

AMENDMENT NUMBER 4
OF THE
PROJECT GRANT AGREEMENT
BETWEEN
THE REPUBLIC OF LIBERIA
AND
THE UNITED STATES OF AMERICA
FOR
LIBERIA ROAD MAINTENANCE

PROJECT NUMBER: 669-0200

The Grant Agreement dated August 27, 1985 and amended on December 16, 1985, August 28, 1986 and June 22, 1987 ("The Agreement"), is hereby further amended as follows:

1. Section 2.2 is deleted in its entirety.
2. Section 3.1 is deleted in its entirety and the following is substituted in lieu thereof:

"Section 3.1 The Grant. To assist the Grantee to meet the costs of carrying out the project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to provide the Grantee a total of Five Million Six Hundred and Forty-nine Thousand Dollars (\$5,649,000) ("Grant"). The incremental amount being provided under this amendment is One Million Three Hundred and Forty-Nine Thousand Dollars (\$1,349,000).

3. From Section 3.2, Paragraph B, delete the amount "One Million Eight Hundred Thousand Dollars (\$1,800,000)" and insert in lieu thereof the following amount, "Two Million Four Hundred and Seventy-four Thousand Dollars (\$2,474,000)".

Section 3.2(C) is deleted in its entirety.

4. Section 3.3(A) Project Assistance Completion Date is hereby deleted in its entirety and the following is substituted in lieu thereof:

"The Project Assistance Completion Date ("PACD"), which is December 31, 1990 or such date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement."

5. Section 4.3(C) is hereby deleted in its entirety and the following is substituted in lieu thereof:

"(C) Evidence that MPW has selected, in consultation with the Project's technical assistance team and USAID, four trainee contractor supervisors at the road technician level or higher to be assigned to the project full time to work during the construction seasons at the regravelling sites and to participate in classroom and laboratory training during the rainy seasons."

Section 4.3 is hereby amended to include the following CP:

"(D) The Government of Liberia Project Director has been assigned to spend 100% of his time on the project site, has assumed full supervisory responsibilities and is acting as the counterpart to the senior ORT engineer."

6. Section 4.4 is deleted in its entirety.

7. Section 4.5 Notification is hereby deleted in its entirety and the following is substituted in lieu thereof:

"Section 4.4 Notification. When A.I.D. has determined that the conditions precedent specified in Sections 4.1, 4.2 and 4.3 have been met, it will promptly notify the Grantee."

8. In Section 4.6 (B) the number "4.4" is deleted, and the number "4.3" is inserted in lieu thereof.

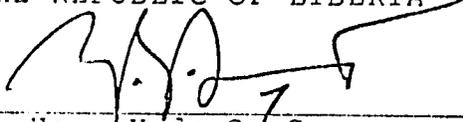
9. The following Special Covenant is hereby added:

"5.3 Annual Maintenance. The Ministry of Public Works will perform annual routine maintenance on the 155 mile Zwedru-Pleebo road. A minimum of \$300,000 from the 1989-1990 development budget will be devoted to this purpose."

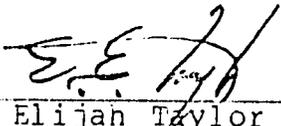
10. Annex I, the Amplified Project Description, is deleted in its entirety and the attached Annex I is inserted in lieu thereof. Except as amended herein, the Agreement remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representatives, have caused this Fourth Amendment to be signed in their names and delivered as of the 15th day of April, 1988.

THE REPUBLIC OF LIBERIA

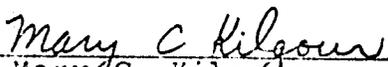


Hon. Yudu S. Gray
MINISTER OF PUBLIC WORKS



Hon. Elijah Taylor
MINISTER OF PLANNING AND
ECONOMIC AFFAIRS

THE UNITED STATES OF AMERICA



Mary C. Kilgour
DIRECTOR
USAID MISSION TO LIBERIA



James K. Bishop
U.S. AMBASSADOR TO LIBERIA

ANNEX I
REVISED AMPLIFIED PROJECT DESCRIPTION

I. GENERAL DESCRIPTION OF THE PROJECT

A. Background:

The \$4.3 million Liberia Road Maintenance Project (669-0200) was authorized on August 19, 1985 for five years as part of the IBRD's \$21.28 million Fifth Highway Project. While the IBRD portion of the project continued well into 1985, high debt arrears halted disbursements at \$7.2 million to this project in February 1986. The Government of Liberia (GOL) continues to devote approximately \$1.25 million annually from its development budget for the Fifth Highway project. The overall goal of the Fifth Highway Project is to strengthen the Liberian Ministry of Public Works' (MPW) ability to rehabilitate and maintain the existing primary road network. The A.I.D. component is developing a private sector alternative to force account maintenance for periodic work such as road rehabilitation and regravelling. A.I.D. is responsible for rehabilitating the Pleebo-Zwedru portion of the Harper-Zwedru Highway. Political events in FY 1986, slow mobilization and management problems of the construction firms as well as unusually bad weather caused a delay of one construction season and slower progress than expected. Further delay was caused when contracts could not be awarded in January 1988, because of Brooke Amendment restrictions. The project will be extended for approximately two years to December 31, 1990 with additional funding of about \$1.3 million increasing the total USAID life of project funding to \$5.6 million.

B. Project Summary

1. Project Goal:

The goal of the project is to maintain infrastructure essential to Liberia's productive capacity. The secondary goal is to improve access of the rural population to income opportunities, goods and services.

2. Project Purposes:

The purposes of the project are (1) to provide selected rural areas with more reliable road transportation for marketing agricultural produce; and (2) to develop capabilities of private construction contractors to perform road rehabilitation work and routine maintenance.

3. Project Outputs:

The outputs are 1) A rehabilitated 155 mile highway between Zwedru and Pleebo; and 2) 31 trained MPW personnel in contractor supervision and road maintenance/ rehabilitation management, 15 of whom will have received practical experience at the USAID and/or IBRD project sites and 3) Construction management advisory service provided to Liberian construction firms participating in the rehabilitation of the Zwedru-Pleebo road.

II. RESPONSIBILITIES OF THE PARTICIPANTS

Government of Liberia Participation

This project is being implemented through a grant from USAID/Liberia to the Government of Liberia (GOL). The GOL provides the trainees and their salaries, office space and equipment at the MPW for the technical assistant consultants and vehicles for the MPW team. The GOL's principal agent is the MPW which has the major responsibility for project implementation.

The MPW project director will spend 100 percent of his time on the project. He is responsible for coordinating all project activities on behalf of the GOL and working closely with the USAID project officer to direct project activities. One particularly important task of the project director will be to assure the formation of the Contract Maintenance Supervision Unit in MPW, and to secure through the Ministry of Public Works the funding, personnel and administrative mandate required for it to operate effectively.

The Project Director will participate in meetings with the USAID project officer and ORT engineers as required.

Finally, the Ministry of Public Works will contribute \$1,704,000 to the World Bank/GOL/USAID Fifth Highway Project of which a minimum of \$300,000 from the 1989-1990 development budget will be devoted to performing annual routine maintenance of the 155 mile Zwedru-Pleebo road.

ORT Participation

ORT's responsibilities include reviewing contractor proposals, supervising contract regravelling, and training MPW personnel to carry out contract supervision. The two-man ORT team will provide on-the-job training in contract management, soil testing and site supervision to the MPW trainees. During the rainy season ORT will conduct the final training seminar to reinforce the skills gained during the regravelling operations. The team will also work, as needed, with other MPW personnel to help prepare the middle and upper level staff to establish the Contractor Maintenance Supervision Unit.

The ORT Senior Engineer, Chief of Party (COP), is responsible for advising MPW on preparing the long-range contractor regravelling plan and taking the other steps required to establish the new unit. The Senior Engineer will submit monthly reports on contractor progress to the MPW and USAID. These reports will summarize project activities, comment on construction progress related to planned progress and describe any problems and solutions. Finally, the Senior Engineer will continue to be responsible for all administrative support for the ORT team in Liberia.

USAID Participation

USAID will directly fund the salary of a PSC engineer, regravelling contracts, monitoring and a final evaluation. It will also provide one or more staff members to serve as project officer. The project officer will work closely with the MPW project director to assure that the GOL, through the Operations Bureau, establishes the Contract Maintenance Supervision Unit and prepares the long-range routine and periodic (rehabilitation) maintenance plan. Finally, the USAID project officer will schedule meetings with ORT and MPW as needed.

III. REVISED IMPLEMENTATION PLAN

The timing for completing all segments has been extended and the planned construction schedule is: Segments 3, 4 and 5 resumed work on December 1, 1987 (the end of the rainy season) and will be completed May 31, March 31 and May 31, 1988, respectively; Segment 6 starting in May 1988 and ending June 1989; Segments 2 and 1 beginning December 1, 1988 and ending June 1990.

The technical assistance team will also be extended to complete supervision and training activities. For this purpose both engineers will be extended. The proposed schedule is to have the second engineer extended until December 31, 1988, an addition of 10 person months. Originally, the project envisioned more advanced MPW trainees and more experienced contractors thus enabling the second engineer to depart in the middle of the project. Based on working experience with the trainees and contractors, the second engineer will remain until the final three contracts are mobilized and underway. While all construction will not be completed, it is expected that the supervision load will be light enough to be handled by the MPW project manager and the senior engineer. The Chief of Party is expected to stay nine months longer than originally planned, or until June, 1989. He will remain until Segment 6 is completed and 2 and 1 are well underway, and train the MPW technicians in overall project management/monitoring. During the last part of the construction period, the MPW project manager and ORT or an IQC will monitor the MPW personnel trained under the project as they supervise the construction contractor work.

IV. MONITORING PLAN

Day-to-day monitoring of progress of the regravelling contractors will be the responsibility of the ORT engineers. The MPW technicians will perform supervisory duties under the direction of the ORT engineers.

The ORT team will do gradation tests on site and density tests at random locations to ensure compliance with compaction specifications. The various soil tests will be carried out in the MPW Laboratory during the wet season training program. ORT engineers and MPW trainees will physically measure the quantities of work performed at times which will coincide with the contractor's periodic invoices to verify the contractor's progress estimates/invoices.

In addition to quality control testing, ORT will keep a daily log of project work performed, problems which arise and resulting decisions, and any directions given to the contractor. The daily log will be maintained on the project until completion of the contract, at which time it will be submitted to USAID/Liberia.

V. EVALUATION

The socio-economic baseline follow-up and the final evaluation have been combined and scheduled for March-April 1990. Three components are required: a socio-economist for the full six weeks, an engineer for two weeks (both from an IQC firm) and a local firm to gather the follow-up information to the baseline study for the full six weeks. All three will cooperate in preparing the report.

VI. FINANCIAL PLAN

Under this amendment, \$1,349,000 will be added to the project, increasing A.I.D.'s contribution from \$4,300,000 to \$5,649,000. The additional \$1,349,000 will be used primarily for regravelling contracts and to fund the technical assistance for an additional 19 person-months. The total cost for the regravelling contracts will be increased to approximately \$3,476,000 and the technical assistance to approximately \$1,686,000. The total cost of the Road Maintenance Project is now \$8,123,000; \$5,649,000 from USAID and \$2,474,000 from the GOL Development Budget contribution to the World Bank/GOL/USAID Fifth Highway Project, maintenance costs and personnel services (See following table for summary budget.)

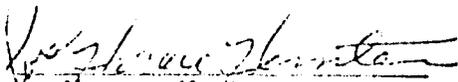
Summary Budget
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Item	A. I. D.		Total	GOL Revised	Total Project
	Original Budget	Extension Amount			
1. Regraveling/Maintenance Contracts	2,430	1,046	3,476	300	3,776
2. Technical Assistance/Supervision	1,180	506	1,686	470	2,156
3. Vehicles/Spare Parts	85	4	89	--	89
4. Evaluation/Socio-Econ Baseline Study	100	56	156	--	156
5. Environmental Monitoring	30	-30	--	--	--
6. USAID Project Support	54	78	132	--	132
7. Contingency/Inflation	421	-311	110	--	110
8. Participation in the Fifth Hwy Proj	--	--	--	1,704*	1,704
TOTAL	4,300	1,349	5,649	2,474	8,123

* Note: This number is 29% of the GOL contribution from the development budget to the IBRD/GOL/USAID Fifth Highway Project.

Funds Available

Appropriation No. 72-1181014
BPC: GSSA-88-21669-KG13
Amount: \$1,349,000


Horace Hunter
Acting Controller

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