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GUYANA

MONTHLY LOAN REPORT

August 31, 1977

## PART I - NEW LOAN PROPOSALS

### 1. Rural Feeder Roads and Equipment Maintenance Training

Description: The proposed development grant of US $1.7 million and loan of US $6.2 million will play a significant role in upgrading and improving the heavy construction equipment maintenance capability by training mechanics and equipment operators, and will increase production of agricultural products and the income of the small Guyanese farmers by constructing approximately 25 miles of penetration feeder roads in support of Government's plans to open new regions for agricultural development. A substantial portion of the Loan is for the purpose of providing technical assistance and training to upgrade the road construction and maintenance capability of the Ministry of Works and Transport and includes a commodity procurement component for workshop equipment and spare parts to make operational the large amount of deadlined heavy construction equipment. The overall project will cost US $10.5 million and cover a four-year period.

a) Status Summary:

A six-man Project Development Team from AID/W headed by Robin Gomez, Finance Officer, LA/DR, arrived in Guyana during the week of August 13 on TDY, to prepare documentation for the Rural Feeder Road project paper. The Team, accompanied by Mission staff, met with Ministers and senior officials of the Government of Guyana on a round-the-clock schedule for three weeks to formulate the Grant/Loan Paper. Mission Chief Engineer, George Reasonover, will leave for Washington during the week of September 12 to present the Project Paper.

## 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, all work at the Caledonia Water Production and Treatment Plant has been suspended. Percentages of completion are as follows: the chain link fence is 98% complete; forming and placing concrete slabs for the contact tank, septic tank and building is 30%; installation work on booster pumps is 80%; electrical work remains at 45%; chemical storage and control building is 60%; 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 during the report period 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 underdrain trusses for filters. Overall progress is 80%.

ii) Some progress was made in installing transmission mains during the reporting period. Approximately 136,181 feet of pipe have been laid. To date, project areas 'A', 'B', 'D', 'E' and 'G' are complete. Overall progress is 80%. (July status was 79%).

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

b) Problems and/or Delays:

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.

d) Major Activities Expected in September:

Project activity was suspended on almost all programs during August due to financial constraints. 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 8/31/77

| | | |
|---|---|---|
| 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 7/31/77 per AID/W Records (94.65% of Loan Amount) | | 12,210,846 |
| Accrued Expenditure per Mission Records to 8/31/77 (94.86% of Loan Amount) | | 12,237,382 |
| Commitments during report period | | -0- |
| Commitments during past six months | | -0- |
| Disbursements during July 1977 per AID/W Records | | 47,447 |
| Disbursements for six months ending 7/31/77 per AID/W Records | | 845,055 |

General

Mr. Abelardo Valdez, Assistant Administrator for the Latin American Bureau, paid a visit to Guyana August 9 thru 11. During his stay he met Messrs. Charles Kennard and Percy Williams, Production Manager and Chief Engineer, respectively, of the Guyana Rice Board (GRB) and made an aerial view of several project construction sites.

The GRB suffered another setback on August 9 when fire gutted the Water Street premises of the Guyana Rice Board leaving millions of dollars in loss and damage in its wake. It destroyed the export packaging plant and severely damaged four of the loan-financed paddy drying and storage silos at the Milled Rice Facility in Georgetown. Provisional estimates put the loss of stock, equipment and structures at well over G $12.0 million (approximately US $5.0 million). Cost of replacing the Rice Board facilities destroyed by the fire will strain the financial resources of the GRB and the Government of Guyana.

On August 22, Minister of Agriculture, Gavin Kennard, formally requested A.I.D.'s consideration of granting a new loan to provide post-harvest facilities for the expanding rice industry. The proposed Second Rice Loan will generally follow the recommendations of the Rhodes-Checchi Study, with a few changes in design of the paddy drying and storage structures, and will include updating of cost estimates.

Georgetown Milled Rice Facilities

Fire destroyed the storage and export bonds, mechanical workshop and utility stores. Four of the loan-financed silos on 'C' Row were damaged by the excessive heat, and the ship loading wharf was completely destroyed. Part of the packaging plant and office sections were saved. The GRB submitted a detailed description with photographs of losses in their August report; copies of which were forwarded to AID/W.

The GRB now plan to modify and extend the existing conveyor to the Remilling Plant. Conveyors Nos. 230 and 231 will be channeled to the Remilling Plant and a hopper in 'A' bond, where a sewing head and scale will be erected as a temporary measure so that reduced processing can be continued.

GRB has sought USAID's approval to utilize the services of an Electrical Engineer from Control Systems, Inc., to assist with the modifications at this site. USAID agreed that the cost would be met from funds earmarked for the BVI contract.

Due to the urgent need for completing these facilities, round-the-clock work continues. Conveyor No. 206 has been completed and is now in operation. One blending hopper was installed during the report period and work continues on the additional hopper for early blending of rice.

Cladding of the southern side of the roof continued. Spouts from elevators Nos. 504 and 505 to conveyors 201, 211 and 212 were completed. Work continued on spoutings from elevator No. 506 to conveyor 210.

Electrical work was restricted to connection of motors and lighting fixtures to make sections of the facility operational.

The recent fire delayed progress on this site considerably. Overall, this site is 81.35% complete.

Somerset-Berks

Elevators 1, 2, 7, 8 and 11 have been erected, complete with drives, belts and buckets. Wires and anchors are being installed. Sixteen conveyors have been installed complete with drives.

Spouting, distributors, gates and valves were received on site. A quantity of cement and aggregate is now on site in preparation for grouting silo tanks. Spouts are also being brushed and painted at this facility.

Transitions, flashings and rack and pinion valves on 'A' and 'B' Rows are complete. Work continues on transitions from elevators to conveyors Nos. 6 and 7. All floors in the headhouse are complete and handrails erected.

The electrical work on power cable installation was completed during August. The motor control panel connecting to Conveyors 9 and 10 is now complete. Plumbing on fuel lines and water system for this site continues.

During the report period, three additional silos were erected; work has now progressed to the sixth ring on 'F' Row. Overall, this site is 77.11% complete.

b) Problems and/or Delays:

The fire at the Georgetown Milled Rice Facility will cause the GRB to miss their completion target. All construction work was suspended for four days and emergency modifications to the system were required in order to put the facilities into use for storage and export. Power transmission lines were damaged and this further delayed construction an additional seven days after the fire.

c) Action Proposed or Required:

The GRB crews continue to work on construction of the Milled Rice Facilities but it will not be possible to complete the installation by the TDD, October 31, 1977. Final inspection and run-in tests for Somerset-Berks are still scheduled for early October and the Consultant (BVI) has been asked by the Rice Board to send the inspection team to Guyana during the first week of October.

d) Major Activities Expected in September:

1. Receipt of the GRB's detailed program to expand their facilities as a follow-up to Minister Kennard's request for a Second Rice Loan. This should be preceded by an updating of the Rhodes-Checchi technical/economic feasibility and cost estimate.

2. Construction activity on Somerset-Berks and the Georgetown Milled Rice Facility to continue.

3. Arrival of all remaining shop equipment from suppliers. Approximately US $200,000 Loan funds remain unspent and

the GRB is attempting to expedite shipment of all equipment prior to TDD cut-off.

4. Arrival of Electrical Engineer from Control Systems to assist in project work at the Georgetown Milled Rice Facilities.

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 7/31/77 per AID/W Records (96.44% of Revised Loan Amount) | | 2,377,039 |
| Disbursements during July 1977 per AID/W Records | | -0- |
| Disbursements for six months ending 7/31/77 per AID/W Records | | -0- |

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

a) Status Summary:

i) Financial thru 8/31/77

| | |
|---|---|
| L/Comm Amount | $ 926,054 |
| Actual Expenditure thru 7/31/77 per AID/W Records (98.05% of Amount Committed) | 908,002 |

ii) The GOG has not received a reply from E.G. & G. to their letter rejecting the Contractor's final invoice.

b) Problems and/or Delays:

No substantial change from existing problems.

c) Action Proposed or Required:

The GOG is awaiting the Consultant's agreement/rebuttal in connection with final contract settlement.

d) Major Activities Expected in September:

E.G. & G's counter proposal or settlement of contract final billing.

## II. Intermediate Savannahs - TAMS

a) Status Summary:

i) Financial thru 8/31/77

| | |
|---|---|
| L/Comm Amount | $ 646,892 |
| Actual Disbursements thru 7/31/77 per AID/W Records (89.24% of Amount Committed) | 577,293 |

ii) DCAA informed the Mission on August 16 that TAMS prepared a submission on another basis. A review of this submission, now underway, is expected to be completed by October 1, 1977.

iii) The Ministry of Agriculture confirmed that $1,280.00 previously billed to TAMS partners' salaries was refunded in Invoice No. 1395-17 dated May 31, 1976, as requested. $3,360 incorrectly billed as overhead on the consultant's salaries were also refunded in the same invoice.

b) Problems and/or Delays:

The outstanding problems are being slowly resolved.

c) Action Proposed or Required:

Mission will await the outcome of the DCAA's latest review of TAMS' new submission.

d) Major Activities Expected in September:

None. However, DCAA's correspondence indicates that final solution should be possible the first half of October.

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, 1976, 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 & -011), and 4) supervise the contractor who will construct the bridge.

a) Status Summary:

i) Financial thru 8/31/77

| | 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 7/31/77 | 3,190,448 | 1,892,183 |
| ( % of Loan Amount) | 51.46% | 39.42% |
| Accrued Expenditure per Mission Records | 3,386,926 | 2,512,922 |
| ( % of Loan Amount) | 54.63% | 52.35% |
| Commitments during past six months | 2,553,446 | -0- |
| Disbursements during July '77 per AID/W Records | -0- | 262,270 |
| Disbursements for past six months ending 7/31/77 per AID/W Records | 106,418 | 1,583,377 |

ii) Loan 010: Georgetown Streets

On August 10, Consultant Project Manager, Julius Silchenstedt, conferred with the Construction Contractor's Structures Engineer on the Ogle Bridge subproject on the problem of splicing the timber piling. Tests on August 18 indicated that the first pile, about 96' long, performed satisfactorily. Penetration into the coropina clay is now 16 feet. This provides adequate bearing capacity according to adhesion and blow count values established by the designers, Parsons, Brinckerhoff, Quade and Douglas.

On August 10, U.N. Ambassador Andrew Young accompanied by Minister of Works and Transport, Steve Naraine and party made a 20-minute stopover at this project.

Remedial work for the Georgetown Bypass has now been completed. The Vlissengen Road program (except for minor work on the intersection on the East Coast Road) is also complete.

Implementation Letter No. 17, recording agreement to the reimbursement formula will be issued in September.

F.R. Harris' Project Manager departed Guyana for two weeks vacation starting August 27.

iii) Loan 011: New Amsterdam

Remedial work for Main Street, New Amsterdam and Stanleytown is essentially completed. Remaining work includes bituminous pavement and cleanup. The Ministry's asphalt distributor was out of service most of the month; this delayed completion of the asphalt paving. It is expected that the entire job will be complete by the end of September.

Approximately 3.66 inches of rain fell during the report period according to the records of the rain gauge at the Technical Institute in New Amsterdam.

There were 18 no-rain days. Most of the showers were very light and fell during the night.

Work continued on the Easterly approach to the Canje River Bridge by the GOG force account.

iv) Loan -011: Canje Bridge

On August 8 the site was visited by Admiral (Ret.) Jack Fisher, Vice-President of Corporacion Raymond. He remained until the 16th to participate in the labor wage negotiations with the Guyana Labor Union. Work on the Canje Bridge was stopped for one week between August 2 and 8, due to a labor dispute concerning the wages and fringe benefits. Negotiations were concluded satisfactorily on the 16th of August, resulting in a return to work of the 200 plus workers and gave the workers an average of 15% increase in the minimum wage scale (including fringe benefits).

On July 30 a group of about 25 members of the Guyana Association of Professional Engineers toured the project under the guidance of Gordon K. Lewis, Assistant Project Manager.

On August 11, the project was toured by a group of officials led by the Honorable Steve Naraine, Minister of Works and Transport. Accompanying him were Pooran Balbahadur, Chief Engineer, MW&T; Charles Kennard, Production Manager, Guyana Rice Board; Abelardo Valdez, Assistant Administrator, LA Bureau AID/W; Patrick Breslin, Executive Assistant to Mr. Valdez; Peter Kolar, Acting Director, USAID/G; George Reasonover, Chief Mission Engineer; and John Sawh, Assistant to the Controller, USAID/G.

On August 13, the first deck concrete was placed at Span 19. The surface finish was unacceptable. The Contractor will use a grinder to correct the surface of Span 19, He will also use a finishing machine which should result in a satisfactory job.

Stay-in-place forms and rebars are being placed by the construction team on the other spans. Overall, the job is ahead of schedule; 56% of the work has been completed in 42.1% of the allotted time.

b) Problems and/or Delays:

Loan -010:

The force account construction team concentrated on the Vlissengen Road and Georgetown Bypass subprojects during the reporting period. As a result progress on the East Coast Road was limited. There was also a short supply of filler - needed for stabilization of bituminous concrete. Portland cement was also in short supply.

Loan -011:

Labor problems have now been resolved. No serious issues are evident at present.

c) Action Proposed or Required:

Loan -010:

The Mission will continue to monitor construction progress closely. It is anticipated that with the Vlissengen Road and Georgetown Bypass subprojects almost complete, more emphasis will be placed on the East Coast Road.

Loan -011:

Mission will continue to monitor this project closely.

d) Major Activities Expected in September:

Loan -010:

1. Completion of Vlissengen Road with the intersection of East Coast Road.

2. Issuance of Implementation Letter No. 17.

3. Certification of remedial force account construction work by F.R. Harris, GOG Consultant.

Loan -011:

1. Completion of remedial work for New Amsterdam subproject by GOG to include asphalt paving and clean-up operations.

2. Construction work on the Eastern approach to the Canje Bridge by force account to continue.

3. Construction work on footings and piers; backfill and superstructure to continue.

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 8/31/77

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

ii) Implementation Letter No. 1 was issued by the Mission and forwarded to the Ministry of Finance on August 9, 1977.

iii) Personnel from the Public Service Ministry are conducting joint planning sessions with the Ministries of Agriculture and Economic Development to formulate an implementation plan covering project components.

b) Problems and/or Delays:

None.

c) Action Proposed or Required:

None.

d) Major Activities Expected in September:

1. Continued joint sessions of GOG Ministries for preparation of detailed time-phased implementation plan.