

No. 17488

**UNITED STATES OF AMERICA
and
GUYANA**

**Loan Agreement for public sector manpower training (with
annex). Signed at Georgetown on 13 July 1977**

Authentic text: English.

Registered by the United States of America on 22 January 1979.

**ÉTATS-UNIS D'AMÉRIQUE
et
GUYANE**

**Accord de prêt relatif à la formation du personnel du
secteur public (avec annexe). Signé à Georgetown le
13 juillet 1977**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 22 janvier 1979.

**LOAN AGREEMENT¹ BETWEEN THE GOVERNMENT OF GUYANA AND
THE UNITED STATES OF AMERICA THROUGH THE AGENCY FOR
INTERNATIONAL DEVELOPMENT FOR PUBLIC SECTOR MAN-
POWER TRAINING**

Dated: July 13, 1977

Guyana: Public Sector Manpower Training Loan
(A.I.D. Loan Number 504-V-012)

TABLE OF CONTENTS

<p>Article I. The Loan Article II. Loan terms Article III. Conditions precedent to disbursement Article IV. General covenants and warranties Article V. Special covenants</p>		<p>Article VI. Procurement Article VII. Disbursements Article VIII. Cancellation and suspension Article IX. Miscellaneous Annex. Project Description</p>
---	--	--

LOAN AGREEMENT dated July 13, 1977, between the GOVERNMENT OF GUYANA (“Borrower”) and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT (“A.I.D.”).

Article I. THE LOAN

Section 1.01. THE LOAN. A.I.D. agrees to lend to Borrower, pursuant to the Foreign Assistance Act of 1961, as amended, an amount not to exceed one million United States dollars (\$1,000,000) (“Loan”) to assist Borrower in carrying out the Project referred to in Section 1.02 (“Project”). The Loan shall be used exclusively to finance United States dollar costs (“Dollar Costs”) and local currency costs (“Local Currency Costs”) of goods and services required for the Project. The aggregate amount of disbursements under the Loan is hereinafter referred to as “Principal”.

Section 1.02. THE PROJECT. The Project is designed to provide management and technical training in the priority sectors of agriculture and development administration; and to strengthen the Borrower’s public service training system by improving the Borrower’s training and management of training capabilities and its capacity to analyze Borrower’s manpower needs for national development.

The Loan will be used to finance up to the equivalent of one million United States dollars (\$1,000,000) of the Dollar and Local Currency Costs of training, technical assistance, equipment and teaching materials and research.

The Project is more fully described in Annex I, attached hereto, which Annex may be modified in writing by agreement [of] the parties. The goods and services to be financed under the Loan shall be listed in the Implementation Letters referred to in Section 9.03 (“Implementation Letters”).

Article II. LOAN TERMS

Section 2.01. INTEREST. Borrower shall pay to A.I.D. interest which shall accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the

¹ Came into force on 13 July 1977 by signature.

first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding disbursed balance of the Loan and unpaid interest. Interest on the outstanding balance shall accrue from the date of each respective disbursement (as such date is defined in Section 7.04), and shall be computed on the basis of a 365-day year. Interest shall be payable semi-annually. The first payment of interest shall be due and payable no later than six (6) months after the first disbursement hereunder, on a date to be specified by A.I.D.

Section 2.02. REPAYMENT. Borrower shall repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement hereunder, in sixty-one (61) approximately equal semi-annual installments of Principal and interest. The first installment of Principal shall be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 2.01. A.I.D. shall provide Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

Section 2.03. APPLICATION, CURRENCY, AND PLACE OF PAYMENT. All payments of interest and Principal hereunder shall be made in United States dollars and shall be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, all such payments shall be made to the Agency for International Development, Washington, D.C. 20523, U.S.A., Attention: Cashier, SER-FM, and shall be deemed made when received by the Office of the Cashier.

Section 2.04. PREPAYMENT. Upon payment of all interest and refunds then due, Borrower may prepay, without penalty, all or any part of the Principal. Any such prepayment shall be applied to the installments of Principal in the inverse order of their maturity.

Section 2.05. RENEGOTIATION OF THE TERMS OF THE LOAN. Borrower and A.I.D. agree to negotiate, at such time or times as either may request, an acceleration of the repayment of the Loan in the event that there is any significant improvement in the internal and external economic and financial position and prospects of Guyana, taking into consideration the relative capital requirements of Guyana.

Article III. CONDITIONS PRECEDENT TO DISBURSEMENT

Section 3.01. CONDITIONS PRECEDENT TO INITIAL DISBURSEMENT. Prior to the first disbursement or to the issuance of the first Letter of Commitment under the Loan, Borrower shall furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- a) An opinion of the Attorney General of Guyana or other legal authority acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, Borrower, and that it constitutes a valid and legally binding obligation of Borrower in accordance with all of its terms;
- b) A statement of the names of the persons holding or acting in the office of Borrower specified in Section 9.02, and a specimen signature of each person specified in such statements appropriately certified as to their authenticity;
- c) A fully detailed, time-phased implementation plan, covering each component of this project showing, as appropriate, its interrelationship with, and priority relative to, other components;
- d) Evidence that the Borrower will provide budgetary allocations to the Public Service Ministry in amounts sufficient to accomplish the purposes of the Project in accordance with the time-phased implementation plans.

Section 3.02. CONDITIONS PRECEDENT TO SPECIFIC DISBURSEMENTS. Prior to any disbursement or the issuance of any letter of commitment under the Loan for the purchase of equipment required for the Project, the Borrower shall, except as A.I.D. may otherwise

agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. a list of equipment to be financed by the Loan.

Section 3.03. TERMINAL DATES FOR MEETING CONDITIONS PRECEDENT TO DISBURSEMENT. a) If all of the conditions specified in Section 3.01 shall not have been met within ninety (90) days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by giving written notice to Borrower. Upon the giving of such notice, this Agreement and all obligations of the parties hereunder shall terminate.

b) If all of the conditions specified in Section 3.02 shall not have been met within five (5) months from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then undisbursed balance of the amount of the Loan and/or may terminate this Agreement by giving written notice to Borrower. In the event of a termination, upon the giving of notice, Borrower shall immediately repay the principal then outstanding and shall pay any accrued interest, and, upon receipt of such payments in full, this Agreement and all obligations of the parties hereunder shall terminate.

Section 3.04. NOTIFICATION OF MEETING OF CONDITIONS PRECEDENT TO DISBURSEMENT. A.I.D. shall notify Borrower upon determination by A.I.D. that the conditions precedent to disbursement specified in Section 3.01 and Section 3.02 have been met.

Article IV. GENERAL COVENANTS AND WARRANTIES

Section 4.01. EXECUTION OF THE PROJECT. a) Borrower shall carry out the Project with due diligence and efficiency, and in conformity with sound educational, financial, administrative and accounting practices.

b) Borrower shall cause the Project to be carried out in conformity with all of the plans, specifications, procedures, contracts, schedules, and other arrangements, and with all modifications therein, approved by A.I.D. pursuant to this Agreement.

Section 4.02. FUNDS AND OTHER RESOURCES TO BE PROVIDED BY BORROWER. Borrower shall provide promptly as needed all funds, in addition to the Loan, and all other resources required and logistic support for the timely and effective implementation and operation of the Project, including but not limited to the amounts provided for in Article V of this Agreement.

Section 4.03. CONTINUING CONSULTATION. The Borrower and A.I.D. shall cooperate fully to assure that the purpose of the Loan will be accomplished. To this end, the Borrower and A.I.D. shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Project, the performance by the Borrower of its obligations under this Agreement, the performance of the consultants, contractors, and suppliers engaged on the Project, and other matters relating to the Project.

Section 4.04. MANAGEMENT. a) Borrower shall provide qualified and experienced management for the Project, and it shall train and cause to be trained such staff as may be appropriate for the effective and efficient implementation and operation of the Project.

b) Borrower shall manage the Project in conformity with sound educational, financial, administrative and accounting practices and in such manner as to ensure the continuing and successful implementation and achievement of the purposes of the Project.

Section 4.05. TAXATION. This Agreement, the Loan, and any evidence of indebtedness issued in connection herewith shall be free from, and the Principal and interest shall be paid without deduction for and free from, any taxation or fees imposed under the laws in effect within Guyana. To the extent that (a) any contractor, including any

firm providing technical or professional assistance for the Project, any personnel of such contractor financed hereunder, and any property or transactions relating to such contracts, and (b) any commodity procurement transaction financed hereunder, are not exempt from identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in Guyana, Borrower shall, as and to the extent prescribed in and pursuant to Implementation Letters, pay or reimburse the same under Section 4.02 of this Agreement with funds other than those provided under the Loan.

Section 4.06. UTILIZATION OF GOODS AND SERVICES. a) Goods and services financed under the Loan shall be used exclusively for the Project, except as A.I.D. may otherwise agree in writing. Upon completion of the Project, or at such other time as goods financed under the Loan can no longer usefully be employed for the Project, Borrower may use or dispose of such goods in such manner as A.I.D. may agree to in writing prior to such use or disposition.

b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Loan shall be used to promote or assist any foreign aid project or activity associated with or financed by any country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use.

Section 4.07. DISCLOSURE OF MATERIAL FACTS AND CIRCUMSTANCES. Borrower represents and warrants that all facts and circumstances that it has disclosed or caused to be disclosed to A.I.D. in the course of obtaining the Loan are accurate and complete, and that it has disclosed to A.I.D., accurately and completely, all facts and circumstances that might materially affect the Project and the discharge of its obligations under this Agreement. Borrower shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise that might materially affect, or that it is reasonable to believe might materially affect, the Project or the discharge of Borrower's obligations under this Agreement.

Section 4.08. COMMISSIONS, FEES AND OTHER PAYMENTS. a) Borrower warrants and covenants that in connection with obtaining the Loan or taking any action under or with respect to this Agreement, it has not paid, and will not pay or agree to pay, nor to the best of its knowledge has there been paid nor will there be paid or agreed to be paid by any other person or entity, commissions, fees, or other payments of any kind, except as regular compensation to Borrower's full time officers and employees or as compensation for bona fide professional, technical, or comparable services. Borrower shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical or comparable services to which it is a party or of which it has knowledge (indicating whether such payment has been made or is to be made on a contingent basis) and, if the amount of any such payment is deemed unreasonable by A.I.D., the same shall be adjusted in a manner satisfactory to A.I.D.

b) Borrower warrants and covenants that no payments have been or will be received by Borrower, or any official of Borrower, in connection with the procurement of goods and services financed hereunder, except fees, taxes, or similar payments legally established in Guyana.

Section 4.09. MAINTENANCE AND AUDIT OF RECORDS. Borrower shall maintain, or cause to be maintained, in accordance with sound accounting principles and practices consistently applied, books and records relating both to the Project and to this Agreement. Such books and records shall, without limitation, be adequate to show:

- a) The receipt and use of goods and services acquired with funds disbursed pursuant to this Agreement;
- b) The nature and extent of solicitations of prospective suppliers of goods and services acquired;

- c) The basis of the award of contracts and orders to successful bidders;
- d) The progress of the Project; and
- e) Funds expended in the execution of the Project, both from the Loan and the Borrower's resources.

Such books and records shall be regularly audited, in accordance with sound auditing standards, for such period and at such intervals as A.I.D. may require, and shall be maintained for five (5) years after the date of the last disbursement by A.I.D., or until all sums due A.I.D. under this Agreement have been paid, whichever date shall first occur.

Section 4.10. REPORTS. Borrower shall furnish to A.I.D. such information and reports relating to the Loan and the Project as A.I.D. may require.

Section 4.11. INSPECTIONS. The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Loan, and Borrower's books, records and other documents relating to the Project and the Loan. Borrower shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of Guyana for any purpose relating to the Loan.

Article V. SPECIAL COVENANTS

Section 5.01. BORROWER'S GENERAL CONTRIBUTION. Borrower covenants to contribute to the Project not less than the equivalent of seven hundred and fifteen thousand U.S. dollars (US\$ 715,000) and to make budget allocations to the Public Service Ministry in amounts sufficient to accomplish the purpose of the project in conformity with the time-phased implementation plan referred to in Section 3.01(c) of this Agreement.

Section 5.02. BONDING OF TRAINEES. Borrower covenants to continue to provide satisfactory incentives to ensure that personnel trained overseas will return to serve in Guyana for a specific period of time commensurate with the amount of training provided.

Section 5.03. PERIODIC PROJECT REVIEWS. Except as A.I.D. may otherwise agree in writing, Borrower covenants to undertake with A.I.D. an annual joint review of the Project to determine the progress in achieving Project goals and to determine the need to revise the training needs, analysis, strategy and programs.

Article VI. PROCUREMENT

Section 6.01. SELECTED FREE WORLD PROCUREMENT. Except as A.I.D. may otherwise agree in writing, and except as provided in subsection 6.07(c) with respect to marine insurance, disbursements made pursuant to Section 7.01 will be used exclusively to finance the procurement for the Project of goods and services having their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts are entered into for such goods and services ("Selected Free World Goods and Services"). Goods and services procured pursuant to this Section shall be referred to as "Selected Free World Goods" and "Selected Free World Services" respectively. All ocean shipping financed under the Loan shall have both its source and origin in countries included in Code 941 of the Geographic Code Book as in effect at the time of shipment. Loan funds will not be used to finance the procurement of motor vehicles.

Section 6.02. PROCUREMENT FROM GUYANA. Disbursements made pursuant to Section 7.02 shall be used exclusively to finance the procurement for the Project of goods and services having both their source and origin in Guyana.

Code 941 of the A.I.D. Geographic Code Book as in effect at the time of placement, and (2) claims thereunder are payable in freely convertible currency.

If in connection with the placement of marine insurance on shipments financed under United States legislation authorizing assistance to other nations, Guyana, by statute, decree, rule or regulation, discriminates against any marine insurance company, authorized to do business in any state of the United States of America, Selected Free World Goods financed under the Loan shall during the continuance of such discrimination be insured against marine risk in the United States of America with a company or companies authorized to do a marine insurance business in any state of the United States of America.

d) Borrower shall insure, or cause to be insured, all Selected Free World Goods financed under the Loan against risk incident to their transit to the point of their use in the Project. Such insurance shall be issued upon terms and conditions consistent with sound commercial practice, shall insure the full value of the goods, and shall be payable in the currency in which such goods were financed or in any freely convertible currency. Any indemnification received by Borrower under such insurance shall be used to replace or repair any material damage or any loss of the goods insured or shall be used to reimburse Borrower for the replacement or repair of such goods. Any such replacements shall have their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts are entered into for such replacements and shall be otherwise subject to the provisions of this Agreement.

Section 6.08. NOTIFICATION TO POTENTIAL SUPPLIERS. In order that all United States firms shall have the opportunity to participate in furnishing goods and services to be financed under the Loan, Borrower shall furnish to A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Implementation Letters.

Section 6.09. UNITED STATES GOVERNMENT-OWNED EXCESS PROPERTY. Borrower shall utilize, with respect to goods financed under the Loan to which Borrower takes title at the time of procurement, such reconditioned United States Government-Owned Excess Property as may be consistent with the requirements of the Project and as may be available within a reasonable time period. Borrower shall seek assistance from A.I.D. and A.I.D. will assist Borrower in ascertaining the availability of and in obtaining such Excess Property. A.I.D. will make arrangements for any necessary inspection of such property by Borrower or its representative. The costs of inspection and acquisition and all charges incident to the transfer to Borrower of such Excess Property may be financed under the Loan. Prior to the procurement of any goods, other than Excess Property, financed under the Loan and after having sought such A.I.D. assistance, Borrower shall indicate to A.I.D. in writing, on the basis of information then available to it, either that such goods cannot be made available from reconditioned United States Government-Owned Excess Property on a timely basis or that the goods that can be made available are not technically suitable for use in the Project.

Section 6.10. INFORMATION AND MARKING. Borrower shall give publicity to the Project as a program jointly financed by A.I.D. and the Borrower, and mark goods financed under the Loan as prescribed in Implementation Letters.

Article VII. DISBURSEMENTS

Section 7.01. DISBURSEMENT FOR UNITED STATES DOLLAR COSTS — LETTERS OF COMMITMENT TO UNITED STATES BANKS. Upon satisfaction of conditions precedent, Borrower may, from time to time, request A.I.D. to issue Letters of Commitment for specified amounts to one or more United States banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for (a) payments made by them to contractors or suppliers, through the use of Letters of Credit or otherwise, and (b) for dollar costs of goods and services procured for the Project in accordance with the terms and conditions

Section 6.03. ELIGIBILITY DATE. Except as A.I.D. may otherwise agree in writing, no goods or services may be financed under the Loan which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement.

Section 6.04. IMPLEMENTATION OF PROCUREMENT REQUIREMENTS. Procurement of goods and services required for the Project shall be in conformity with A.I.D.'s procurement policies and regulations. The definitions applicable to the eligibility requirements of Sections 6.01 and 6.02, as well as A.I.D.'s procurement policies and regulations, will be set forth in detail in Implementation Letters.

Section 6.05. PLANS, SPECIFICATIONS, AND CONTRACTS. In order for there to be mutual agreement on the following matters, and except as the parties may otherwise agree in writing:

a) The Borrower will furnish to A.I.D. upon preparation (1) any plans, specifications, programs, bid documents, and contracts relating to the Project (and any modifications therein), which are to be financed by A.I.D., together with (2) such documentation for any goods or services which, though not financed by A.I.D., are of critical importance to the Project. Aspects of the Project involving matters under this subsection (a) (2) will be identified in Implementation Letters.

b) Bid documents and documents related to the solicitation of proposals for goods and services financed under the Loan will be approved by A.I.D. in writing prior to their issuance, and their terms will include United States standards and measurements.

c) Contracts financed by A.I.D. for technical assistance, professional services, and for such other services, equipment or materials as may be specified in Implementation Letters will be approved by A.I.D. in writing prior to their execution, together with material modifications in such contracts.

Section 6.06. REASONABLE PRICE. No more than reasonable prices shall be paid for any goods or services financed, in whole or in part, under the Loan, as more fully described in Implementation Letters. Such items shall be procured on a fair and, except for professional services, on a competitive basis, in accordance with procedures therefor described in Implementation Letters.

Section 6.07. SHIPPING AND INSURANCE. a) Selected Free World Goods financed under the Loan shall be transported to Guyana on flag carriers of any country included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of shipment.

b) Unless A.I.D. shall determine that such vessels are not available at fair and reasonable rates for United States flag commercial vessels, (1) at least fifty percent (50%) of the gross tonnage of all Selected Free World Goods financed under the Loan (computed separately for dry bulk carriers, dry cargo liners, and tankers) which shall be transported on ocean vessels shall be transported on privately owned United States flag commercial vessels and (2) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed under the Loan and transported on dry cargo liners shall be paid to or for the benefit of privately owned United States flag commercial vessels. Compliance with the requirements of (1) and (2) above must be achieved with respect to both cargo transported from U.S. ports and cargo transported from non-U.S. ports, computed separately.

No goods financed under the Loan may be transported on any ocean vessel or aircraft (1) which A.I.D., in a notice to Borrower, has designated as ineligible to carry A.I.D.-financed goods and (2) which has been chartered for the carriage of A.I.D.-financed goods, unless such charter has been approved by A.I.D.

c) Marine insurance on Selected Free World Goods may be financed under the Loan with disbursements made pursuant to Section 7.01, provided (1) such insurance is placed at the lowest available competitive rate in Guyana or in a country included in

of this Agreement. Payment by a bank to a contractor or supplier will be made by the bank upon presentation of such supporting documentation as A.I.D. may prescribe in Letters of Commitment and Implementation Letters. Banking charges incurred in connection with Letters of Commitment and Letters of Credit shall be for the account of the Borrower and may be financed under the Loan.

Section 7.02. DISBURSEMENT FOR LOCAL CURRENCY COSTS. Upon satisfaction of conditions precedent, Borrower may, from time to time, request disbursement by A.I.D. of currency of Guyana for Local Currency Costs of goods and services procured for the Project in accordance with the terms and conditions of this Agreement by submitting to A.I.D. such supporting documentation as A.I.D. may prescribe in Implementation Letters. A.I.D. shall make such disbursements from currency of Guyana owned by the United States Government and obtained by A.I.D. with United States dollars. The United States dollar equivalent of the currency of Guyana made available hereunder will be the amount of United States dollars required by A.I.D. to obtain the currency of Guyana.

Section 7.03. OTHER FORMS OF DISBURSEMENT. Disbursements of the Loan may also be made through such other means as Borrower and A.I.D. may agree to in writing.

Section 7.04. DATE OF DISBURSEMENT. Disbursements by A.I.D. shall be deemed to occur (a) in the case of disbursements pursuant to Section 7.01, on the date on which A.I.D. makes a disbursement to Borrower, to its designee, or to a banking institution pursuant to a Letter of Commitment, and (b) in the case of disbursements pursuant to Section 7.02, on the date on which A.I.D. disburses the local currency to Borrower or its designee, and (c) in the case of disbursements pursuant to Section 7.03, on the date which is agreed upon by Borrower and A.I.D. in writing in accordance with Section 7.03.

Section 7.05. TERMINAL DATE FOR DISBURSEMENT. Except as A.I.D. may otherwise agree in writing, no Letter of Commitment or other commitment documents which may be called for by another form of disbursement under Section 7.03 or amendment thereto shall be issued in response to requests received by A.I.D. later than thirty (30) months after the date of this Agreement, and no disbursement shall be made against documentation received by A.I.D. or any bank described in Section 7.01 later than 36 months from the date of this Agreement. A.I.D. at its option, may at any time or times after 36 months from the date of this Agreement, reduce the Loan by all or any part thereof for which documentation was not received by such date.

Article VIII. CANCELLATION AND SUSPENSION

Section 8.01. CANCELLATION BY BORROWER. Borrower may, with the prior written consent of A.I.D., by written notice to A.I.D., cancel any part of the Loan (1) which, prior to the giving of such notice, A.I.D. has not disbursed or committed itself to disburse, or (2) which has not then been utilized through the issuance of irrevocable Letters of Credit, or through bank payments made other than under irrevocable Letters of Credit.

Section 8.02. EVENTS OF DEFAULT; ACCELERATION. If any one or more of the following events ("Events of Default") shall occur:

- a) Borrower shall have failed to pay when due any interest or installment of Principal required under this Agreement,
- b) Borrower shall have failed to comply with any other provision of this Agreement, including, but without limitation, the obligation to carry out the Project with due diligence and efficiency,
- c) Borrower shall have failed to pay when due any interest or installment of Principal or any other payment required under any other Loan Agreement, any guaranty

agreement, or any other agreement between Borrower or any of its agencies and A.I.D., or any of its predecessor agencies,

then A.I.D. may, at its option, give to Borrower notice that all or any part of the unrepaid Principal shall be due and payable sixty (60) days thereafter, and, unless the Event of Default is cured within such sixty (60) days:

- (i) Such unrepaid Principal and any accrued interest hereunder shall be due and payable immediately; and
- (ii) The amount of any further disbursements made under then outstanding irrevocable Letters of Credit or otherwise shall become due and payable as soon as made.

Section 8.03. SUSPENSION OF DISBURSEMENT. In the event that at any time:

- a) An Event of Default has occurred,
- b) An event occurs that A.I.D. determines to be an extraordinary situation that makes it improbable either that the purpose of the Loan will be attained or that Borrower will be able to perform its obligations under this Agreement,
- c) Any disbursement by A.I.D. would be in violation of the legislation governing A.I.D., or
- d) Borrower shall have failed to pay when due any interest or any installment of Principal or any other payment required under any other loan agreement, any guaranty agreement, or any other agreement between Borrower or any of its agencies and the Government of the United States or any of its agencies,

then A.I.D. may, at its option:

- (i) Suspend or cancel outstanding commitment documents to the extent that they have not been utilized through the issuance of irrevocable Letters of Credit, in which event A.I.D. shall give notice to Borrower promptly thereafter;
- (ii) Decline to make disbursements other than under outstanding commitment documents;
- (iii) Decline to issue additional commitment documents;
- (iv) At A.I.D.'s expense, direct that title to goods financed under the Loan shall be transferred to A.I.D. if the goods are from a source outside Guyana, are in a deliverable state and have not been off-loaded in ports of entry of Guyana; any disbursement made or to be made under the Loan with respect to such transferred goods shall be deducted from Principal.

Section 8.04. CANCELLATION BY A.I.D. Following any suspension of disbursements pursuant to Section 8.03, if the cause or causes for such suspension of disbursements shall not have been eliminated or corrected within sixty (60) days from the date of such suspension, A.I.D. may, at its option, at any time or times thereafter, cancel all or any part of the Loan that is not then either disbursed or subject to irrevocable Letters of Credit.

Section 8.05. CONTINUED EFFECTIVENESS OF AGREEMENT. Notwithstanding any cancellation, suspension of disbursement, or acceleration of repayment, the provisions of this Agreement shall continue in full force and effect until the payment in full of all Principal and any accrued interest hereunder.

Section 8.06. REFUNDS. a) In the case of any disbursement not supported by valid documentation in accordance with the terms of this Agreement, or of any disbursement not made or used in accordance with the terms of this Agreement, A.I.D., notwithstanding the availability or exercise of any of the other remedies provided for under this Agreement, may require Borrower to refund such amount in United States dollars to A.I.D. within thirty (30) days after receipt of a request therefor. Such amount shall be made available first for the cost of goods and services procured for the Project here-

under, to the extent justified; the remainder, if any, shall be applied to the installments of Principal in the inverse order of their maturity, and the amount of the Loan shall be reduced by the amount of such remainder. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five (5) years following the date of such disbursement.

b) In the event that A.I.D. receives a refund from any contractor, supplier, or from any other third party connected with the Loan, with respect to goods or services financed under the Loan, and such refund relates to an unreasonable price for goods or services, or to goods that did not conform to specifications, or to services that were inadequate, A.I.D. shall first make such refund available for the cost of goods and services procured for the Project hereunder, to the extent justified, the remainder to be applied to the installments of Principal in the inverse order of their maturity, and the amount of the Loan shall be reduced by the amount of such remainder.

Section 8.07. EXPENSES OF COLLECTION. All reasonable costs incurred by A.I.D., other than salaries of its staff, in connection with the collection of any refund or in connection with amounts due A.I.D. by reason of the occurrence of any of the events specified in Section 8.02 may be charged to Borrower and reimbursed to A.I.D. in such manner as A.I.D. may specify.

Section 8.08. NONWAIVER OF REMEDIES. No delay in exercising or omission to exercise any right, power or remedy accruing to A.I.D. under this Agreement shall be construed as a waiver of any of such rights, powers or remedies.

Article IX. MISCELLANEOUS

Section 9.01. COMMUNICATIONS. Any notice, request, document, or other communication given, made or sent by Borrower or A.I.D. pursuant to this Agreement, shall be in writing or by telegram, cable, or radiogram and shall be deemed to have been duly given, made or sent to the party to which it is addressed when it shall be delivered to such party by hand or by mail, telegram, cable or radiogram at the following addresses:

To Borrower:

Mail address:

Minister of Finance
Main and Urquhart Streets
Georgetown, Guyana

Cable address:

MINFIN
Main and Urquhart Streets
Georgetown, Guyana

To A.I.D.:

Mail address:

USAID Mission to Guyana
P.O. Box 25
Georgetown, Guyana

Cable address:

USAID
American Embassy
Georgetown, Guyana

Other addresses may be substituted for the above upon the giving of notice. All notices, requests, communications and documents submitted to A.I.D. hereunder shall be in English and shall refer to "Loan No. 504-V-012" except as A.I.D. may otherwise agree in writing.

Section 9.02. REPRESENTATIVES. For all purposes relative to this Agreement, Borrower will be represented by the individual holding or acting in the office of Minister of Finance, and A.I.D. will be represented by the individual holding or acting in the office of Director, United States Agency for International Development, Mission to Guyana. Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designation of a representative hereunder, Borrower shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice of revocation of the authority of any of the duly authorized representatives of Borrower designated pursuant to this Section, it may accept the signature of any such representative or representatives on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

Section 9.03. IMPLEMENTATION LETTERS. A.I.D. shall from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with implementation of this Agreement.

Section 9.04. PROMISSORY NOTES. At such time or times as A.I.D. may request, Borrower shall issue promissory notes or such other evidence of indebtedness with respect to the Loan, in such form, containing such terms and supported by such legal opinions as A.I.D. may reasonably request.

Section 9.05. TERMINATION UPON FULL PAYMENT. Upon payment in full of the Principal and of any accrued interest, this Agreement and all obligations of Borrower and A.I.D. under this Loan Agreement shall terminate.

IN WITNESS WHEREOF, Borrower and the United States of America, each acting through its respective and duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

The Government of Guyana:

By: [*Signed*]

FRANK E. HOPE

Title: Minister of Finance

In the presence of:
[*Illegible*]

United States of America:

By: [*Signed*]

FORREST E. PAYNE

Title: Acting Director, USAID/Guyana

In the presence of:
[*Signed*]

JOHN D. BLACKEN
Chargé d'affaires a.i.

ANNEX 1

PROJECT DESCRIPTION

The Project has two parts: (1) improving the Borrower training and management of training capacity, and (2) providing technical training in two areas of high priority to the Borrower and A.I.D.—agricultural and development administration. To improve the Borrower's training and management of training capabilities, the Project will include short and long-term external training;

technical advisory services; provision for adequate facilities, equipment/materials; and research. Borrower will:

1. Reorganize and expand the Training Division of the Public Service Ministry to include a Training Center, Planning Analysis Unit, Training Coordination and Consultation Unit, and an Overseas Training and Scholarship Unit;
2. Up-grade the Training Division staff through increased recruitment in-country training, overseas training, and on-site technical advisory service;
3. Establish a National Training Council to identify common training needs, coordinate the development and utilization of training resources; assess progress and problems; and make recommendations to Government concerning these matters;
4. Increase utilization of in-country source institutions, including the University of Guyana, in addition to external source institutions for public service training at the pre-entry and in-service levels.

*A. Development of Borrower's capacity for training
and management of training*

In order to reorganize and develop the Public Service Training Division and to develop the capacity of the University of Guyana to serve as a resource for public service training in accordance with the recommendations set forth in the Marlar-Mulligan Report, the Project includes the following provisions: training, technical assistance, physical facilities, equipment and research.

1. *Technical advisory services.* The Training Division will be provided short-term technical advisory services of an institutional or personal services nature. This will assist in up-grading and on-the-job training of all staff members of the Training Division consistent with reorganized functions, as follows:

- a) *Office of the Director.* Help improve the overall management and direction of public service training programs and assist in the development of the Training Division's role in the new National Training Council;
- b) *Public Service Training Center.* Help improve the capability to design, prepare, administer and carry out training programs (including media uses); assist in training of trainers, including acting as instructor/lecturer as necessary;
- c) *Planning and Analysis Section.* Help improve the capability to identify training needs relative to Borrower's development programs. Also, assist in research on manpower training with attention to attrition (particularly emigration) from the system;
- d) *Training Consultation and Coordination Section.* Help improve the capability to coordinate Training Division programs with training programs of other Ministries and related training institutions, and help improve their management-of-training capabilities and technical training programs;
- e) *External Training Section.* Help improve its capability to identify external long and short-term training institutions and programs, and be able to make placements, handle travel arrangements, insurance, disbursements, accounting, reports and follow-up evaluation functions;
- f) *Central Public Service Library/Information Service Section.* Assist with the identification and acquisition of reference and professional materials on management, public service training, U.S. study/training opportunities;
- g) *National Training Council.* Assist the Training Division at the staff level in the key role it will play in the development of the National Training Council;
- h) *Other divisions of Public Service Ministry.* Other advisory services will be provided to other divisions of the Public Service Ministry directly supporting the training function in the fields of statistics and automatic data processing as required by the project;
- i) *University of Guyana.* Advisory services and lecturers will be furnished to the University of Guyana School of Management in support of the in-service management training to be conducted by the University for the Training Division.

2. *Training.* The Loan will provide the foreign exchange costs for short-term external training for the staff members of the Training Division of the Public Service Ministry. (International travel and family and related allowances will be provided by the Borrower.) Included would be training in each of the functional categories of Training Division discussed under (1) above.

- a) *Director-Deputy Director.* Training in overall planning and management of Public Service Training activities;
- b) *Public Service Training Center and Programs.* Training in methodology and in preparation, administration and use of media and material;
- c) *Planning, Analysis and Research Section.* Training in planning and analysis methodologies, and research design;
- d) *Training Consultation and Coordination.* Training in relation to training needs including those of a technical/ministry nature, training of trainers, and functions of a National Training Council;
- e) *External Training Section.* Training in administration, including selection, placement and servicing of public service training, and disbursement reporting on their training;
- f) *Central Public Service Library/Information Services Section.* Training in the acquisition and use of reference, professional and training materials and in the use, operation and maintenance of audio-visual equipment;
- g) *Other divisions of the Public Service Ministry directly supporting the training function.* Training in statistics and automatic data processing.

3. *Building, equipment and materials.* The Borrower will provide a building acceptable to A.I.D., suitable to house the Training Center on a permanent basis. The Loan will finance audio-visual and other equipment directly related to the preparation of training materials and the presentation of training courses. In addition, the project provides for reference, training and professional materials directly related to the training programs.

4. *Research.* There will be a study of the serious problem of attrition of trained individuals from the system through emigration and other means, inasmuch as this loss in turn directly affects the efficiency and effectiveness of the Government's training programs. The Planning and Analysis Section will administer the research, prepare the survey design outlines, and either conduct the research or contract it out to qualified researchers.

5. *Establishment of the National Training Council.* The Borrower will establish a National Training Council, representative of the public service, private sector and state corporations, chaired by the Public Service Ministry, with staff services from the Training Division, to:

- Coordinate the development and use of training resources;
- Identify common training needs;
- Analyze national training policies and programs;
- Prevent duplication and competition among training resources;
- Make periodic assessments of progress and emerging problems;
- Make recommendations to the Government concerning these matters.

B. *Technical training in agriculture and development administration*

1. *Agriculture.* Most of the agricultural training is to develop professionals in certain specialties of importance to foodcrop production. These specialties include crop science, land development, extension education, resource development, and planning. The foodcrop related training to be financed under this Loan will be further limited according to 2 criteria: (1) relatively long lead time, such that initiation now would expedite availability for the foodcrop program; and (2) general utility such that the trainees would find useful roles in the Ministry of Agriculture even were the proposed Borrower-A.I.D. foodcrop loan project not [to] go forward. The specific external

training fields selected for loan financing are as follows: crop science; land development; extension education; and resource development and planning.

In view of the need for, and economy of, certain types of short-term, in-service, technical training in agriculture, approximately 300 agricultural officers and agricultural assistants will be given training in extension services and senior officers will be given training in project planning and project management. Three man-months of technical advisory services will be provided to assist the Ministry of Agriculture in developing such training programs.

The balance of the training in agriculture will be focused on the remaining major food production sub-sectors (apart from sugar and rice), livestock and dairy farming.

2. *Ministry of Economic Development.* The Ministry of Economic Development will receive four man-months of technical advisory services in economic development; project analysis; project programming, econometrics; and statistics to assist with its capacity to carry out its major responsibilities in planning national development programs. The Loan will also finance up to 48 man-months of short-term technical training in these areas for key staff members.

C. *Project budget*

The total projected cost of the activities to be financed during the three-year disbursement period of the Project is approximately \$1.7 million. The following table summarizes the project inputs by source:

		(In thousands US\$)		
		AID	GOG	Total
(a)	External training:			
	(1) Short term	73	36	109
	(2) Academic	434	130	564
(b)	Internal training	0	107	107
(c)	Technical assistance	370	34	404
(d)	Audio-visual materials and equipment	40	17	57
(e)	Library information and reference materials	60	51	111
(f)	Manpower research	23	3	26
(g)	Additional staff and operating costs	0	104	104
(h)	Construction and furnishings	0	233	233
TOTAL		<u>1,000</u>	<u>715</u>	<u>1,715</u>