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GUYANA

MONTHLY LOAN REPORT

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June 30, 1977

504-068-?
JWB

PART I - NEW LOAN PROPOSAL

Public Sector Manpower Training
(AID Loan No. 504-V-012) - \$1,000,000

Several discussions have been held during the reporting period between the Permanent Secretary, Public Service Ministry and the Acting Mission Director to clarify certain aspects of the Loan. The draft Loan Agreement is now being reviewed by a Cabinet Sub-Committee. It is anticipated that agreement will be reached by all parties before the authorization date expires late July.

PART II - ACTIVE LOANS1. No. 504-L-007: Water Supply Improvement

504-048
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) Mission Chief Engineer met GUYWA officials Rajnarine and Israel on June 14, 1977, to discuss Montgomery's reply to LA/GC's letter. GUYWA personnel indicated that a copy of on-going correspondence was forwarded to their legal advisors for review. However, it was observed that the PVC pipe was made with a flaring device which is compatible with the corporation stop. GUYWA is now hopeful that the meter connection program would get underway the first week in July.
- ii) At Caledonia, no progress was made on the aerator during the reporting period since it was necessary to sandblast under drain trusses before placing filter underdrain plates in position. This item is 20% complete.
- iii) At the Caledonia Water Production Facilities, progress on the chain link fencing remained at 90% completion. The access road is 50% complete. A few outstanding items remain to be erected on the contact tank. This item is 90% complete. Overall, completion at this site is still 71%.

- iv) Mobilization continued for construction of the prefabricated workshop. Components are being delivered to the site. Clearing and grubbing operations are now complete and sandfill on the building site in progress.
- v) Painting of meter boxes continued during the period under review. Installation of the meter test bench in the temporary meter shop is in progress.
- vi) Installation of transmission pipe continues throughout the project area, viz -

Area 'A'	Cummings Lodge/Montrose
Area 'B'	Montrose/ Good Hope
Area 'C'	Good Hope/Collingden
Area 'D'	Houston/Providence
Area 'E'	Providence/Diamond
Area 'F'	Diamond/Friendship
Area 'G'	Garden of Eden/Land of Canaan
Area 'H'	Land of Canaan to Soesdyke.

To date, pipelines have been laid in all areas except project area 'F'. System interconnections are now complete in project areas 'B', 'E' and 'G'. Overall completion of above items is 93.4%.

b) Problems and/or Delays:

Progress at Caledonia was at a standstill on the Chemical Storage and Control Building due to unavailability of masons/block layers. Problems with spray paint equipment delayed the paint work considerably.

c) Action Proposed or Required:

GUYWA is addressing the problems outlined above to ensure continued progress.

d) Major Activities Expected in July:

1. GUYWA should begin house service connections the first week of July.
2. Continued progress on the prefabricated workshop building.
3. Cabinet approval of the new water rate schedule is still pending.
4. Continuation of work on the aerator and installing transmission and distribution pipe in the eight rural communities.

504-044

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

Description: This Loan ~~will~~ provides 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 6/30/77

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 5/31/77 per AID/W Records (94.07% of Loan Amount)		12,134,186
Accrued Expenditure per Mission Records to 6/30/77 (94.76% of Loan Amount)		12,223,952
Commitments during reporting period		-0-
Commitments during past six months		-0-
Disbursements during May 1977 per AID/W Records		132,487
Disbursements for six months ending 5/31/77 per AID/W Records		1,136,716

General

The Guyana Rice Board has made significant progress on the two remaining construction sites, despite the heavy rainfall during the month.

Multiplex equipment, additional limit switches for the Milled Rice Facility and the missing box of drier ducts were received by the GRB during June. The following equipment has arrived and is now in port awaiting customs clearance: Vertiflo distributors; diesel generator for Black Bush Polder; spouting; and transformers and lighting panels for Somerset-Berks.

Some workers from the Milled Rice Facilities project requested, and were granted, transfers to the construction project at Somerset-Berks. This has speeded up work on the Somerset-Berks site, but somewhat reduced the available manpower at the Milled Rice Facilities. Present plans call for Somerset-Berks to start receiving rice in early September.

An order for Workshop Tools for the Maintenance Shop was placed with S. & S. Machinery Company during the reporting period.

Paddy Drying and Storage Centers & Milled Rice Facility

Somerset-Berks Paddy Drying and Storage Center

A five-man crew is engaged in installing fabricating transmissions and supporting legs for the J.J. Hopper Scales; service platform for the Reel Scalper and Cleaner; Garners and the Manlift.

A four-man crew is assembling elevator leg casings. To date, elevators No. 2 and No. 9 have been completed. Screws, drives and motors have been installed over receiving bins for Row 'A' and 'B' conveyors. Work also continues on transition gates and valves for the receiving bin and the catwalk for Row 'C'.

A three-man team has completed aeration ducts on Row 'A' and work is now progressing on Row 'B'. Row 'D' bin is now being assembled for erection.

Electrical installations continued during the report period on the following - motors on 'A' and 'B' Rows; conduit for lighting in the Headhouse; fuel lines were installed on dryers. Overall completion at this site is 57.96%.

Georgetown Milled Rice Facility

A four-man team is presently working on the Drag Conveyor System. Installation on guttering on the western side of the steel tower continues; and cladding sides of the dump shed is progressing satisfactorily.

The Tower equipment consisting of 2 distributors, 2 magnetic drum separators, one J.J. Scale and one aspirator, have all been installed.

Spoutings and transmissions have been installed to service tower equipment mentioned above.

Erection of structural steel framework for the conveyor which links the catwalk to the bagging machine in the packaging plant is now in progress. Grouting of steel columns and bins continues.

The electrical crew is engaged in positioning of main and motor control panels; installation of conduit in the 9th floor of the Main Tower; wiring of intercom conduit; mounting of lighting panels and conduit erection. Overall, this site is 72.35% complete.

b) Problems and/or Delays:

No significant problems have been encountered during the reporting period.

c) Action Proposed or Required:

None.

d) Major Activities Expected in July:

1. BVI Project Engineer, Mr. Robert Colbert, is due to arrive July 15 for approximately two weeks to make on-site inspections of construction progress.
2. Construction activity on two remaining facilities to continue and the balance of the equipment for the Maintenance Shop to be ordered.

504-054

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 5/31/77 per AID/W Records (96.44% of Revised Loan Amount)		2,377,039
Disbursements during May 1977 per AID/W Records		-0-
Disbursements for six months ending 5/31/77 per AID/W Records		32

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

a) Status Summary:

i) Financial thru 6/30/77

L/Comm Amount \$ 926,054

Actual Expenditure thru
5/31/77 per AID/W Records 908,002
(98.05% of Amount Committed)

ii) During the reporting period the Contractor submitted their final invoice in the amount of \$18,051.86 to the Ministry of Works and Transport. On June 28, 1977, the Government officially advised the Contractor that their claim would not be accepted.

iii) The tide and wave meters were not tested to date. However, the Project Engineer said that they will be accepted by the Government without the official performance report.

b) Problems and/or Delays:

No substantial change from existing problems.

c) Action Proposed or Required:

No action will be taken by the Mission at this time.

d) Major Activities Expected in July:

E.G. & G.'s response to the Government's letter refusing payment on their final invoice.

II. Intermediate Savannahs - TAMS

a) Status Summary:

i) Financial thru 6/30/77

L/Comm Amount \$ 646,892

Actual Disbursements thru
5/31/77 per AID/W Records 577,293
(89.24% of Amt. Committed)

ii) The Contractor's comments on the audited overhead rates have not been received to date. A follow-up letter was sent by the Mission to the Contractor on June 9, in an effort to expedite action on this issue.

b) Problems and/or Delays:

No substantial change from existing problems.

c) Action Proposed or Required:

Action will be taken after the Contractor has commented on audit of overhead rates.

d) Major Activities Expected in July:

TAMS should give some reaction on their overhead rate dispute during July.

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

Description: Loan -010 was authorized to finance 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, 1975, to provide financing for 12.6 miles of road under -010 and 3.6 miles of road and the Canje 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 and -011), and 4) supervise the contractor who will construct the bridge.

a) Status Summary:

i) Financial thru 6/30/77

	<u>Loan 010</u>	<u>Loan 011</u>
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 (% of Loan Amount)	6,200,000 100%	4,480,711 93.35%
Actual Expenditure per AID/W Records thru 5/31/77 (% of Loan Amount)	3,190,448 51.46%	1,396,485 29.10%
Accrued Expenditure per Mission Records (% of Loan Amount)	3,190,448 51.46%	2,198,838 45.81%
Commitments during past six months	2,553,446	-0-
Disbursements during May 1977 per AID/W Records	196,418	117,345
Disbursements for past six months ending 5/31/77 per AID/W Records	328,764	1,098,426

ii) Loan 010: Georgetown Streets

Considerable publicity was given to the construction progress of the subprojects - Kitty Bypass and East Coast Road - during the reporting period in the Daily Newspaper "Chronicle".

The Vlissengen Road subproject is nearing completion it is expected that after the shoulders are trimmed that the road will be opened to traffic during the coming month.

140 Tons of asphaltic concrete were placed on the East Coast Road between Vlissengen Road and D'Aguiar's Bend. The other half of the culvert at Sta. 187 has been completed.

The Contractor for Ogle Bridge did not continue work according to the construction schedule. The Ministry of Works and Transport is reviewing this delay with the Contractor and appropriate action will be taken.

Mission Chief Engineer, accompanied by the GOG Consultant Julius Silchenstedt and the GOG Project Engineer Edward Gonsalves, inspected operations of the asphaltic concrete plant located at Garden of Eden; placing of asphaltic concrete on Vlissengen Road and the final shaping of the base courses and shoulders between D'Aguiar's Bend and Carib Hotel.

On June 29 Ministry officials and GOG Consultant Julius Silchenstedt held discussions with Mission personnel on a review of the two Loans -010 and -011.

The Reimbursement Formula for the East Coast Road construction was approved - the Mission will now issue an Implementation Letter formalizing approval on the geographic section/layer system for which reimbursements to the GOG can be made. The Consultant will, however, issue a certification of satisfactory completion before payments are made. Mr. Balbahadur requested that after roads are accepted on asphaltic concrete placement the USAID "Advance" be deemed a "Reimbursement". Agreement was also reached on this issue.

It is expected that the Georgetown Streets subproject would be completed by the end of August, earning on completion the remaining G \$400,000.

iii) Loan 011: Canje River Bridge

Load tests were completed on test piles driven at Piers 10 and 11 during the first half of June, and eighteen concrete cylinder piles were deemed suitable for vertical loading only. Harris Engineers are awaiting data from Raymond before accepting piles for lateral loads based on soil support values.

Labor talks continued during June with the construction contractor and the Guyana Labor Union. A memorandum of Agreement was signed setting forth procedures that would be followed in settling problems between contractor and labor force. Good labor relations continue to date, and wage negotiations are continuing amicably.

Construction workmanship has been exceptionally good and although somewhat behind on the 'Raymond' schedule, the slippage is expected to be corrected by early next year and the bridge to be completed well before the contract completion date.

Raymond home office personnel made a site visit during the month. The team was mainly concerned that the construction work did not progress according to their schedule drawn up on May 18.

The GOG Chief Engineer visited the site to continue discussions with the New Amsterdam Town Council and Construction Contractor on removal of an electrical transmission line situated near the new Canje Bridge and its removal to an alignment that follows the detour. Negotiations will continue with the Town Council.

At the close of the reporting period, the easterly abutment has been completed, except for the "tee head" at Pier 12, Piers 12 thru 18 have been completed. The cofferdam for Pier 8 is in place and excavation and timber piling have been completed.

b) Problems and/or Delays:

Loan -010:

No serious problems have surfaced. The delay on the Ogle Bridge construction is being reviewed by the Ministry of Works and Transport.

Loan -011:

The GOG is concerned that Raymond has not submitted claims according to their cash flow projection. With the local currency situation still very tight, the GOG were anxious to see that money remains available for local currency payments on this project.

c) Action Proposed or Required:

Loan -010:

The Mission will continue to monitor construction progress closely.

Loan -011:

The Construction Contractor continues to assure the Government officials that construction work will accelerate so that increased payments will be in line with their cash flow projections.

d) Major Activities Expected in July:

Loan -010:

1. Vlissengen Road subproject should be opened to traffic during the month.
2. An Implementation Letter recording agreement to the reimbursement formula to be issued by the Mission.
3. Mission to request an extension of the Loan TDD.
4. Mission to request AID/W to process a second advance of G \$500,000 to assure continued construction work on this project.
5. Construction work to continue on Ogle Bridge and all other subprojects during July.

Loan -011: New Amsterdam Streets:

1. The Ministry's workforce in New Amsterdam to complete all road work in this subproject; with the exception of 500 feet, which the Consultant recommends should be deleted. Formal approach will be made to the Mission to delete this section in July.

Loan -011: Canje Bridge

1. Construction work will continue on footings and piers; superstructure; backfill; piers 9, 10 and 11.