementation Letter No. 10  
Rio-Niterói Crossing Study

Gentlemen:

It is the purpose of this letter to correct an omission in our records of the Rio-Niterói Crossing Study.

The scope of work, sub-loan agreement, and consultant contract, were approved by previous correspondence. However, the formal Implementation Letter of approval was not issued. This letter confirms the approval of the Rio-Niterói Crossing Study to a value of \$410,000 and the cruzeiro equivalent of \$310,000 (NCr\$337,000).

Sincerely yours,

Dwight B. Johnson  
Deputy Assistance Director for  
Capital Development and Industry



054 Desk officer

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL  
USAID/BRASIL



RUA MELVIN JONES N.º 5 - RIO DE JANEIRO - TEL.: 31-5920

May 16, 1968

FINEP - Financiadora de Estudos de Projetos S.A.  
Avda. Araújo Porto Alegre, 36 - 7º andar  
Rio de Janeiro, GB

Attention: Mr. Francisco Manoel de Mello Franco

Subject: Implementation Letter No. 11  
A.I.D. Loan No. 512-L-054  
São Paulo City Master Plan

Gentlemen:

We have received from FINEP in fulfillment of requirements for approval of the São Paulo City Master Plan study the following documents:

- a. Sub-Loan Agreement between FINEP and the Prefeitura of the Municipality of São Paulo  
3 copies of the original Portuguese document  
3 copies of the English translation
- b. Contract for consulting services between the Prefeitura of the Municipality of São Paulo and the joint-venture consisting of ASPLAN, Montor, Leo Daly Co. and Wilbur Smith and Associates.  
3 copies of the original Portuguese document  
3 copies of the English translation
- c. The certificate of FINEP's technical advisor, BNDE, dated March 3, 1968 in conformance with the requirement of Implementation Letter No. 4.

The above documents are herewith approved on the condition that the Sub-Loan Agreement between FINEP and the Prefeitura be amended to include the following language:

"The consultant contract between the Prefeitura of São Paulo and the ASPLAN/Montor/Leo Daly Co./Wilbur Smith & Associates joint-venture, which is financed by the proceeds of this agreement, shall not be assigned or sub-contracted in part or in whole nor shall it be modified or changed without the prior approval of FINEP and USAID".

/...

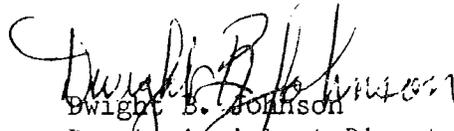
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Subject to the above condition, the São Paulo City Master Plan study is approved for financing under Loan 512-L-054 to a total of \$878,807.00 and a cruzeiro equivalent of \$926,950.45 (NCR\$2,966,241.46 expressed in dollars).

Dollars will be disbursed under the letter of commitment procedure and cruzeiros under the special letter of commitment procedure currently in effect.

Disbursements may be made by FINEP to the Prefeitura of São Paulo immediately upon transmittal to USAID of the above mentioned sub-loan agreement amendment.

Sincerely yours,

  
Dwight B. Johnson  
Deputy Assistant Director for  
Capital Development and Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL



RUA MELVIN JONES N.º 5 - RIO DE JANEIRO - TEL.: 31-5820

May 23, 1968

FINEP - Financiadora de Estudos  
de Projetos S/A  
Rua Araujo Porto Alegre 36 - 7 and.  
Rio de Janeiro, GB

Attention: Dr. Francisco Manoel de Mello Franco

Subject: AID Loan No. 512-L-054  
Implementation Letter No. 12

Gentlemen:

In accordance with our recent discussions and exchange of correspondence, the procedure for transferring cruzeiros to FINEP under the subject loan will be changed to a system whereby USAID will transfer funds to FINEP monthly against a quarterly forecast of FINEP monthly cruzeiro requirements. Before the 20th of the month preceding each calendar quarter, FINEP is requested to submit to the Office of Engineering and Natural Resources, USAID/Brazil, an estimate of cruzeiro requirements for the calendar quarter broken down by month. USAID/Controller will then initiate action at the beginning of each month to transfer that month's requirements to the FINEP account, unless otherwise notified by FINEP.

The quarterly estimate of cruzeiro requirements should be submitted in the form of a letter requesting that USAID transfer cruzeiros to FINEP in accordance with the schedule presented for the quarter.

As indicated in Implementation Letter No. 9, FINEP cruzeiro requirements through June 30, 1968 are already being processed. Your first quarterly estimate should be submitted for the 3rd calendar quarter of 1968 no later than June 18.

Sincerely yours,

  
Dwight B. Johnson

Deputy Assistant Director  
for Capital Development & Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL



RUA MELVIN JONES N.º 5 - RIO DE JANEIRO - TEL.: 31-5820

May 23, 1968

FINEP - Financiadora de Estudos  
de Projetos S/A  
Av. Araujo Porto Alegre 36 - 7 and.  
Rio de Janeiro, GB

Attention: Dr. Francisco Manoel de Mello Franco

Subject: Imp'ementation Letter No. 13  
AID Loan No. 512-L-054  
Taquari Basin Development Plan

Gentlemen:

We have received from FINEP in fulfillment of requirements for approval of the Taquari Basin Development Plan study the following documents:

- a) Sub-Loan Agreement between FINEP and the State of Rio Grande do Sul:
  - 3 copies of the original Portuguese document
  - 3 copies of the English translation
- b) Contract for consulting services between the State of Rio Grande do Sul and the joint-venture consisting of ASPLAN/Montor/Consortio Nacional de Engenheiros e Consultores/Parsons, Brinckerhoff, Quade & Douglas.
  - 3 copies of the original Portuguese document
  - 3 copies of the English translation
- c) The certificate of FINEP's technical advisor, BNDE, dated 7 May 1968, in conformance with the requirement of Implementation Letter no. 4.

The above documents are hereby approved on the condition that the Sub-Loan Agreement between FINEP and the State of Rio Grande do Sul be amended to include the following language:

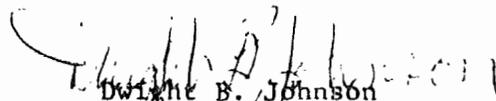
"The consultant contract between the State of Rio Grande do Sul and the ASPLAN/Montor/Consortio Nacional de Engenheiros e Consultores/Parsons, Brinckerhoff, Quade & Douglas joint-venture, shall not be assigned or sub-contracted in part or in whole nor shall it be modified or changed without the prior approval of FINEP and USAID".

Subject to the above condition, the Taquari Basin Development Plan study is approved for financing under Loan 512-L-054 to a total of US\$1,010,848., of which US\$132,280. shall be applied as dollar payments and the cruzeiro equivalent of US\$878,568. (NCr\$2.811.417) shall be applied as cruzeiro payments.

Dollars will be disbursed under the letter of commitment procedure, and cruzeiros under the special letter of credit procedure currently in effect.

Disbursement of cruzeiros may be made by FINEP to the State of Rio Grande do Sul and FINEP may request the opening of a letter of commitment for dollar payments immediately upon transmittal to USAID of the above mentioned sub-loan agreement amendment.

Sincerely yours,



Dwight B. Johnson  
Deputy Assistant Director  
for Capital Development & Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL



RUA MELVIN JONES N.º 5 - RIO DE JANEIRO - TEL : 31-5920

June 25, 1968

FINEP - Financiadora de Estudos  
de Projetos S/A  
Av. Araujo Porto Alegre 36 - 7º  
Rio de Janeiro, GB

Attention: Dr. Francisco Manoel de Mello Franco

Subject: Implementation Letter No.14  
AID Loan No. 512-L-054  
SUVALE Project

Gentlemen:

Reference is made to the Repass Agreement dated May 20, 1968 between FINEP and SUVALE and the Project Agreement dated May 20, 1968 signed by USAID, SUDENE, and SUVALE, which cover the project known as Multiple Development of the São Francisco River Basin - Studies for Integrated Area Development or, more simply, SUVALE Project.

In order that the costs of U.S. technicians, services, and equipment for this project can be financed from the above-referenced AID loan to FINEP, it is necessary to extend the Terminal Dates for Commitments and Disbursements as described in Section 4.4 of the Loan Agreement. Accordingly, these Terminal Dates are extended, respectively, to June 30, 1972 and December 31, 1972 with the understanding that these extensions apply only to the SUVALE Project.

Sincerely yours,

Dwight B. Johnson  
Deputy Assistant Director for  
Capital Development and Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL



RUA MELVIL JONES N.º 6 - RIO DE JANEIRO - TEL.: 91-5520

June 28, 1968

FINEP - Financiamento de Estudos de  
Projetos S/A  
Rua Araujo Porto Alegre, 36 - 7. andar  
Rio de Janeiro, GB

Attention: Dr. Francisco Manoel de Mello Franco

Subject: A.I.D. Loan No. 512-L-054  
FINEP/BAHINT Contract  
Implementation Letter No.15

Gentlemen:

We acknowledge receipt of your letter of February 22, 1968 concerning the payment of \$24,000 to Booz-Allen & Hamilton International, Inc. under their contract with FINEP dated May 17, 1966. We are also in receipt of a copy of the letter dated March 7, 1968 addressed to you by Mr. William Williams of Booz-Allen.

In previous correspondence we notified you that only part of the Booz-Allen study would be eligible for A.I.D. financing, namely:

- a. Objectives and Scope of the Project
- b. Summary Review of Pertinent Data
- c. Approach and Expected Results

Mr. Williams' letter indicates that the original estimate for the project contains \$22,000 for these sections, and \$2,000 for the remaining sections.

It is the purpose of this Implementation Letter to approve the Booz-Allen & Hamilton International, Inc. contract for financing up to a sum of \$22,000 from loan funds.

Sincerely yours,

*Dwight B. Johnson*  
Dwight B. Johnson  
Deputy Assistant Director for  
Capital Development and Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL



RUA MELVIN JONES Nº 5 RIO DE JANEIRO -- TEL.: 31-5820

January 8, 1970

Dr. John R. Cotrim, President  
Central Elétrica de Furnas S. A.  
Rua São José, 90 - 3º  
Rio de Janeiro, Gb.

Subject: A.I.D. Loan No. 512-L-066  
Additional Project Equipment  
Implementation Letter No. 15

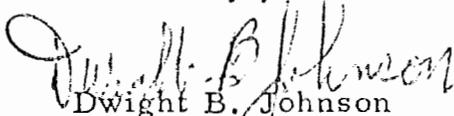
Dear Dr. Cotrim:

The purpose of this letter is to authorize the inclusion of construction type equipment in the subject project. In compliance with Section 1.2 of the Loan Agreement you are authorized to procure with loan funds the following equipment:

- a. One 100 Ton Truck Crane with a 200 Ft. Boom .
- b. Two 12.5 to 15 Ton Hydraulic Cranes (Cherry Pickers) .
- c. Three 600 cfm 125 psi Air Compressors .
- d. One Two Drum Hoist for raising Boiler Drums and other Heavy Lifts.
- e. Special Blocks and related rigging equipment.
- f. One Set of 4 Hydraulic Jacks 100 Tons capacity.
- g. One lot misc. small tools, Welding and Stress relieving equipment.

The total cost of this equipment including freight and insurance is not to exceed \$184,000.

Sincerely yours,

  
Dwight B. Johnson

Assistant Director for  
Capital Development and Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL



USAID/BRASIL

RUA MELVIN JONES Nº 5 - RIO DE JANEIRO - TEL.: 31-5820

January 24, 1969

FINEP - Financiamento de Estudos de Projetos S.A.  
Rua Araujo Porto Alegre 37 - 7º andar  
Rio de Janeiro, GB

Attention: Dr. Francisco Manoel de Mello Franco

Subject: A.I.D. Loan No. 512-L-054  
Implementation Letter No. 16  
Quarterly Progress Reports

Gentlemen:

Based on the experience derived over the past two years from monitoring the development and implementation of sub-project studies financed under the subject loan, USAID has become increasingly convinced of the need for more extensive information at regular intervals on the status of the work being performed under the various sub-projects. Such information would complement the financial data which is contained in your present Quarterly Summary Statement and would provide a more complete picture of the actual implementation of on-going activities.

Therefore, pursuant to Section 7.7(d) of the Loan Agreement, it is requested that FINEP provide A.I.D. with a Quarterly Report on Progress as described below. This new report should incorporate the requirements of Section IV-B of Implementation Letter No. 2, dated December 1, 1966, and should provide the following information on the progress of the sub-projects, and on the overall FINEP program:

- (a) A brief narrative evaluation of the status of each A.I.D.-financed sub-project, indicating whether the sub-project is on or behind schedule based on the implementation plan. If substantially behind schedule, describe the extent, the cause or causes and steps being taken to bring it back on schedule.
- (b) A list of the sub-project studies accepted by FINEP as satisfactory during the report period, and a list of those studies which have led to actual project investments (e.g., the Rio-Niteroi Bridge loan based on the FINEP feasibility study). While our primary concern is with studies financed under the A.I.D. loan, we are also interested in knowing of project investments resulting from studies financed from the IDB loan or FINEP's own resources.

/...

(c) A summary description of new loans and grants made during the reporting period, indicating the amount, the purpose, the beneficiary, the source of financing, and the terms; and a list of prospective studies either under consideration or negotiation.

(d) Any changes or new developments in the general activities of FINEP which may have occurred since the previous report, and any actions which may affect the status and/or the operations of FINEP, e.g., new laws or decrees, internal organizational changes, new financing planned or obtained, changes in loan policy proposed or effected, and similar items.

In your first Quarterly Progress Report you are requested to cover the period from the inception of each sub-project through March 31, 1969, for all active A.I.D.-financed sub-projects.

This Report, in three copies, together with the Quarterly Summary Statements should be mailed or delivered to the USAID Office of Engineering and Natural Resources by April 30, 1969. Quarterly Progress Reports and Summary Statements covering subsequent calendar quarters should be submitted within 30 days of the close of the reporting period.

In order to provide USAID with a better understanding of the operation of FINEP, please include in your first Progress Report a description of FINEP's current organization, its policies, and terms and criteria for sub-project financing. If any of the above information is included in existing decrees, pamphlets or similar forms, inclusion of such material with the Report will be satisfactory.

Please feel free to call on this Office or the Office of Engineering and Natural Resources if we can be of assistance or provide any additional information.

Sincerely yours,



L. V. Perez

Assistant Director for  
Capital Development and Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL

RUA MELVIN JONES N.º 5 - RIO DE JANEIRO - TEL.: 31-5820

LGR-054

Director	
Deputy Director	
Chief of Mission	
Administrative Officer	
Public Affairs Officer	
Technical Officer	
Accounting Officer	
Records Officer	
Security Officer	
Telephone Room	
Mail Room	
Receptionist	

Copy  
Rec'd  
Action

March 10, 1969

FINEP - Financiadora de Estudos de  
Projetos S.A.  
Rua Araújo Porto Alegre, 36 - 7º andar  
Rio de Janeiro, GB

Attention: Dr. Francisco Manoel de Mello Franco

Subject: A.I.D. Loan Nº 512-1-054  
Implementation Letter Nº 17  
Annual Financial Report

Gentlemen:

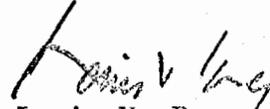
The purpose of this letter is to amend Section IV. C, Financial Reports, of Implementation Letter Nº 2, dated December 1, 1966, so as to reconcile financial reporting requirements with your change in legal status from a Fund to a public corporation, FINEP S.A., linked to the Ministry of Planning.

Since the annual financial report of FINEP S.A. is submitted to and audited by the appropriate authorities within the Ministry of Planning, the section of Implementation Letter Nº 2 providing for the auditing of the FINEP financial statements submitted to A.I.D. by an independent public accounting firm is no longer in effect. Moreover, as FINEP S.A. is not a revenue-producing entity, the preparation of a Profit and Loss Statement and an Analysis of Retained Earning is not applicable, and this requirement is hereby eliminated. Hereafter, it will be satisfactory to provide us with three copies of the annual balance sheet which is formally submitted to the Ministry of Planning.

Please inform us of the report year or other period used by you to present your financial position to the Ministry, and how soon thereafter we may expect to receive our copies.

If you have any questions regarding this change in reporting,  
please feel free to call on this office for further information.

Sincerely yours,

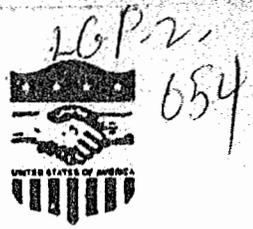


Louis V. Perez  
Assistant Director for  
Capital Development and Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL



RUA MELVIN JONES N.º 5 - RIO DE JANEIRO - TEL.: 31-5920

April 14, 1969

FINEP - Financiadora de Estudos de  
Projetos S.A.  
Rua Araujo Porto Alegre, 36 - 7º andar  
Rio de Janeiro, GB

Attention: Dr. Francisco Manoel de Mello Franco

Subject: A.I.D. Loan No. 512-L-054  
Reimbursement Procedures  
Implementation Letter No. 18

Gentlemen:

The purpose of this letter is to confirm the agreement between A.I.D. and FINEP regarding the procedures to be followed for A.I.D. reimbursement of payments made by FINEP under approved sub-project contracts. Paragraph III.B.2 of Implementation Letter No. 2 is amended to provide for the use of a "variable revolving fund" from which FINEP shall make disbursements for A.I.D. approved sub-projects. The provisions contained in previous Implementation Letters on this subject, specifically paragraph 5 of Implementation Letter No. 6, Implementation Letter No. 9, and Implementation Letter No. 12, are hereby cancelled.

The intent of the "variable revolving fund" is to enable FINEP to make payments to sub-projects in a timely manner and at the same time attempt to keep a minimum cash balance "on hand". The "variable revolving fund" provides FINEP with this flexibility. Attachment C-1 to Implementation Letter No. 2 is revised to reflect the above changes and is attached to this Implementation Letter. The attachment, in addition to providing reporting information on sub-project disbursements, provides for upward or downward adjustments to the revolving fund and indicates the current status (amount) of the revolving fund and cash balance. Because of the time required to obtain cruzeiros under the Special Letter of Credit procedure, we suggest that FINEP submit requests for reimbursements to A.I.D. whenever the cash balance in the fund reaches a level which, in FINEP's judgement, would only be sufficient to cover projected disbursements over a succeeding five to six week period.

Each letter request should include a brief explanation about how the amount being requested was determined, taking into consideration projected disbursements, timing, etc. We also suggest that the total amount of the revolving fund not exceed a three month FINEP estimate of sub-project disbursements.

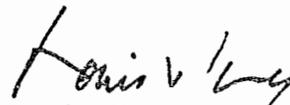
As agreed, FINEP will continue to provide A.I.D. with quarterly forecasts of estimated disbursements by month. However, it is noted that this forecast is no longer to be used as a basis for A.I.D. reimbursement, but rather will serve primarily as a baseline for estimating future cruzeiro requirements.

Both the request for reimbursement and the quarterly forecast should be mailed or delivered, in three copies, to the USAID Office of Engineering and Natural Resources.

If you have any questions regarding the procedures described above or the revised reimbursement request form, please feel free to call on us for further information.

With reference to Implementation Letter No. 16, dated January 24, 1969, please make the following correction at the end of the third line of paragraph two: "Section IV-B" should read "Section VI-B".

Sincerely yours,



Louis V. Perez

Assistant Director for  
Capital Development and Industry

Encl. a/s

SUMMARY CLAIM FOR REIMBURSEMENT - F I N E P .

ATTACHMENT C-1 (revised)

A.I.D. Loan No. 512-L-054

Payment Request No. \_\_\_\_\_

Period covered: From \_\_\_\_\_ to \_\_\_\_\_

Pursuant to A.I.D. Loan No. \_\_\_\_\_, dated \_\_\_\_\_, between the Agency for International Development and the undersigned the undersigned hereby submits documentation in support of this request for reimbursement for the following items:

(1) Implementation Letter No. (See Note No.1)	(2) Contract No. and Name	(3) Total Amount to be Financed by AID	(4) Total Amount of Previous Payments	(5) Payments made this period (See Note No.2)	(6) Balance (Col.3 less Cols. 4 & 5)
--	---------------------------------	--	---	--	--

STATUS OF REVOLVING FUND

This Request No. _____	NCr\$ _____	TOTAL payments made this period	NCr\$ _____
Cash on Hand:		<u>Less</u> payments made but not requested in order to reduce revolving fund	NCr\$ _____
Balance beginning of period _____		OR	
Add AID reimb. during period _____		<u>Plus</u> increase in revolving fund to cover additional estimated future payments (Specify)	NCr\$ _____
Less FINEP payments during period _____	NCr\$ _____	TOTAL requested from AID this period	NCr\$ _____
Bal. end of period (See Note No.3)			
TOTAL REVOLVING FUND (See Note No.4)	NCr\$ _____		

- NOTES: 1. Indicate the USAID Implementation Letter No. which approved contract as being eligible for AID loan financing.  
 2. Column (5) should be itemized on a supporting schedule identifying the individual payments, dates and applicable FINEP accounting references.  
 3. Cash on Hand should approximate not less than a 5-6 week requirement due to the lead-time necessary to obtain cruzeiros under the SLC procedure.  
 4. Total revolving fund should not exceed three months estimated requirements.

The commodities or services for which payment is being requested have been received and used for the purposes specified in the Loan Agreement, they are appropriate for such purposes, and the costs and terms of purchase thereof are reasonable and consistent with the provisions of the above specified Loan Agreement and the Implementation Letters issued to-date pursuant to said Loan Agreement.

Very truly yours,

\_\_\_\_\_  
 (Borrower or Representative)  
 (type name below signature)



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL  
USAID/BRASIL



RUA MELVIN JONES N.º 5 - RIO DE JANEIRO - TEL.: 31-5820

June 23, 1969

Mr. Joaquim Francisco de Carvalho  
General Secretary  
FINEP - Financiadora de Estudos de Projetos S/A  
Rua Araujo Porto Alegre 35 - 7º and.  
Rio de Janeiro, GB

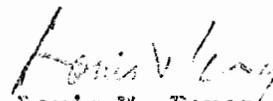
Subject: A.I.D. Loan No. 514-I-074  
Implementation Letter No. 19

Dear Mr. Carvalho:

We acknowledge receipt of your letter dated June 11, 1969, submitting documentation relating to conditions set forth in the Amendatory Agreement dated May 20, 1969.

The documents are in order, and satisfy the conditions precedent set forth in Article III of the Amendatory Agreement. We thank you for your excellent cooperation.

Sincerely yours,

  
Louis V. Perez

Assistant Director for  
Capital Development and Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL  
USAID/BRASIL



ROA MELVIN JONES N.º 5. RIO DE JANEIRO - TEL.: 31-5820

June 25, 1969

FINEP - Financiadora de Estudos de  
Projetos S.A.  
Rua Araújo Pôrto Alegre, 36 - 7º  
Rio de Janeiro, GB

Attention: Dr. Francisco Manoel de Mello Franco

Subject: A.I.D. Loan N° 512-L-054  
Implementation Letter N° 20  
Terminal Dates for Commitments

Gentlemen:

We have received your June 11th request to extend by six months the respective June 30, 1969 and December 31, 1969 terminal dates for commitments and disbursements under the above-referenced loan. Such an extension would have to be based on firm requests to FINEP for specific feasibility studies or other projects suitable for financing from the balance available under the A.I.D. loan.

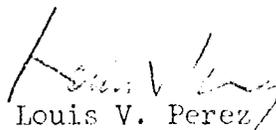
In this connection, I would point out that your Quarterly Report for the period ending March 31, 1969 indicated no new projects under consideration for financing from the A.I.D. loan. Also, the last project commitment under the A.I.D. loan (SUVALE) was made more than 12 months ago. Nevertheless, in view of the proximity of the terminal date for commitments, and in order that you may have additional time to prepare the type of justification necessary for the extension requested, A.I.D. hereby extends the terminal date for commitments from June 30, 1969 to July 31, 1969.

Prior to the expiration of this new terminal date, please provide us with the following information regarding those project proposals for which you wish to reserve funds available under the A.I.D. loan:

- ..(1) description of proposed activity and name of proposed sub-borrower;
- (2) date of formal request for financing from FINEP;
- (3) estimate of total cost and amount of financing requested;
- (4) estimate of probable date of execution of sub-loan agreement; and
- (5) explanation why project cannot be financed from balance available under IDB loan to FINEP, or from FINEP's own funds.

As you know, the terminal dates for commitments and disbursements for the SUVALE Project and the terminal date for disbursement for the Meteorological Project have previously been extended to June 30, 1972, December 31, 1972, and July 31, 1973, respectively.

Sincerely yours,



Louis V. Perez/  
Assistant Director for  
Capital Development and Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/B R A S I L



RUA MELVIN JONES N.º 5 - RIO DE JANEIRO - TEL.: 31-5920

August 26, 1969

FINEP - Financiadora de Estudos de  
Projetos S.A.  
Rua Araújo Porto Alegre, 36 - 7º  
Rio de Janeiro, GB

Attention: Dr. Francisco Manoel de Mello Franco

Subject: A.I.D. Loan Nº 512-L-054  
Implementation Letter Nº 21  
Terminal Date for Commitments

Gentlemen:

I am pleased to acknowledge receipt of your letter of July 23, 1969 listing the proposed studies for which you wish to reserve funds from the approximately \$1.98 million balance available under the subject Loan and requesting extension of original terminal dates for commitments and disbursements by six months, respectively. In order to have additional time to examine your request, A.I.D. hereby extends, on an interim basis, the terminal date for commitments to September 30, 1969.

Upon expiration of the terminal date for commitment of funds under an A.I.D. loan we are normally expected to deobligate the uncommitted balance and return these funds to the U.S. Treasury, unless a satisfactory justification for extension of the terminal date can be made. For this reason, for us to consider your above-mentioned extension request, we will need the following information:

- (1) Status report on availability of funds for new commitments from the BID Loan and from FINEP's own resources and the projected use of such funds through December 30, 1969; and

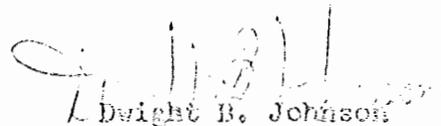
- (2) Estimate of the probable date of execution of the respective sub-loan or grant agreements for each of the studies for which FINEP wishes to reserve A.I.D. funds.

The above information was previously requested in Implementation Letter N° 20.

With respect to your request to replace the role of BNDE in project review and analysis with FINEP's own technical staff, we would need more information concerning why BNDE cannot perform this responsibility in a timely manner plus evidence that FINEP has sufficient personnel with appropriate training and experience to replace BNDE without prejudice to project analysis and monitoring.

With respect to your August 5, 1969 letter-request to Minister Ellis regarding the financing of the first phase of an IPEA regional development study of the Zona da Mata in the state of Minas Gerais, this project would be eligible for financing provided a satisfactory justification for the extension of the terminal date for commitment can be made.

Sincerely yours,



Dwight B. Johnson  
Assistant Director for  
Capital Development and Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL



USAID/BRASIL

RUA MELVIN JONES Nº 5 - RIO DE JANEIRO - TEL.: 31-5920

July 6, 1970

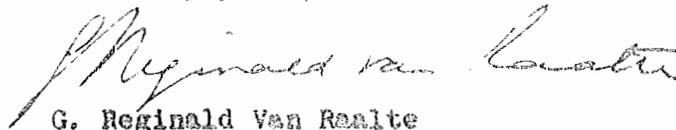
Engº Ronaldo Matthiesen Monteiro  
Superintendent, SURSAN  
Rua Fonseca Teles, 121-16º  
Rio de Janeiro, GB.

Subject: A.I.D. Loan Nº 512-L-057  
Implementation Letter No. 22

Dear Dr. Monteiro,

In response to your letter of May 25, 1970, requesting an extension of the terminal date for commitments under the above referenced loan, we are pleased to advise you that this terminal date is hereby extended to September 30, 1970 to provide you with additional time to execute the pending contract for telecommunications equipment. The terminal date for disbursements of December 31, 1970, however, remains unchanged.

Sincerely yours,



G. Reginald Van Raalte  
Deputy Assistant Director for  
Capital Development and Industry





UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL



USAID/B R A S I L

RUA MELVIM JONES N.º 5 - RIO DE JANEIRO - TEL.: 31-5820

January 14, 1970

Dr. Francisco Manoel de Mello Franco  
FINEP - Financiadora de Estudos de Projetos S/A  
Rua Araújo Porto Alegre, 36 - 7º andar  
Rio de Janeiro, CB

Subject: A.I.D. Loan No. 512-L-054  
Terminal Date for Commitments  
Implementation Letter No. 23

Dear Dr. Mello Franco:

I refer to your letter dated September 29, 1969 (C.DNF/517/69) requesting an extension of the subject terminal date. We regret the delay in our reply, which was due to our desire to complete the routine audit and internal review of the loan which was then in process. This review, which has now been completed, resulted in the following two principal findings and recommendations:

The first is the auditors' finding that FINEP will have cruzeiro resources at its disposal from repayments and budgetary appropriations totalling approximately 10x\$12.5 million through 1970. These FINEP resources, added to the resources of the IDB and A.I.D. loan, would exceed by a substantial margin the needs reflected in the list of projects submitted with your letter dated July 23, 1969 (C.DNF/308/69). Under these circumstances, particularly the apparent availability from FINEP and other sources of cruzeiro resources, it becomes difficult to justify the continued conversion of loan funds to finance the cruzeiro costs of feasibility studies. In accordance with the auditors' recommendation, therefore, we believe the loan funds should henceforth be restricted to dollar cost financing, with the cruzeiro costs being financed from FINEP's own resources until such funds are insufficient to meet the needs. At that point in time, conversion of loan dollars could once again be used to provide the necessary cruzeiro funds. A.I.D. dollar conversions will also remain available for special cases in which local cost financing from FINEP or other sources cannot be used, due to FINEP statutory restrictions or for other reasons.

Since your request for the approval of the Minas Gerais Zona da Mata Regional Development Study predates this letter, and we granted conditioned approval in our letter of August 26, 1969, and since

we understand the projected study has been presented to the Monetary Council as being eligible for A.I.D. financing, we hereby approve that study for A.I.D. loan financing, including local costs.

For the same reason, we approve your request No. 16, dated November 13, 1969, for reimbursement of ECR\$793,655, representing disbursements made from the FINEP fund pursuant to commitments made prior to the date of this letter.

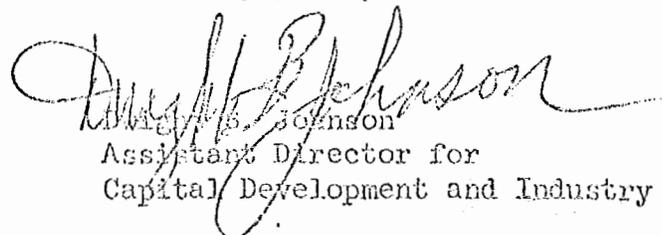
We also acknowledge receipt of your letter dated November 4, 1969 (G.DET/378/69) submitting for approval a request from the "Secretaria de Estado dos Negocios dos Transportes de São Paulo" for financing of a study to be performed by Wier, Dick & Co. and Montor-Montreal Organização Industrial e Econômica S/A. In line with the foregoing conditions, we hereby approve this study for purposes of A.I.D. loan financing of the dollars costs of the study in the estimated amount of \$118,154.

The second conclusion from our review of this loan was that the rate of disbursement of the A.I.D. loan funds (and perhaps also of IDB loan funds) has been slower than was expected at the time of the loan was authorized. Unquestionably, this is due in part to the reasons cited in your letter dated September 29 (C.DET/317/69). We feel, however, that the list of projects submitted to us does not represent the full need for resources to finance feasibility studies. Unquestionably there are additional projects in both the private and public sectors which might be realized if the necessary feasibility studies could be financed, and I am sure you share our desire to make every effort to identify such projects.

In the light of the foregoing considerations, we are prepared to extend the terminal date for commitments until December 31, 1970 on the understanding that (1) commitments of A.I.D. loan funds will be made to finance the dollar cost component of the feasibility studies only, and (2) FINEP will study means of promoting the increased use of its own and loan resources to finance feasibility studies. As one possible means of doing so, we call your attention to Mr. Merton Vogel's letter of March 30, 1968, in which he suggested that the granting of FINEP's resources to federal government agencies might result in their accelerated use to attain national development objectives. Prior to the expiration of the terminal date as extended (December 31, 1970) A.I.D. will reappraise the utilization of loan funds, with a view to determine whether any funds not committed at that time should be deobligated.

As always, I am at your disposal to discuss this project.

Sincerely yours,

  
Dwight S. Johnson  
Assistant Director for  
Capital Development and Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL



USAID/BRASIL

ROA MELVIN JONES N.º 5 - RIO DE JANEIRO - TEL.: 31-5920

April 14, 1970

Dr. Joaquim Francisco de Carvalho  
Secretary General  
FINEP - Financiamento de Estudos de Projetos S/A  
Rua Araújo Porto Alegre, 36 - 7º andar  
Rio de Janeiro, CB

Subject: A.I.D. Loan N° 512-L-054  
Implementation Letter N° 24

Dear Dr. Carvalho:

In response to your letter of December 19, 1969, USAID has in recent weeks concluded a review of the FINEP loan, which included discussions with you and with IPBA concerning possible improvements in loan fund utilization.

As a result of this review, it is our opinion that the active participation of IPBA in the project would provide solutions to a number of difficulties faced in the past, including those cited in your letter of July 23, 1969 concerning the role of BNDE. We believe that IPBA could perform the following functions in connection with this project.

First, IPBA could assume the role of technical advisor, previously delegated to BNDE. As such, IPBA would be delegated the functions of approving feasibility study proposals submitted to FINEP as against the criteria set forth in the A.I.D. loan agreement, sections 1.2(a)(i)(iv); 6.1 and 6.2. As provided in these sections, A.I.D. review of the scope of work, cost estimates, executing agency and in some cases, of the contract terms and conditions, will still be required in the specified cases.

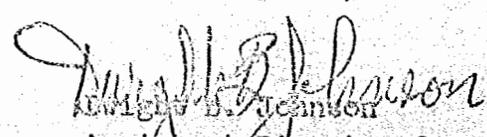
Secondly, IPBA could be requested to take the initiative in proposing to FINEP program and project studies which may be considered necessary

to implement Brazilian development plans and programs. As provided in the loan agreement, projects proposed by IPEA could be submitted for either loan or grant financing, to either public or private entities in Brazil. Such projects would of course have to conform to the criteria set forth in §1.2(a) of the loan agreement. At the same time, FINEP would continue its promotional efforts so as to encourage development banking and other private or public institutions to submit proposals for economic or engineering studies to FINEP, as contemplated in §1.2 of the loan agreement. All such proposals, after obtaining the IPEA and, when appropriate, USAID approval would be eligible for financing from the loan funds. In all cases, IPEA would provide the certificate of the "technical advisor" referred to in Implementation Letter N° 4. As stated in Implementation Letter N° 23 only foreign exchange costs would be charged against the loan, until FINEP's cruzeiro funds are exhausted at which time USAID would entertain a request to provide cruzeiro funding under the loan as may be required.

Thirdly, pursuant to Section 1.2(b) of the loan agreement, technical assistance could be provided to IPEA in accordance with its requirements. Based on our discussions with IPEA such assistance could include long-term services of professionals to assist in project development and evaluation, short term assistance to evaluate projects requiring special expertise, and training in the U.S., as may be required, for members of IPEA's project department. As provided in §6.2(e) and 6.3 of the loan agreement, USAID would review the details of the IPEA proposals for such technical assistance. It is our opinion that the direct procurement of U.S. technicians for this purpose assuming Brazilian law so allows, would require a modification of Section 5.2 of the loan agreement.

If you agree that the foregoing will accelerate the use of the A.I.D. loan funds as originally intended, we suggest that you initiate discussions with IPEA to develop the organizational and procedural details for such cooperation including a proposal from IPEA for technical assistance; and that USAID be given opportunity to review such specific details in the very near future.

Sincerely yours,



Dwight B. Johnson  
 Assistant Director for  
 Capital Development and Industry

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL



USAID/BRASIL

RUA MELVIN JONES N.º 5 • RIO DE JANEIRO - TEL.: 31-5820

May 19, 1970

Francisco Manoel de Mello Franco  
F.P. - Financiadora de Estudos de Projetos S.A.  
Araújo Porto Alegre, 36 - 7º andar  
Rio de Janeiro, GB

Subject: A.I.D. Loan N° 512-L-054  
Terminal Date for Disbursements  
Implementation Letter N° 25

Dr. Mello Franco:

Refer to your letter dated January 28, 1970 (C.DCF/014/70) requesting authorization to include payment of bank interest and commission charges Letters of Commitments Nos. 512-L-05408, 512-L-05412 and 512-L-05413. In order to make these payments, we are requesting our Washington Office and the Controller by copy of this letter to process an extension of the expiration date of referenced Letters of Commitments to July 30, 1970.

Sincerely yours,

Dwight B. Johnson  
Assistant Director for  
Capital Development and Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL

RUA MELVIN JONES Nº 5 - RIO DE JANEIRO - TEL.: 31-5820

*S. P. Schwab* LCP  
*file*  
AUG 13 1970

Dr. Francisco Manoel de Mello Franco  
FINEP - Financiadora de Estudos de Projetos S.A.  
Rua Araújo Pôrto Alegre, 36 - 7º andar  
Rio de Janeiro, GB

Subject: A.I.D. Loan Nº 512-L-054  
Implementation Letter Nº 26

Dear Dr. Mello Franco:

I refer to your letter (C.DOF/209/70) dated July 30, 1970 concerning our Letters of Commitment Nº 512-L-05412 and Nº 512-L-05413.

By copy of this letter, I am requesting our Office of the Controller to initiate processing of an amendment increasing L/COM 512-L-05413 by \$849.67 and extending it to September 30, 1970 in connection with the payment of banking charges.

It is my understanding that L/COM 512-L-05412 will no longer require a similar amendment.

Sincerely yours,

*Dwight H. Johnson*  
Dwight H. Johnson

Assistant Director for  
Capital Development and Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL  
USAID/BRASIL



RUA MELVIN JONES N.º 5 RIO DE JANEIRO . TEL . 231-5820

December 21, 1970

Dr. Joaquim Francisco de Carvalho  
Secretary General  
FINEP - Financiadora de Estudos de Projetos S.A.  
Rua Araújo Pôrto Alegre, 36 - 7º andar  
Rio de Janeiro, GB

Subject: A.I.D. Loan N° 512-L-054  
Implementation Letter N° 27

Dear Dr. Carvalho:

In reference to your letter (C.DET/371/70) dated November 24, 1970, concerning a planning and feasibility study for Serviço Federal de Processamento de Dados - SERPRO, we are pleased to provide our approval of this study for financing under Loan N° 512-L-054, subject to the conditions stated below.

Our approval is limited to the dollar cost of the study, \$98,540.00. Prior to disbursement for this study we will require details concerning proposals from other consultants, concurrence from the Instituto de Planejamento Econômico e Social (IPEA) concerning the scope of work and priority, and copies of the contract and financing agreements. We also request that FINEP submit a copy of your cost analysis prepared for the study.

This approval and that already provided for the São Paulo Railroad Market Study (Implementation Letter N° 23 dated January 14, 1970) will remain effective through June 30, 1971, contingent upon acceptance by A.I.D. of the additional documentation. With these exceptions and that made for the SUVALE project, the terminal date of December 31, 1970, remains in effect.

Sincerely yours,

  
Dwight B. Johnson  
Assistant Director for  
Capital Development and Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL



RUA MELVIN JONES Nº 5 - RIO DE JANEIRO - TEL. : 231-5820

January 13, 1971

FINEP - Financiadora de Estudos de Projetos S.A.  
Rua Araújo Pôrto Alegre, 36 - 7º andar  
Rio de Janeiro, GB

Attn: Dr. Francisco Manoel de Mello Franco

Subject: A.I.D. Loan Nº 512-L-054  
Implementation Letter Nº 28

Gentlemen:

Your letter and the attachments thereto (C.DOF/353/70) dated December 30, 1970 concerning the projected cruzeiro availabilities for FINEP during 1971 have been examined by this Agency. Our examination of the aforementioned documents and those previously submitted disclosed that there appears to be no immediate requirement for the use of the remaining loan balance by FINEP. Therefore, in view of the expiration of the December 31, 1970 terminal date for the commitment of loan funds to new projects, this Agency is obliged to deobligate such funds as are not required for projects approved by FINEP and A.I.D. prior to December 31, 1970. Thus, we are initiating action to deobligate \$1,800,000.00 from the loan which, according to our records, is not required for such approved projects.

Please be assured of my continued regard and esteem.

Sincerely yours

Dwight B. Johnson

Assistant Director for  
Capital Development and Industry





UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL

RUA MELVIN JONES Nº 5 - RIO DE JANEIRO - TEL. : 2825120

PESH  
[Handwritten signature]

July 30, 1971

Dr. Alexandre Henriques Leal Filho  
Secretário Geral  
FINREP-Financiadora de Estudos de Projetos S.A.  
Rua Araújo Porto Alegre 36 - 7º  
Rio de Janeiro, GB

Subject: AID Loan 512-J-054  
Implementation Letter No. 30

Dear Dr. Leal Filho:

Thank you for your letter of July 15th, clarifying the questions raised in our letter of July 8th with regard to the FINEP project. Concurrence from the borrower will not be necessary.

By copy of this letter I am requesting our Office of the Comptroller to initiate processing of the requests for the balance of Commitment, in the amount of US\$1,540.00 and US\$1,540.00 respectively, to cover the dollar costs of the FINEP and the FINEP/Finrep Market projects. Consequently, we are establishing the fiscal date for commitments as December 31, 1970 and the final disbursement date as March 31, 1972 for both activities.

Sincerely yours,

[Handwritten signature]  
G. Pignatelli van Hulle  
Asst. Dir. for Capital  
Development and Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT *Rik*  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL



USAID/BRASIL

RUA MELVIN JONES N.º 5 - RIO DE JANEIRO - TEL.: 231-5820

December 17, 1971.

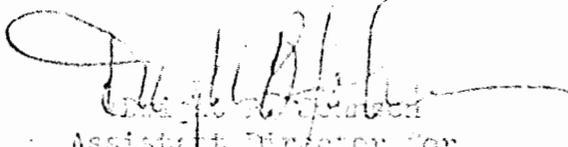
Dr. Alexandre Henriques Leal Filho  
Secretário Geral  
FINEP-Financiadora de Estudos de Projetos S.A.  
Rua Araújo Porto Alegre 36 - 7º  
Rio de Janeiro, CB

Subject: AID Loan 512-1-394  
Implementation Letter No. 31

Dear Dr. Leal Filho:

In accordance with the Access Agreement between the Superintendency for Development of the Northeast (SUDNE), the São Francisco Valley Authority (SUVALE) and the United States Agency for International Development (USAID/Brasil) for continuation of studies and work under the program for multiple development of the São Francisco Basin region during the 1971-1973 period, duly signed in April 1971, the terminal disturbance date of the SUVALE project is hereby extended to August 31, 1973. All other terminal dates for activities under this loan, as established in prior Implementation Letters, remain unchanged.

Sincerely yours,

  
Douglas C. Johnston  
Assistant Director for  
Capital Development and Industry





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UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL



RUA MELVIN JONES N.º 5 - RIO DE JANEIRO TEL. : 231-5620

*file*

April 6, 1972

Dr. Alexandre Henriques Leal Filho  
Secretário Geral  
FINEP-Financiadora de Estudos de Projetos S.A.  
Rua Araújo Porto Alegre 36 - 7º andar  
Rio de Janeiro, GB

Subject: A.I.D. Loan 512-L-054  
Feasibility Study  
Implementation Letter No. 33

Dear Dr. Leal Filho:

In accordance with that requested in Letter No. C.DOF/166/72, the terminal date for disbursements under Letter of Commitment No. 512-L-05435 is hereby extended from March 31, 1972 to June 30, 1972. This extension should allow sufficient time to complete all payments for the SERPRO study.

Sincerely,

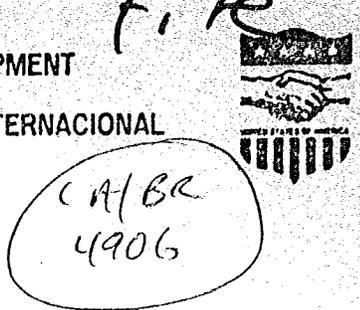
William F. Johnson

Assistant Director for  
Capital Development and Industry



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL



November 8, 1972

Dr. José Pelucio Ferreira  
President  
FINEP - Financiadora de Estudos  
de Projetos, S/A  
Avenida Presidente Vargas, 482 - 19º andar  
Rio de Janeiro, GB

Subject: A.I.D. Loan 512-L-054  
Implementation Letter No. 34

Dear Dr. Ferreira:

We are pleased to inform you that in compliance with your request in C.PRES/213/72 we are hereby extending the terminal date for requests for issuance of commitment documents under the SUVALE project to February 28, 1973. All other terminal dates for activities under this loan, as established in prior Implementation Letters, remain unchanged.

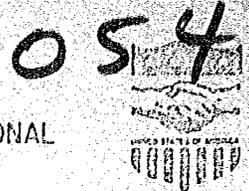
Sincerely yours,

Daniel J. Mackell  
Chief, Capital Development Operations



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL



January 9, 1973

Dr. José Felício Ferreira  
President  
FINEP-Financiadora de Estudos  
de Projetos S/A  
Avenida Presidente Vargas, 482 - 19º andar  
Rio de Janeiro, GB

Subject: A.I.D. Loan 512-L-054  
Implementation Letter No. 35

Dear Dr. Ferreira:

In accordance with FINEP letter No. C.DFC/558/72, dated December 14, 1972, the USAID hereby extends the terminal date for disbursements under Letter of Commitment No. 512-L-05435 to March 31, 1973. This extension is granted to allow sufficient time to make final payment for the 1970 study once the final report has been reviewed and approved by both FINEP and USAID.

All other terminal dates under the subject loan remain unchanged.

Sincerely,

  
Daniel J. Nicholl  
Chief, Capital Development  
Operations Office



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL  
USAID/BRASIL



June 13, 1973

Dr. José Pelucio Ferreira  
President  
FINEP-Financiadora de Estudos de Projetos S/A  
Avenida Presidente Vargas, 482 - 19º andar  
Rio de Janeiro, GB

Subject: A.I.D. Loan 512-L-054 - FINEP  
Implementation Letter No. 36

Dear Dr. Ferreira:

In response to C/VICE PRES/046/73 of March 8, 1973 and in view of subsequent discussions between FINEP and USAID, we are hereby extending the terminal date of disbursements under subject loan to December 31, 1973.

This extension is granted to permit (1) completion of procurement under PIO/C 512-252-5-6580685 under DA-512-L-05451; PIO/C 512-271-5-6580675 under DA 512-L-05450; and under a still unnumbered PIO/C presently in preparation; (2) shipment, acceptance by SUVALE, and payment of the commodities procured under the above listed PIOCs; and (3) payment for technical services of the U.S. Bureau of Reclamation to SUVALE which will terminate on August 31, 1973.

Sincerely,

Daniel J. Mackell  
Chief, Capital Development Operations



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL

Rio de Janeiro, September 12, 1973.

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Dr. Alexandre Henrique Leal Filho  
Vice-President, FINEP - Financiadora  
de Estudos de Projetos S.A.  
Avenida Presidente Vargas 482-19º andar  
Rio de Janeiro, GB

Subject: A.I.D. Loan 512-L-054 - FINEP  
Implementation Letter No. 37

Dear Dr. Leal Filho:

This is in response to your letters C.DFC/308/73 of June 7, 1973 and C.DFC/515/73 of September 11, 1973 and the several discussions between FINEP and USAID representatives, regarding your request that the Mission make available to FINEP the equivalent of US\$23,072.86 for cruzeiro expenditure under the Escritório de Meteorologia project.

The balance available for local currency project costs for Meteorological Data Collection is sufficient to cover the amount of US\$23,072.86. As in the past, FINEP should submit documentation for the expenditure of the money, for USAID's review.

The terminal disbursement date is hereby extended to December 31, 1973 to permit FINEP to complete this transaction.

Sincerely yours,

Daniel J. Mackell  
Chief, Capital Development  
Operations

Av. Pres. Wilson  
Tel: 252-8055  
Rio de Janeiro, G.B.

Ed. Bandeirantes - SCS, Q.17, Lote 2/5  
Tel: 24-1555  
Brasília, D.F. - Brasil

Praça do Apolo, 243  
Tel: 24-4922  
Recife, Pe.



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
AGÊNCIA NORTE-AMERICANA PARA O DESENVOLVIMENTO INTERNACIONAL

USAID/BRASIL

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Rio de Janeiro, January 17, 1974

Dr. Alexandre Henrique Leal Filho  
Vice-President  
FINEP-Financiadora de Estudos de  
Projetos S/A  
Avenida Rio Branco 124-69 andar  
Rio de Janeiro, GB

Subject: A.I.D. Loan 512-L-054  
FINEP  
Implementation Letter No. 38

Dear Dr. Leal Filho:

Further to your letters C.DFC/308/73 of June 7, 1973, C.DFC/515/73 of September 11, 1973 and C.DFC/015/74 of January 7, 1974 and our Implementation Letter No. 37 of September 12, 1973, we hereby extend the Terminal Disbursement Date for the Meteorological Data Collection sub-project to January 30, 1974.

This extension is made solely to accommodate the disbursement of US\$23,072.86 as previously agreed in the aforementioned letters.

Sincerely yours,

  
Daniel J. Mackell, Chief  
Capital Development Operations

Av. Presidente Wilson, 147  
Tel. 252-8055  
Rio de Janeiro, G.B.

Ed. Bandeirantes - SCS, Q.17, Lote 2/5  
Tel. 24-1555  
Brasilia, D.F. - Brasil

