



DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
Washington, D. C. 20523

UNITED STATES COORDINATOR  
ALLIANCE FOR PROGRESS

A.I.D. Loan No. 504-L-007  
(Ref: AID-ELC/P-750)

LOAN AUTHORIZATION  
Provided from: Alliance for Progress  
GUYANA - WATER SUPPLY IMPROVEMENT PROJECT

Pursuant to the authority vested in the Deputy U.S. Coordinator, Alliance for Progress, by the Foreign Assistance Act of 1961, as amended, and the delegations of authority issued thereunder, I hereby authorize the establishment of a loan pursuant to Part I, Chapter 2, Title VI, Alliance for Progress of said Act to the Government of Guyana ("Borrower") of not to exceed two million six hundred thousand United States dollars (\$2,600,000) to assist in financing the United States dollar costs of improvement and extension of the water supply systems along the East Bank of the Demerara River, the Atlantic Coast east of Georgetown and the municipality of New Amsterdam ("Project"), this loan to be subject to the following terms and conditions:

1. Interest and Terms of Repayment

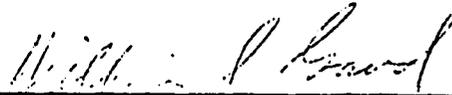
Borrower shall repay the loan to the Agency for International Development ("A.I.D.") in United States dollars within forty (40) years from the first disbursement under the loan, including a grace period not to exceed ten (10) years. Borrower shall pay to A.I.D. in United States dollars on the disbursed balance of the loan interest at the rate of two (2) percent per annum during the grace period and two and one-half (2 $\frac{1}{2}$ ) percent per annum thereafter.

2. Other Terms and Conditions

- a. Goods and services financed under the loan shall have their source and origin in the United States of America.
- b. Prior to signature of the Loan Agreement, Borrower shall confirm in writing its commitment to make available the funds, personnel, and other resources as required for the timely completion of the Project.
- c. Prior to any disbursement (other than disbursements to finance engineering services) to finance improvements or new facilities in the water system currently administered by the Sugar Industry Labor Welfare Fund Committee ("SILWFC System"), Borrower shall

have submitted to A.I.D. 1) plans and a phased time schedule, both satisfactory to A.I.D., for institutional improvements in the administration of water supplies in Guyana, such plans and schedule to take into account the recommendations contained in the pre-feasibility study of the improvement and extension of potable water supply on the coast of Guyana, currently under way ("Pre-feasibility Study"); and ii) evidence of arrangements satisfactory to A.I.D. for the integration of the SILWFC system with those systems operated by the Pure Water Supply Division of the Ministry of Works and Hydraulics.

- d. Borrower shall covenant i) to submit to A.I.D., within six months after signature of the Loan Agreement or such longer period as A.I.D. may agree upon, a water systems maintenance program satisfactory to A.I.D.; and ii) to carry out an approved maintenance program during the life of the loan.
- e. Borrower shall covenant to adopt and maintain rate schedules, effective from the beginning of service from the project, that will produce revenues sufficient to amortize the cost of the project over a twenty-year period, cover costs of operation and maintenance, and provide for normal expansion of services. Borrower shall submit its proposed rate schedules for A.I.D. approval and demonstrate, on the basis of a rate study by its consultants, that it meets the above requirements.
- f. The loan shall be subject to such other terms and conditions as A.I.D. may deem advisable.




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Administrator

JUN 28 1968

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Date

- (ii) Developing an expanded maintenance program and allocating budget resources adequate for Bolivia's growing road system.
- (iii) Establishing load limits and an enforcement system for projects 1 and 4.
- (h) The amount of U. S. dollars to be used to finance the U.S. dollar costs of purchasing construction equipment, spare parts, related material and camps shall not exceed two million two hundred thousand dollars (\$2,200,000).
- (i) Such other terms and conditions as A.I.D. may deem appropriate."



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Deputy U. S. Coordinator

FEB. 8. 1967

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Date

DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
Washington, D. C. 20523

UNITED STATES COORDINATOR  
ALLIANCE FOR PROGRESS

A.I.D.  
Reference Center  
Room 1686 NS

A.I.D. Loan No. 504-L-007  
(AID-DLC/P-750/2)

LOAN AUTHORIZATION (Amendment No. 1)

Provided from: Alliance for Progress Funds  
GUYANA: Water Supply Improvement

Pursuant to the authority vested in the Deputy U. S. Coordinator, Alliance for Progress, by the Foreign Assistance Act of 1961, as amended, and the delegations of authority issued thereunder, I hereby amend the text of the Loan Authorization for Loan 504-L-007 dated June 28, 1968, by which the Administrator, Agency for International Development ("A.I.D."), authorized the establishment of a loan ("Loan") to the Government of Guyana ("Borrower") of not to exceed two million six hundred thousand United States dollars (\$2,600,000) for United States dollar costs of goods and services to assist in a project to improve and extend the water supply systems serving the East Bank of the Demerara River, the Atlantic Coast east of Georgetown and the municipality of New Amsterdam ("Project"), as follows:

1. The amount of the Loan is increased by two million four hundred thousand United States dollars (\$2,400,000) to a total sum not to exceed five million United States dollars (\$5,000,000).
2. The Project is expanded to include improving and extending the water supply system serving the City of Georgetown and to include technical assistance and training.
3. Paragraphs 1 and 2 of the Loan Authorization are amended to read as follows:

"1. Interest and Terms of Repayment:

Borrower shall repay the Loan to the Agency for International Development ("A.I.D.") in United States dollars within forty (40) years from the first disbursement under the Loan, including a grace period not to exceed ten (10) years. Borrower shall pay to A.I.D. in United States dollars on the disbursed balance of the Loan interest as follows:

- a. with respect to disbursements not in excess of \$2,600,000, interest at the rate of two percent (2%) per annum during the grace period and at the rate of two and one-half percent (2 1/2%) per annum thereafter; and
- b. with respect to disbursements in excess of \$2,600,000, interest at the rate of two percent (2%) per annum

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during the grace period and at the rate of three percent (3%) per annum thereafter.

"2. Other Terms and Conditions:

- a. Goods, services (including ocean shipping) and marine insurance financed under the Loan shall have their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book. Marine insurance may be financed under the Loan only if it is obtained on a competitive basis and any claims thereunder are payable in freely convertible currency.
- b. Prior to any disbursement (other than disbursements to finance engineering services) to finance improvements or new facilities in the water system administered by the Sugar Industry Labor Welfare Fund Committee ("SILWFC System"), Borrower shall have submitted to A.I.D. i) plans and a phased time schedule, both satisfactory to A.I.D., for institutional improvements in the administration of water supplies in Guyana, such plans and schedule to take into account the recommendations contained in the pre-feasibility study of the improvement and extension of potable water supply on the coast of Guyana, ("Pre-feasibility study"); and ii) evidence of arrangements satisfactory to A.I.D. for the integration of the SILWFC System with those systems operated by the Pure Water Supply Division of the Ministry of Works and Hydraulics.
- c. As a condition precedent to signing the Loan Agreement amendment authorized hereby, Borrower shall submit evidence that the National Water Authority has been created as a juridical entity.
- d. Prior to the disbursement of Loan funds in excess of \$2,600,000, Borrower shall submit to A.I.D., in form and substance satisfactory to A.I.D.:
  - (i) evidence of the integration of the SILWFC System into the system administered by the National Water Authority; and

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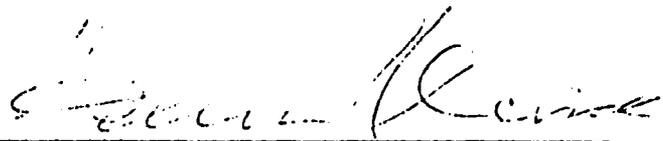
(ii) a fully executed loan agreement between Borrower and the National Water Authority making the equivalent of two million four hundred thousand United States dollars (\$2,400,000) of the Loan available to the National Water Authority upon the same terms as the Loan, except that the Loan to the National Water Authority shall be repayable in the currency of Guyana.

e. Borrower shall covenant to:

- (i) submit to A.I.D., within six months after signature of the Loan Agreement or such longer time as A.I.D. may agree upon, a water systems maintenance program satisfactory to A.I.D.;
- (ii) carry out such approved maintenance program during the life of the Loan;
- (iii) cause the National Water Authority to be operational and staffed at appropriate levels at all times during the life of the Loan, commencing with the beginning of service from the Project;
- (iv) finance with other than Loan funds any costs required for the successful completion, maintenance, repair and operation of the Project;
- (v) apply immediately, except as A.I.D. may otherwise agree in writing, as a prepayment on the Loan any cash award which Borrower may receive from arbitration for expenditures made by Borrower for the drilling of the Mon Repos Well;
- (vi) adopt and maintain rate schedules, effective from the beginning of service from the Project, that will produce revenues sufficient to amortize the cost of the Project while permitting lower income persons to benefit directly from the Project, cover costs of operation and maintenance, and provide for normal expansion of services. Borrower shall demonstrate to A.I.D., on the basis of a rate study by its consultants, that it meets the above requirements.

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- f. The Loan shall be subject to such other terms and conditions as A.I.D. may deem advisable."



Deputy U. S. Coordinator  
Alliance for Progress

2/26/72

Date

