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GUYANA

5A0071 (6)

MONTHLY LOAN REPORT

July 31, 1977

PART I - NEW LOAN PROPOSALS

1. Rural Feeder Roads and Equipment Maintenance Training

Description: The proposed Loan of US $6.0 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 increase the income of the small Guyanese farmers by constructing farm-to-market and tertiary 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 the construction consulting services and technical training to upgrade the equipment maintenance capability of the Ministry of Works and Transport and includes a commodity procurement component for spare parts to make operational the presently deadlined heavy construction equipment.

Status Summary:

In a joint USAID/GOG meeting, the Ministries of Works and Transport, Finance and Economic Development were unanimous in emphasizing the urgent need for assistance in constructing feeder roads to open up new farmland and training of road construction equipment operators/mechanics. The GOG has concurred in the TDY visit by a team of specialists in connection with the preparation of necessary documentation for this project.

504-048

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) At the Caledonia Water Production and Treatment Plant, the chain link fence is 98% complete; forming and placing concrete slabs is approximately 30% complete; the contact tanks are 98% complete; installation of booster pumps is 80% complete; and electrical work is 45% complete. Overall percentage of completion is 77%.

ii) Installation of transmission mains continued throughout the project area. Approximately 135,000 of pipe have been laid. The overall percentage of completion is 97%.

iii) Work continued on erecting the prefabricated workshop. Overall percentage of completion is 5%.

b) Problems and/or Delays:

The sand blasting of the treated water storage tanks has been delayed due to the difficulty of obtaining dry sand. The water meter service connection program was stalled for almost a year due to delays in obtaining proper sized corporation stop fittings. Although the necessary coupling devices have now been obtained, this phase is still stymied for lack of local currency financing and a shortage of qualified technical personnel to install the water meters and make the service connections.

c) Action Proposed or Required:

The Guyana Water Authority is addressing the problems outlined above to ensure continued progress, i.e., arrangements are being made to obtain dry sand for sand blasting from the Roads Division asphalt plant and efforts are being made to start the meter service connecting program in late August or early September.

d) Major Activities Expected in August:

1. GUYWA hopes to start the meter service connections by the end of the month.

2. Work to continue on construction of the prefab workshop.

3. Cabinet approval of the new water rate schedule is still pending.

4. Work to continue on the Caledonia facilities and installation of transmission mains. A revised construction schedule has been promised by mid-August.

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 7/31/77

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 6/30/77 per AID/W Records (94.29% of Loan Amount)	12,163,399
Accrued Expenditure per Mission Records to 7/31/77 (94.77% of Loan Amount)	12,224,366
Commitments during reporting period	-0-
Commitments during past six months	-0-
Disbursements during June 1977 per AID/W Records	29,213
Disbursements for six months ending 6/30/77 per AID/W Records	988,663

General

This Loan is now fully committed and minimum essential equipment for the Machine Shop is now on order.

Mr. Robert H. Colbert of Black and Veatch International visited Guyana and the GRB's facilities during July 18 thru 23. During his visit he inspected the construction sites at Black Bush Polder, Somerset-Berks, MARDS and the Milled Rice Facilities in Georgetown, and met with GRB and USAID officials.

Most of the mechanical equipment is installed at the Milled Rice Facilities in Georgetown, but alignment and electrical work remain to be completed. The GRB continues with a vigorous program to complete these urgently needed facilities in time for the Fall 1977 rice harvest, which is forecast to be the largest in history. Workmen at both the Milled Rice Facility and at Somerset-Berks have been offered incentive bonuses to complete construction ahead of schedule.

Three dryers each at MARDS and Anna Regina are being modified to increase capacity prior to the Fall harvest. This is a formidable task since modification requires removal of the dryer tops, installation of new exteriors, replacement of the tops, changing the feed spouts/extensions of the elevators and rewiring of the electrical circuitry.

Somerset-Berks Paddy Drying and Storage Center

Work at this site is progressing at an accelerated pace. The GRB is attempting to complete construction and go operational by mid-September. The construction supervisors and crew are enthusiastic and determined to meet the deadline. A shortage of welding machines has hampered progress somewhat.

Work is at an advanced stage in the headhouse. Five elevators have been erected on site with service platforms and distributors.

All top conveyors in Rows 'A' and 'B' are complete and the dump-pit and bottom conveyors are nearly complete. Work on transitions in the elevator boot continues. Aeration ducts have been completed on 16 storage bins to date. Erection of three remaining tanks in 'D' row continued during the month. Construction of handrails and walkways for 'C' Row continued.

The electrical crew installed propane gas lines to dryers, and are connecting electrical wires for the reel scalper, cleaner, lighting and motors.

Overall completion at this site is 71.86%.

Georgetown Milled Rice Facility.

Cladding of the tower continues. Erection work on conveyors 230 and 231 continued. The installation of the temperature detection system has begun. Work is well advanced on the installation of motors and drives on all conveyors and elevators. Installation work on the gravimetric feeders on bottom hoppers of the storage tanks continued. Eight feeders have already been installed to date. Erection of the tote crane is complete and technicians are now assembling the platform scale at this facility.

Electrical work continued on conduit to the motor control panel and the control room is complete except for windows, guard rails and painting. The personnel elevator is in operation but needs readjustment.

Overall this site is 79.10% complete.

b) Problems and/or Delays:

No significant problems have been encountered during the reporting period. The construction program is proceeding at a rapid pace and the prospects are good that all facilities will be substantially complete and operational by the TDD.

c) Action Proposed or Required:

None.

d) Major Activities Expected in August:

1. Construction activity on the two remaining facilities to continue.

2. Arrival of shop equipment from suppliers.

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 6/30/77 per AID/W Records (96.44% of Revised Loan Amount)	2,377,039
Disbursements during June 1977 per AID/W Records	-0-
Disbursements for six months ending 6/30/77 per AID/W Records	32

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

a) Status Summary:

i) Financial thru 7/31/77

L/Comm Amount	$ 926,054
Actual Expentiture thru 6/30/77 per AID/W Records (98.05% of Amount Committed)	908,002

ii) The Government 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 and/or rebuttal as concerns final settlement.

d) Major Activities Expected in August:

E.G. & G's counter proposal on settlement of final billing is expected.

II. Intermediate Savannahs - TAMS

a) Status Summary:

i) Financial thru 7/31/77

L/Comm Amount	$ 646,892
Actual Disbursements thru 6/30/77 per AID/W Records (89.24% of Amount Committed)	577,293

ii) A follow-up cable (Georgetown 1621) was sent to AID/W on July 7, requesting the status of negotiations with the Contractor. The TAMS head office sent a letter to the Mission dated July 11, 1977, with a partial explanation on overhead and per diem costs. TAMS comments on the $3,000 disallowance will follow later.

b) Problems and/or Delays:

Problems are much the same as in previous months.

c) Action Proposed or Required:

Mission will take action after final comments are received from TAMS.

d) Major Activities Expected in August:

Possible settlement of payment issue involving the contractor and GOG.

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 7/31/77

	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 (% of Loan Amount)	6,200,000 100%	4,480,711 93.35%
Actual Expenditure per AID/W Records thru 6/30/77 (% of Loan Amount)	3,190,448 51.46%	1,629,913 33.96%
Accrued Expenditure per Mission Records (% of Loan Amount)	3,386,926 54.63%	2,417,749 50.37%
Commitments during past six months	2,553,446	-0-
Disbursements during June 1977 per AID/W Records	-0-	233,428
Disbursements for past six months ending 6/30/77 per AID/W Records	428,764	1,321,141

ii) Loan -010: Georgetown Streets

On July 5, the USAID Director met with the Minister of Works and Transport to discuss progress of construction and the extension of the Loan TDD. The Ministry followed up this meeting with a request for extension of the TDD to May 31, 1979. The GOG has guaranteed adequate financial support and allocation of personnel and machinery throughout the remaining span of the project.

During the reporting period, remedial construction work on Vlissengen Road was completed with the exception of a bus-stop lane and two "U" turn roadways. Remedial work on the Georgetown Bypass was completed with the exception of the curve connecting Ruimveldt Avenue with Kitty Avenue and some settlement near the pumping station.

The Implementation Letter, recording agreement to the reimbursement formula, is now in preparation within the Mission.

As requested by U.S.A.I.D., the GOG Roads Division presented a new schedule at the June 29 meeting covering remaining construction work to the end of the project. However, in anticipation of an extended TDD to May 31, 1979, the schedule was withdrawn to reflect the more realistic completion time.

Although some progress has been made, labor strikes at the Government's quarry has slowed the delivery of crusher run material needed for manufacturing of asphaltic concrete.

The first lift of asphaltic concrete has been completed between Vlissengen Road and D'Aguiar's Bend.

On July 25, Mr. John Blacken, Charge d'Affaires, presented a check for an advance of G $500,000 to the Minister of Finance to continue construction work on the project. The presentation was given wide coverage by the news media.

Mr. George Joseph has been assigned by the Ministry of Works and Transport to replace Ed Gonsalves as Field Project Engineer.

iii) Loan -011: Canje River Bridge

On July 6, a project review meeting was held in Canje, Berbice, with GOG, Consultant, USAID and Contractor management attending. Although the 'Raymond' schedule records slow progress, construction work is 43% complete in 37% of the specified time. The Ministry of Works and Transport has decided to make maximum use of available funds this year to finish approaches at both ends of the Bridge at an early stage. Work on the east approach is scheduled to begin the first week in August.

The Mission Chief Engineer accompanied by Mr. Zachary deGaster, Senior Vice President of Frederic R. Harris, inspected the Canje Project on July 20 and 21. Mr. Julius Silchenstedt has been promoted to Assistant Vice President of F.R. Harris Engineering Corporation, but will remain as Project Manager on the Canje Bridge project until completion.

The west abutment of the Canje Bridge is concreted and Piers #1 thru #4 completed. Piers #5 thru #8 have been completed to the bottom of the tee heads. At Pier #9 cylinder piles remain as driven. At Pier #10 the cylinder piles have been cut off and plugged. The footing on Pier #11 has been concreted. Piers #12 thru #15 are complete.

At the close of the reporting period twenty beams have been set for Spans No. 16 thru 19 and stay-in-place forms completed for Spans 18 and 19. Thirty four beams have been cast in addition to those mentioned above and are stored in the casting yard and on the site.

Two one-day strikes on July 16 and 19 were reported during this period. Meetings were held with Raymond and Guyana Trade Union representatives but nothing positive has been agreed upon to date. Negotiations on salary and minimum wage scales continue with representatives of the Government assisting the Contractor in the negotiations.

The GOG advised that the Guyana Electricity Corporation will take over control of the electric power plant from the New Amsterdam Municipality in the near future and a decision has been made to re-site the 13.8 kv power line contiguous to the bridge as recommended by the Consultant.

b) Problems and/or Delays:

Loan -010:

Construction of the Ogle Bridge has experienced unforseen problems. Pilings did not develop resistance to driving within the specified length of 40' and borings were made to a depth of 80'. It is anticipated that there will be some delay on this phase of the project as additional materials will be required to complete the job.

Loan -011:

Labor problems surfaced during the month and representatives from the Government, construction contractor and Guyana Labour Union are meeting in an attempt to resolve the issues.

c) Action Proposed or Required:

Loan -010:

The Mission will continue to monitor construction progress closely.

Loan -011:

The Mission will continue to check for improvement in the labor situation and construction progress.

d) Major Activities Expected in August:

Loan -010:

1. Issuance of Implementation Letter recording Mission concurrence in the reimbursement formula.

2. Preparation of justification for a TDD extension for submission to AID/W.

3. Continued construction work on Ogle Bridge and other subprojects.

4. Completion of all remedial work for Vlissengen Road and Georgetown Bypass.

5. GOG resubmission of the progress schedule for East Coast road construction.

Loan -011: New Amsterdam Streets

1. Completion of remedial construction work in this subproject.

Loan -011: Canje Bridge

1. Construction work on the eastern approach to the Canje Bridge by force account to be started during the first week of August.

2. Construction work on footings, piers, superstructure and backfill 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 7/31/77

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

ii) The GOG has reviewed Implementation Letter No. 1 which is now in the final stages of preparation.

b) Problems and/or Delays:

None.

c) Action Proposed or Required:

None.

d) Major Activities Expected in August:

1. Implementation Letter No. 1 has been prepared and will be forwarded to the GOG in early August.

2. GOG's preparation of a detailed time-phased implementation plan covering each component of the project.