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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

GUYANA

PROJECT PAPER

ECONOMIC SUPPORT FUND (ESF)

AID/LAC/P-862

PROJECT NUMBER: 504-0099
GRANT NUMBER : 504-K-601B

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AGENCY FOR INTERNATIONAL DEVELOPMENT PROGRAM ASSISTANCE APPROVAL DOCUMENT (PAAD)		1. PAAD Number 504-K-601B		504-0099 CONFIDENTIAL	
		2. Country Cooperative Republic of Guyana			
		3. Category Economic Support Fund (ESF)		4. Date September 30, 1993	
		5. To Mosina H. Jordan Mission Director, RDO/Caribbean		6. OYB Change Number	
7. From Vernita P. Fort PDO/ECON, RDO/Caribbean		8. OYB Increase To be taken from: Economic Support Fund			
9. Approval Requested for Commitment of \$ 2,000,000		10. Appropriation Budget Plan Code			
11. Type Funding <input type="checkbox"/> Loan <input checked="" type="checkbox"/> Grant	12. Local Currency Arrangement <input type="checkbox"/> Informal <input type="checkbox"/> Formal <input checked="" type="checkbox"/> None	13. Estimated Delivery Period FY94	14. Transaction Eligibility Date September 30, 1993		
15. Commodities Financed					

16. Permitted Source	17. Estimated Source
U.S. only	U.S.
Limited F.W.	Industrialized Countries
Free World	Local
Cash US\$2,000,000	Other

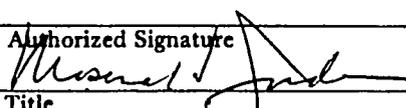
18. Summary Description

The cash transfer grant will be used by the Government of Guyana (GOG) to pay accumulated external debt arrears. This ESF grant assists the GOG in implementing its Economic Recovery Program (ERP) by freeing up some of its revenue for development initiatives, and by regaining access to external assistance funds blocked by the level of GOG's external indebtedness. The GOG is making striking and far reaching progress in its stabilization and structural adjustment program.

A.I.D. provided US\$995,700 to the GOG under the original Grant Agreement, dated April 11, 1990, and subsequently, US\$300,000 under Amendment 1, dated September 30, 1991, and US\$1,151,519, under Amendment 2, dated March 18, 1993, totaling to date US\$2,447,219. The current amendment provides US\$2,000,000, which would raise the total ESF grant to US\$4,447,219.

The program conditions precedent to disbursement for the current grant are consistent with those under the original Grant Agreement. Prior to the first disbursement of US\$ one million, the GOG shall formalize a mechanism and furnish to A.I.D. a matrix for monitoring and recording progress in implementing the ERP. Prior to the second disbursement of US\$ one million, the GOG shall furnish to A.I.D. a letter and completed matrix describing the GOG's progress through 1993 in implementing the ERP, and which present the planned policy actions, projections and quantitative targets for 1994. The GOG will need to continue to adhere to the ERP in a manner acceptable to A.I.D. and other donors.

The ESF Grant under the current amendment will be deposited into a separate non-commingled account in a U.S. bank from which payment of debt services will be made. No local currency will be generated under this grant amendment.

19. Clearances	Date	20. Action
Barry Burnett:D/DIR	9/24/93	<input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED
Paul Bisek:C/PDO	9/24/93	
Matt Horween:CONT	(Draft)09/24/93	Authorized Signature
Dennis Darby:CJIP/PA	(Draft)09/24/93	
Tyrone Watkins:SFA	(Draft)09/24/93	
Henson Carter:PDO	(Draft)09/24/93	Title Mission Director, RDO/Caribbean