PD-AAA-025-A1

5040048 - (7)

504-044 48 54 57 71

GUYANA

MONTHLY LOAN REPORT

September 30, 1977

PART I - NEW LOAN PROPOSALS

1. Guyana: Roads (Loan 504-T-013)

The four-year project is aimed at ensuring an adequately maintained and expanding road network in Guyana to facilitate the flow of goods and services between rural and urban areas and between producers and markets and export/import centers. The purpose of the project is to strengthen and expand the capacity of the Ministry of Works and Transport to maintain and construct Guyana's road system and to permit it to carry out a modest feeder road program. The institutional component of the project will focus on upgrading the road support services (mechanical maintenance, transport planning, supply, soils laboratory) of the Ministry, with emphasis on mechanical maintenance, and on strengthening the road maintenance and construction divisions. A significant technical assistance effort will be undertaken to review and establish procedures in each of the major areas, complemented by a major training program to upgrade skills of craftsmen, equipment and truck drivers, and train middle level managers. The feeder road component will consist of the construction of approximately 25 miles of all-weather feeder roads in the agricultural belt along the coast. The roads will be built by a combination of Ministry forces and local contractors.

The total project cost will be US $10,537,682. A.I.D. financing will total US $7,900,000; US $1,700,000 to be funded incrementally over a three-year period from a Grant starting in FY 78 and US $6,200,000 from an FY 77 Loan. The grant finances two-thirds of the Dollar technical assistance and training costs. The GOG will provide US $2,637,682 from existing and some new budgetary resources including costs borne on an "in-kind" basis.

a) Status Summary:

Discussions which began in AID/W in mid-September on the Grant/Loan Project Paper continued through the end of the reporting period. The Project was authorized on September 30, 1977. The PACD is March 1, 1982.

PART II - ACTIVE LOANS

1. No. 504-L-007: Water Supply Improvement

Description: The purpose of this Loan and its amendment was to consolidate, rehabilitate and extend the eight rural water systems immediately adjacent to the Georgetown metropolitan area, augment the water supplies in the municipalities of Georgetown and New Amsterdam, provide meter and service connections and assist in training technicians through the University of Guyana. Although the A.I.D. Loan is fully disbursed, there remain substantial project elements to be completed with GOG financing including the following: erection of the workshop and meter testing building; completion of the Caledonia site; laying of pipe; installation of service connections and meters; and development and installation of a water user rate schedule.

a) Status Summary:

i) Due to non-availability of local currency almost all work at the Caledonia Water Production and Treatment Plant was suspended in August. Percentages of completion are as follows: the chain link fence is 99% complete; forming and placing concrete slabs for the contact tank, septic tank and building is 40%; installation booster and well pumps is 100%; electrical work remains at 45%; chemical storage and control building is 75%; exposed piping and valves to connect treatment facilities is 25%; and installation of chlorine and lime equipment is 0%.

Sandblasting of the treated water storage tanks at the Caledonia site was suspended due to lack of funds and because of the high cost of drying sand and rental of sandblasting equipment. This has, in turn, affected the painting operation on the ground storage tank and under-drain trusses for filters. Overall progress is 83%.

ii) Some progress was made in installing transmission mains during the reporting period. All pipelines required to be laid under the project have been completed. A few system interconnections are still to be completed in Project Area "H" (Land of Canaan to Soesdyke). Overall progress is 99%.

iii) Work was suspended in August on prefabrication of the meter repair workshop due to non-availability of local currency. Overall percentage of completion remains at 15%.

b) Problems and/or Delays:

Almost all construction including the service connection and water meter program has been suspended pending availability of adequate local currency resources.

c) Action Proposed or Required:

GUYWA's management is unable to continue new construction until the Government's financial position improves. It appears unlikely that funds will become available until the first quarter of 1978. The Mission will continue to press for budget allocation during the last quarter of 1977. A letter expressing the Mission's concern was forwarded to the Minister of Works and Transport on September 19, 1977.

d) Major Activities Expected in October:

Project activity was suspended on almost all programs during August due to financial constraints. Although some work is continuing, it is unlikely that the situation will improve much before the first quarter of 1978.

2. No. 504-L-008: Rice Modernization Project

Description: This Loan will provide the rice research facilities necessary to upgrade both the quality and yield of rice as well as the storage and drying facilities necessary to ensure protection of the harvested crop until the crop is marketed. These purposes will be met by the establishment of a rice research station, the construction of six regional centers equipped with the necessary handling, cleaning, drying, grading and storage facilities, and the construction of a milled rice storage center in Georgetown. In addition, the Loan provided funds for technical assistance and training relative to the management and operation of the rice research station and other facilities of the Guyana Rice Board (GRB).

a) Status Summary:

i) Financial thru 9/30/77

Loan Authorized	11/17/68	
Loan Signed	3/11/69	
TCD	12/31/75	
TDD	10/31/77	
Loan Amount		$ 12,900,000
Loan Commitments		12,480,000
Actual Expenditure thru 8/31/77 per AID/W Records (94.66 of Loan Amount)		12,211,260
Accrued Expenditure per Mission Records to 9/30/77 (95% of Loan Amount)		12,254,500
Commitments during report period		-0-
Commitments during past six months		-0-
Disbursements during August 1977 per AID/W Records		414
Disbursements for six months ending 8/31/77 per AID/W Records		415,778

General

On September 9, Minister of Agriculture, Gavin Kennard, submitted an application for a second loan for A.I.D. assistance in the rice industry; a) for rehabilitating the burnt out facilities of the Guyana Rice Board and b) for updating the 1967 Rhodes/Checchi feasibility study prior to investing in additional paddy drying and storage post-harvest facilities for the expanding rice industry.

In mid-September USAID's Chief Engineer handcarried copies of this loan application for further discussion by officials in AID/W.

On September 26th, Mr. Bob Shakey, Electrical Technical Representative for Control Systems, Inc., arrived in Guyana to assist the GRB in the installation of multiplex equipment and modifications planned as a result of the August 9th fire that damaged the Georgetown Milled Rice Facility, which included streamlining operations to receive rice for bagging and storage.

Mr. Robert Colbert, BVI's Project Manager, returned to Guyana for final inspection and run-in tests for the two remaining sites - Georgetown Milled Rice Facility and Somerset-Berks.

Some of the workshop equipment ordered by the GRB has not arrived in-country to date. GRB's Chief Engineer has forwarded correspondence to these firms in an effort to expedite shipment before the Terminal Disbursement Date [October 31, 1977].

The new 16v General Motor diesel engine and generator has been installed at the Black Bush Polder Facility and is presently working.

Six drier extension ducts were installed during the reporting period. Three at Anna Regina and three at M.A.R.D.S. Motors on these driers will now be increased from 25 h.p. to 40 h.p.

Georgetown Milled Rice Facility

Work continues on aeration ducts in "C" Row. All ducts in Rows "A" and "B" are complete. Blending Bin No. 122 is complete and ready for use. Supporting bars are being erected prior to installation of hoppers on Bin 121.

Transitions from feeders in "B" Row are now complete. Work continues in "C" Row. Limit switches have been installed on seven gates; work continues on gate motor starter mechanisms. The cladding process at the tower is now complete; work on guttering and edge trims remain.

Technicians who received A.I.D.-sponsored training in the U.S. have assembled the truck platform. This scale will be commissioned when the 40 h.p. motor arrives.

Electrical work is continuing on connections between the motor control and main control panel, and on the multiplex system.

This site was certified by Black and Veatch International as having attained substantial mechanical completion in a manner satisfactory for beneficial occupancy. During this report period approximately 50,000 bags of rice (4,200 tons) were stored at this facility.

Minor items remaining to be completed include - work on stairway in the tower, installation of the personnel elevator enclosure and temperature detection system. Installation of the lighting and intercommunication systems, electrical power to the overhead crane, drive motors, belts and buckets on five elevators, and work on the truck scale head are also incomplete items. Overall, this site is 85.5% complete.

Somerset-Berks

Construction activity continued at this site. In the headhouse, spouting from cleaner to cyclone was completed and spouts on seven elevators installed. Work on gratings was completed. Twenty-four storage bins were grouted successfully. The fuel system was completed and tested. Two driers were completed and tested and are now ready to be commissioned. Twenty-four aeration ducts on twenty bins have already been completed. Work continues on bin erection in "D" Row. The electrical crew has been testing motors and electrical connections on "A" and "B" Rows.

On September 30, Mr. Colbert conducted the inspection/run-in tests at this site. Accompanying him on this inspection trip were the General Manager, Production Manager and Chief Engineer of the GRB. This site has been certified as complete in a manner satisfactory for beneficial occupancy.

This facility received and began processing paddy from the current Fall crop. The minor items remaining to be completed are as listed -

a) handrail and lights at the top of Row "A"

b) headhouse manlift

c) plant air compressor and piping

d) connection of spouting to Dryer No. 3 and installation of electrical and burner fire controls

e) paving of area

f) complete the electrical installation and checkout of the conveying system electrical interlocks. [The plant is presently operating on manual control].

g) installation of the plant intercom system

h) installation of the headhouse scale head

i) installation of the temperature detection system.

Overall, this site is 83.16% complete.

b) Problems and/or Delays:

Apart from the damage to four of the Milled Rice Storage silos and delay caused by the recent fire, no serious construction problems have surfaced. Procurement of the workshop equipment has been slower than anticipated and it appears now that a considerable amount of the equipment will not be shipped prior to the TDD cutoff.

c) Action Proposed or Required:

Mission will continue to monitor construction progress closely.

d) Major Activities Expected in October:

1. Construction activity to complete the punch-list items at Somerset-Berks and the Georgetown Milled Rice Facility to continue.

2. Arrival of workshop equipment from suppliers.

3. Project Terminal Disbursement Date is October 31, 1977. Except for the US $420,000 set-aside, all unspent loan funds to be deobligated.

3. No. 504-L-009: Feasibility Studies

Description: The Loan continued the process begun under Loan 504-L-003 to identify through prefeasibility and feasibility studies those projects which can contribute significantly to Guyana's economic growth.

a) Status of Loan en toto:

Loan Authorized	6/30/69
Loan Signed	8/16/69
TCD (Expired)	12/31/74
TDD (Expired)	9/30/76

Loan Amount (Revised)	$2,464,689
Loan Commitments	2,464,689
Actual Expenditure thru 8/31/77 per AID/W Records (96.44% of Revised Loan Amount)	2,377,039
Disbursements during August 1977 per AID/W Records	-0-
Disbursements for six months ending 8/31/77 per AID/W Records	-0-

I. Essequibo River Hydrographic Study - E.G. & G. International

a) Status Summary:

i) Financial thru 9/30/77

L/Comm Amount	$	926,054
Actual Expenditure thru 8/31/77 per AID/W Records 98.05% of Amount Committed		908,002

ii) E.G. & G. issued an appeal for settlement to the Office of the Minister of Works and Transport on September 9, as a forerunner to arbitration. E.G. & G. also included with their letter an assessment of the GOG/EG&G recent negotiations by Dr. Ramsahoye. [Dr. Ramsahoye was the key GOG contract negotiator before his departure from Guyana].

b) Problems and/or Delays:

No substantial change from existing problem.

c) Action Proposed or Required:

E.G. & G's letter requesting settlement is currently under review by Ministry of Works and Transport officials.

d) Major Activities Expected in October:

GOG to reply to E.G. & G. on the issue of application of indirect costs.

II. Intermediate Savannahs - TAMS

a) Status Summary:

i) Financial thru 9/30/77

L/Comm Amount	$	646,892
Actual Disbursements thru 8/31/77 per AID/W Records 89.24% of Amount Committed		577,293

b) Problems and/or Delays:

The outstanding problem of overhead rates is expected to be resolved soon.

c) Action Proposed or Required:

Mission awaiting outcome of DCAA's review of TAMS' latest submission.

d) Major Activities Expected in October:

DCAA to apprise Mission of results of their review.

4. No. 504-L-010: Georgetown Approaches
No. 504-L-011: New Amsterdam Approaches

Description: Loan -010 was authorized to finanee improvements and construction of 52 miles of road in and around Georgetown; while Loan -011 was to finance 19.6 miles of road in New Amsterdam and a bridge over the Canje River, also near New Amsterdam. Cost escalation made the original programs impossible to complete and the GOG and USG amended the two Loan Agreements on November 6, 1976, to provide financing for 12.6 miles of road under -010 and 3.6 miles of road and the Canje River Bridge under -011. The bridge to be a 19' span medium level fixed bridge with a minimum nautical clearance of 40' above mean high water level. The GOG signed a contract with Frederic R. Harris for engineering services to 1) review the bridge design, 2) assist GOG on bidding and selection of construction contractor, 3) certify completed road construction (-010 & -011), and 4) supervise the contractor who will construct the bridge.

a) Status Summary:

i) Financial thru 9/30/77

	Loan 010	Loan 011
Loan Authorized	9/30/71	5/30/72
Loan Signed	11/09/71	9/14/72
TCD	6/30/77	12/31/77
TDD	12/31/77	12/31/78
Loan Amounts (Revised)	6,200,000	4,800 000
Loan Commitments	6,200,000	4,480,711
(% of Loan Amount)	100%	93.35%
Actual Expenditure per AID/W Records thru 8/31/77	3,386,926	2,425,000
(% of Loan Amount)	54.63%	50.52%
Accrued Expenditure per Mission Records	3,583,374	2,762,502
(% of Loan Amount)	57.70%	57.55%
Commitments during past six months	2,553,446	-0-
Disbursements during August '77 per AID/W Records	196,478	532,817
Disbursements for past six months ending 8/31/77 per AID/W Records	392,896	2,104,534

ii) Loan -010: Georgetown Streets

Remedial work for the Georgetown Bypass and Vlissengen Road subprojects has been completed and Vlissengen Road opened to traffic on September 17th. During September pavement cores were taken, underlying courses identified and thicknesses measured on the Georgetown Bypass. Marshall stability and Marshall flow tests were also completed and the Consultant has certified that the subproject known as Georgetown Approaches (Sheriff Street, Kitty Avenue and Ruimveldt Avenue) has been constructed and completed in accordance with the plans and specifications.

On September 18, the Chief Engineer, MW&T requested the third G $500,000 advance to enable construction to continue on the East Coast Road subproject. To date, G $1.0 M has already been advanced to the GOG. The Mission prepared a voucher for an advance from AID/W.

iii) Loan -011: New Amsterdam

Remedial work for Main Street has been completed. The Stanleytown portion is complete except for surfacing of the shoulders and clean-up operations.

Force account work has started on the westerly approach to the Canje River Bridge. At the easterly approach work has been completed up to subbase grade.

iv) Loan -011: Canje Bridge

The Contractor experienced labor problems over back wages this month for two days, September 13 and 14. Negotiations concluded with the signing of an agreement between Corporacion Raymond and the Guyana Labor Union on the 14th and work was resumed on September 15. This Agreement assured the workers of a 44½% increase of wages including fringe benefits.

At the close of the reporting period, the entire substructure has been completed with the exception of tee-heads at Piers 9 and 10. Sixty beams have been erected on five easterly spans and four westerly spans. Decks for 3 spans - 17, 18 and 19 - have been concreted. Twelve beams are in storage.

The project is ahead of schedule, 63.7% of the work has been completed in 44.3% of the allotted time.

b) Problems and/or Delays:

Loan -010:

A shortage of crushed aggregate continues to delay the project. The Government quarry is not yet in production and private quarries were experiencing labor problems during the reporting period.

Loan -011:

Although labor problems surfaced again this reporting period, with the signing of the Agreement and workers receiving their back pay, all outstanding issues are now resolved.

c) Action Proposed or Required:

Loan -010:

The Mission will continue to monitor construction progress closely. The GOG is investigating increasing barges for delivery of stone from the quarries.

Loan -011:

Mission will continue to monitor this project closely.

d) Major Activities Expected in October:

1. Continuation of construction on loan projects.

2. Arrival of G $500,000 check for advance to the Ministry of Works and Transport.

5. No. 504-V-012: Public Sector Manpower Training

Description: This Loan is designed to provide management and technical training in priority sectors of agriculture and development administration, and strengthen the GOG's public service training system by improving their training and management of training; and analyzing manpower needs for national development.

a) Status Summary:

i) Financial thru 9/30/77

Loan Authorized	4/25/77	
Loan Signed	7/13/77	
TCD	1/13/80	
TDD	7/13/80	
Loan Amount		$1,000,000

ii) The Loan Paper was discussed at Cabinet level and ratified.

iii) Mr. Ray Singh, Project Manager for this Loan is coordinating the time-phased implementation plan for the three Ministries involved in this project.

b) Problems and/or Delays:

None.

c) Action Proposed or Required:

None.

d) Major Activities Expected in October:

The time-phased implementation plan should be submitted to the Mission to meet the Conditions Precedent of the Loan Agreement.