

No. 18044

**UNITED STATES OF AMERICA
and
JAMAICA**

Alliance for Progress Loan Agreement relating to rural education (with annex). Signed at Kingston on 13 November 1975

Alliance for Progress Loan Agreement amending the above-mentioned Agreement (with annex). Signed at Kingston on 25 November 1977

Authentic texts: English.

Registered by the United States of America on 14 November 1979.

**ÉTATS-UNIS D'AMÉRIQUE
et
JAMAÏQUE**

Accord de prêt (Alliance pour le progrès) relatif à l'éducation dans les zones rurales (avec annexe). Signé à Kingston le 13 novembre 1975

Avenant à l'Accord de prêt susmentionné (avec annexe). Signé à Kingston le 25 novembre 1977

Textes authentiques : anglais.

Enregistrés par les États-Unis d'Amérique le 14 novembre 1979.

ALLIANCE FOR PROGRESS LOAN AGREEMENT¹ BETWEEN THE GOVERNMENT OF JAMAICA AND THE UNITED STATES OF AMERICA FOR THE RURAL EDUCATION SECTOR LOAN

Dated: November 13, 1975

AID Loan Number 532-V-009

JAMAICA — RURAL EDUCATION SECTOR LOAN

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¹ Came into force on 13 November 1975 by signature.

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LOAN AGREEMENT dated November 13, 1975, between the GOVERNMENT OF JAMAICA ("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 in furtherance of the Alliance for Progress and pursuant to the Foreign Assistance Act of 1961, as amended, an amount not to exceed Nine Million One Hundred Thousand United States Dollars (\$9,100,000) ("Loan") to assist Borrower in carrying out the Project referred to in Section 1.02 ("Project"). The Loan shall be used exclusively to finance foreign exchange costs of goods and services required for the Project ("Dollar Costs") and local currency costs of goods and services required for the Project ("Local Currency Costs"). The aggregate amount of disbursements under the Loan is hereinafter referred to as "Principal."

Section 1.02. THE PROJECT. The Project shall consist of a program within the Jamaican educational system designed to upgrade formal and non-formal education relevant to rural living and employment and to provide facilities, training and management capabilities in support of this effort ("Project"). The Project elements and approximate amounts of the Loan to be allocated to each element are as follows: (a) Continuing Education (\$.6 million); (b) Rural Primary Education (\$.7 million); (c) Rural Secondary Education (\$4.8 million); (d) Teacher Training (\$2.6 million); and (e) Management Planning (\$.4 million). The Project is more fully described in Annex I, attached hereto, which Annex may be modified in writing as mutually agreed.

Section 1.03. EXECUTING UNIT. The Borrower hereby designates the Projects Division of the Ministry of Education as the executing unit ("Executing Unit") for purposes of coordinating the overall Program. This unit shall coordinate the various Elements of the Program, which are more fully described in Annex I.

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 five (5) years following the date of the first disbursement hereunder and at the rate of three percent (3%) per annum thereafter on the outstanding balance of Principal and on any due 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 thirty (30) years from the date of the first disbursement hereunder in fifty-one (51) approximately equal semi-annual installments of Principal and interest. The first installment of Principal shall be payable four and one-half (4½) 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 A.I.D., Cashier (SER/CONT), Washington, D.C. 20523, United States of America. Payment shall be deemed made when received by such 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 TERMS OF THE LOAN. In the light of the undertakings of the United States of America and the other signatories of the Act of Bogotá¹ and the Charter of Punta del Este² to forge an Alliance for Progress, the Borrower agrees to negotiate with A.I.D., at such time or times as A.I.D. 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 Jamaica, taking into consideration the relative capital requirements of Jamaica and of the various signatories of the Act of Bogotá and the Charter of Punta del Este.

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, 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) An opinion of the Attorney General of Jamaica, or other counsel acceptable to A.I.D., that this Agreement has been duly authorized and/or ratified by and executed on behalf of the Borrower, and that it constitutes a valid and legally binding obligation of the 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 statement;
- (c) A technical assistance plan setting forth the scope of work for technical assistance personnel to be employed in the Project prior to development of the Master Implementation Plan referred to in Section 3.02 (a).

Section 3.02. CONDITIONS PRECEDENT TO DISBURSEMENT OTHER THAN FOR TECHNICAL SERVICES. Prior to any disbursement or to the issuance of any Letter of Commitment under the Loan for any purpose other than to finance technical services required in the preparation of the Master Implementation Plan, Borrower shall, ex-

¹ United States of America, *Department of State Bulletin*, 3 October 1960, p. 537.

² *Ibid.*, 11 September 1961, p. 463.

cept as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

- (a) A time-phased Master Implementation Plan for the Project covering each Project component and the interrelationships and relative priority of each such component, and a First Year Implementation Plan which schedules and correlates inputs of resources to the Master Plan for at least the first Project year.
- (b) Evidence that the Borrower will provide appropriate personnel necessary to carry out each component activity scheduled for the first year.

Section 3.03. ADDITIONAL CONDITIONS PRECEDENT TO DISBURSEMENT FOR CERTAIN PURPOSES. (a) Prior to any disbursement or to the issuance of any commitment document under the Loan for each of the purposes specified below, 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., the items indicated:

- (i) With respect to the financing of construction services for each particular major construction sub-project designated by A.I.D.
 - (aa) A contract, or contracts with private firms or individuals acceptable to A.I.D. for engineering services.
 - (bb) A draft contract or contracts, acceptable to A.I.D. for construction services with a firm acceptable to A.I.D.
 - (cc) Evidence that the land upon which such construction sub-project shall be undertaken is owned and held by the Borrower with clear title (or such other evidence of ownership as shall be acceptable to A.I.D.) and that such land is free from present or future restrictions of any kind whatsoever which may in any manner impede or limit the intended use of such land under the Project.
- (ii) With respect to the financing of procurement of equipment for any project component, as defined by A.I.D.
 - (aa) A complete equipment list for such Project component for the ensuing Project year.
 - (bb) A statement of the procurement procedure to be utilized and copies of procurement documents to be used.
- (iii) With respect to financing of additional technical assistance, research or participant training, an appropriate plan for such activity for the current Project year for the Project component involved, as defined by A.I.D.
 - (b) Prior to any further disbursement under the Loan or the issuance of any disbursement authorization for local costs, Borrower shall, within three months after the start of any Project year as defined by A.I.D., submit to A.I.D., in form and substance satisfactory to A.I.D., a detailed Implementation Plan for such Project year.

Section 3.04. 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 four months after the execution 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 the 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 six months after the execution 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 the Borrower. In the event of a termination, upon the giving of notice, the 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 3.05. NOTIFICATION OF MEETING OF CONDITIONS PRECEDENT TO DISBURSEMENT. A.I.D. shall notify the Borrower upon determination by A.I.D. that the conditions precedent to disbursement specified in Sections 3.01, 3.02 and 3.03 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 administrative, planning, management, educational, engineering, construction and financial practices. In this connection, Borrower shall at all times employ suitably qualified and experienced consultants and other personnel for the Project.

(b) Borrower shall cause the Project to be carried out in conformity with all of the plans, specifications, 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, required for the punctual and effective carrying out of the Project.

Section 4.03. CONTINUING CONSULTATION. Borrower and A.I.D. shall cooperate fully to assure that the purpose of the Loan will be accomplished. To this end, 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 Borrower of its obligations under this Agreement, the performance of the consultants, contractors, and suppliers engaged in the Project, and other matters relating to the Project. Without limitation upon the foregoing, Borrower and A.I.D. will carry out an annual review of the Project during the period of disbursement under the Loan.

Section 4.04. MANAGEMENT. The Borrower shall provide qualified and experienced management for 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 Jamaica. To the extent that (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder, and any property or transactions relating to such contracts, financed hereunder, 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 Jamaica, 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 times as goods financed under the Loan can no longer be usefully 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 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 the Borrower's full-time officers and employees or as compensations 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 Jamaica.

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 made of goods and services acquired with funds disbursed pursuant to this Agreement;
- (b) The nature and extent of solicitation of prospective suppliers of goods and services acquired;
- (c) The basis of the award of contracts and orders to successful bidders; and
- (d) The progress of the Project.

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 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 agrees to furnish to A.I.D. such information and reports relating to the Loan and to the Project as A.I.D. may reasonably request.

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 Jamaica for any purpose relating to the Loan.

Article V. SPECIAL COVENANTS AND WARRANTIES

Section 5.01. SPECIAL COVENANTS AND WARRANTIES. Without limitation with respect to obligations otherwise incurred under this Agreement, and except as A.I.D. may otherwise agree in writing, Borrower hereby specifically covenants and warrants as follows:

- (a) That the Ministry of Education budget for recurrent expenditures for each Project year shall be an amount not less than the previous year's total recurrent expenditures calculated without regard to Borrower's contributions required for this Project or contributions of other external aid donors.
- (b) That it shall support the Project through budget allocations in amounts sufficient to accomplish the purpose of the program in conformance with the time-phased Implementation Plans referred to in Section 3.02(a).
- (c) That it shall maintain, with its own resources, an adequate budget level to maintain Project accomplishments after the disbursement of loan funds.
- (d) That it shall undertake with A.I.D. joint reviews of the Project at least annually to determine the adequacy of progress in achieving Project goals and to ascertain whether there is need to revise the strategy or any Project components.

Article VI. PROCUREMENT

Section 6.01. QUALIFIED WORLDWIDE PROCUREMENT. Except as A.I.D. may otherwise agree in writing, and except as provided in sub-section 6.08(c) with respect to marine insurance, disbursements made pursuant to Section 7.01 shall 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 ("Qualified Worldwide Goods and Services"). All ocean shipping financed under the Loan shall have both its source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time of shipment.

Section 6.02. PROCUREMENT FROM JAMAICA. Disbursement 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 Jamaica.

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. GOODS AND SERVICES NOT FINANCED UNDER LOAN. Goods and services procured for the Project but not financed under the Loan shall have

their source and origin in countries included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time orders are placed for such goods and services.

Section 6.05. IMPLEMENTATION OF PROCUREMENT REQUIREMENTS. The definitions applicable to the eligibility requirements of Sections 6.01, 6.02 and 6.04 will be set forth in detail in Implementation Letters.

Section 6.06. PLANS, SPECIFICATIONS AND CONTRACTS. (a) Borrower shall furnish to A.I.D. promptly upon request all contracts or other arrangements relating to the Project, and any modifications therein, whether or not the goods and services to which they relate are financed under the Loan. Such of these items as A.I.D. may specify shall be approved by A.I.D. in writing.

(b) Except as A.I.D. may otherwise specify, all bid documents and documents related to the solicitation of proposals relating to goods and services financed under the Loan shall be approved by A.I.D. in writing prior to their issuance. Such documents shall be in terms of United States standards and measurements, except as A.I.D. may otherwise agree in writing.

(c) The following contracts financed under the Loan shall be approved by A.I.D. in writing prior to their execution:

- (i) Contracts for engineering, consultant and other professional services;
- (ii) Contracts for construction services;
- (iii) Contracts for such other services as A.I.D. may specify; and
- (iv) Contracts for such equipment and materials as A.I.D. may specify.

In the case of any of the above contracts for services, A.I.D. shall also approve in writing the contractor and such contractor personnel as A.I.D. may specify. Material modifications in any of such contracts and changes in any of such personnel shall also be approved by A.I.D. in writing prior to their becoming effective.

(d) Consulting firms used by the Borrower for the Project, but not financed under the Loan, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify, and construction contractors used by the Borrower for the Project but not financed under the Loan shall be acceptable to A.I.D.

Section 6.07. REASONABLE PRICES. 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 prescribed in Implementation Letters.

Section 6.08. SHIPPING AND INSURANCE. (a) Qualified Worldwide Goods financed under the Loan shall be transported to Jamaica 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) At least fifty percent (50%) of the gross tonnage of all Qualified Worldwide Goods financed under the Loan (computed separately for dry bulk carriers, dry cargo liners, and tankers) which shall be transported on ocean-going vessels shall be transported on privately owned United States flag commercial vessels unless A.I.D. shall determine that such vessels are not available at fair and reasonable rates for United States flag commercial vessels. In addition, 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, unless A.I.D. shall determine that such vessels are not available at fair and reasonable rates for United States flag commercial vessels.

No such goods may be transported on any ocean vessel or aircraft (i) which A.I.D., in a notice to Borrower, has designated as ineligible to carry A.I.D.-financed goods or (ii) 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 Qualified Worldwide Goods may be financed under the Loan with disbursements made pursuant to Section 7.01, provided (i) such insurance is placed at the lowest available competitive rate in Jamaica or in a country included in Code 941 of the A.I.D. Geographic Code Book as in effect at time of placement, and (ii) 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, Jamaica, by statute, decree, rule or regulation, favors any marine insurance company of any country over any marine insurance company authorized to do business in any State of the United States of America, Qualified Worldwide 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 Qualified Worldwide Goods financed under the Loan against risks 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 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 replacement, and shall be otherwise subject to the provisions of this Agreement.

Section 6.09. 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 agrees to furnish to Lender such information with regard thereto, and at such times, as A.I.D. may request in Implementation Letters.

Section 6.10. UNITED STATES GOVERNMENT-OWNED EXCESS PROPERTY. Borrower will 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 period of time. 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 cost of inspection and of 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 6.11. INFORMATION AND MARKING. Borrower shall give publicity to the Loan and the Project as a program of United States aid in furtherance of the Alliance for Progress, identify the Project site and mark goods financed under the Loan, as prescribed in Implementation Letters.

Section 6.12. EMPLOYMENT OF THIRD-COUNTRY NATIONALS UNDER CONSTRUCTION CONTRACTS. The employment of personnel to perform services under any construction contract financed under the Loan shall be subject to certain requirements with respect to nationals of countries other than Jamaica and countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time the construction contract is entered into. These requirements will be prescribed in Implementation Letters.

Article VII. DISBURSEMENTS

Section 7.01. DISBURSEMENTS 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 payments made by them to contractors or suppliers through the use of Letters of Credit or otherwise, for Dollar Costs of goods and services procured for the Project in accordance with the terms and conditions 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 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 local currency 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 local currency of Jamaica owned by the United States Government and obtained by A.I.D. with United States dollars. The United States dollar equivalent of the local currency made available hereunder will be the amount of United States dollars required by A.I.D. to obtain the local currency of Jamaica.

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. PROCEDURE FOR AND 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.

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. after 42 months from 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 after 48 months from the date of this Agreement. A.I.D., at its option, may at any time or times after 48 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., cancel any part of the Loan (i) which, prior to the giving of such notice, A.I.D. has not disbursed or committed itself to disburse, or (ii) 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 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; or
- (c) 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 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 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; or
- (c) Any disbursement by A.I.D. would be in violation of the legislation governing A.I.D.;

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 or through bank payments made other than under irrevocable Letters of Credit, in which event A.I.D. shall give notice to the 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 Jamaica, are in a

deliverable state and have not been offloaded in ports of entry for Jamaica. 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 disbursement 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 hereunder to the extent justified; the remainder, if any, shall be applied to the installments of Principal in the inverse order of their maturity thereby effecting a reduction of the amount of the Loan 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 banking institution, 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 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 thereby effecting a reduction of the amount of the Loan 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 Lender by reason of the occurrence of any of the events specified in Section 8.02, may be charged to Borrower and shall be reimbursed to Lender by the Borrower in such manner as A.I.D. may specify.

Section 8.08. NONWAIVER OF REMEDIES. No reasonable 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 mail, telegram, cable, or radiogram at the following address:

To Borrower:

Mail Address: Ministry of Finance
30 National Heroes Circle
Kingston, Jamaica

Cable Address: Ministry of Finance

Mail Address: Ministry of Education
2 National Heroes Circle
Kingston, Jamaica

Cable Address: MINED

To Lender:

Mail Address: Associate Assistant Administrator
Office of Development Resources
Bureau for Latin America
Department of State
Washington, D.C.

Cable Address: AID, LA/DR
Washington, D.C.

Borrower, in addition, shall provide the USAID Mission in Jamaica with a copy of each communication sent to A.I.D. All notices, requests, communications, and documents submitted to A.I.D. hereunder shall be in English.

Section 9.02. REPRESENTATIVES. For all purposes relative to this Agreement, Borrower will be represented by the Minister responsible for Finance, and A.I.D. will be represented by the individual holding or acting in the office of Associate Assistant Administrator, Office of Development Resources (LA/DR). 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 a 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 the duly authorized representatives of the 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 the implementation of this Agreement. Nothing in such letters shall alter the terms 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 or indebtedness with respect to the Loan, in such form, containing such terms and supported by such legal opinion as A.I.D. may reasonably request.

Section 9.05. TERMINATION UPON FULL PAYMENT. Upon repayment in full of the Principal and payment of all 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 duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

For the Government
of Jamaica:

[Signed]

DAVID H. COORE
Minister of Finance

For the Government
of the United States of America:

[Signed]

CHARLES P. CAMPBELL
AID Affairs Officer

A N N E X I

JAMAICA RURAL EDUCATION SECTOR LOAN

I. PROJECT DESCRIPTION

The Project consists of a program within the Jamaican educational system designed to assist in upgrading formal and non-formal education relevant to rural living and employment, and to provide facilities, equipment, training, technical assistance and improve management, planning, research and development capabilities in support of this effort. The specific program elements include:

- (a) Continuing education activities directed toward providing non-formal education opportunities under a program designed to benefit the rural population;
- (b) Rural primary education activities designed to assist in improving rural school facilities and developing experimental models to increase quality and relevance of primary education to the rural environment;
- (c) Rural secondary education activities designed to assist in developing facilities and programs for vocational training in the agricultural field;
- (d) Teacher training activities designed to assist in upgrading and expanding the teaching resources needed to support the priorities in rural education; and
- (e) Management, planning, research and development activities in support of the sector program.

Project activities will be described in detail in Implementation Plans and other documents agreed to by AID and GOJ pursuant to the Loan Agreement. However, the following are the main activities expected to be undertaken in support of the Project elements enumerated above. (The financial components are summarized in Tables 1 and 2.)

A. *Continuing Education*

(i) Establish three Regional Rural Development Centers utilizing the facilities and staff which form an integral part of the regional agricultural/vocational institutions (described further under Section C to be established under this Project).

These centers will serve in an administrative and supervisory as well as direct operational support role in connection with the sub-centers described below by providing intensive short courses for sub-center trainees, extension workers, school teachers, and community leaders. They will co-ordinate their activities with other institutions and agencies involved in carrying out GOJ national policies in education, human resources and community development aspects of rural national development efforts.

(ii) The creation of a minimum of eighteen and up to thirty sub-centers by renovating and modernizing existing primary schools. The sub-centers will offer afternoon, evening and weekend courses, seminars, workshops, community meetings, social and civic meetings,

recreational programs and other such educational opportunities to rural residents of the respective immediate areas.

(iii) Technical assistance, training, materials and equipment in support of the Regional Rural Development Centers and sub-centers.

(iv) A community development matching funds program, operated through the above sub-centers and designed to further community participation through the provision of non-formal education programs intended to meet local needs.

B. *Rural Primary Education*

(i) Curriculum Design—the Ministry of Education, with technical assistance provided under the Project, will continue to develop meaningful curriculum methods and materials for rural primary schools to be evaluated in the experimental rural primary schools identified in connection with the Project. This will be a coordinated effort between the curriculum research, evaluation, media and materials groups operating from the “Educational Development and Demonstration Center” described further under Section D (i).

(ii) Experimentation—a minimum of three and up to six rural primary schools will be identified for the purposes of carrying out experimental programs under the Project. The schools selected will be renovated and remodeled if necessary but will not differ materially from the typical Jamaican rural school. It is intended that up to three of these schools will be included within the sub-centers mentioned at A above.

(iii) Maintenance, Renovation, Remodeling and Modernization of Rural Schools—(a) technical assistance will be provided as appropriate under the Project to:

- (1) Advise and assist the Ministry of Education maintenance department on updating an inventory survey of existing facilities;
- (2) Develop techniques readily adaptable at local levels for the improvement of existing facilities, as well as develop operating procedures and efficient ways of delivering this information to local school districts; and
- (3) Develop a training program designed to improve the ongoing maintenance program for required school repairs.

(b) As an essential complementary element to the above, the Project will provide for maintenance funds to assist in financing the normal maintenance of selected rural schools.

(c) Funds will be provided for the remodeling and renovation of the sub-centers for continuing education as described in Section A (ii) and the experimental schools element of the primary education program mentioned in Section B (ii), above.

(d) Initial electrification of approximately twenty-five rural schools with highest priority needs through the provision of diesel generators, with special consideration to be given to generator maintenance. As permanent electrification is achieved in each respective school, such generators will be transferred to the next highest priority schools. Funds will also be provided for the wiring and electrical connection of schools within the Project and others within easy reach of the national electricity grid.

C. *Rural Secondary Education*

The expansion of secondary vocational education facilities, including technical assistance training, construction and equipment will be accomplished by the expansion of existing facilities at the Jamaica School of Agriculture and the construction of two facilities, all designed to increase the enrollment by 700 places. These facilities will be in support of the integrated rural development programme described in Section A above.

D. *Teacher Education*

(i) The creation of an Education Development Program, including technical assistance and training, which has as its objective the qualitative improvement of Jamaican teacher training, upgrading of curricula, materials, methods and other factors necessary to improve the

educational delivery system. The program will be located at an "Educational Development and Demonstration Center," which will be located at a site renovated and equipped to perform the above duties.

(ii) The construction of a teacher training college with emphasis on rural/non-formal education, including technical assistance and training costs, with an enrollment of approximately 300 students.

E. *Management, Planning, Research and Development*

The Project will finance technical and capital assistance costs of improving the Ministry of Education's management, planning, research and evaluation and budgeting capabilities through the provision of appropriate technical assistance, equipment, and materials, training programs, and remodeling and modernization of selected buildings to be utilized under the Project.

II. PROJECT ADMINISTRATION AND IMPLEMENTATION

The administration of the Project will be carried out by the Ministry of Education, which will maintain direction, policy, guidance and co-ordination of other activities under the Project through a Project Advisory Committee (PAC), to include the Permanent Secretary of the Ministry of Education (Chairman), Chief Education Planner, Chief Education Officer, Director of Projects Division, Director of Finance, Director of Management Services, Chief Architect, USAID/Educational Advisor (*ex officio*) and such other advisors as the Ministry of Education may deem necessary. Membership of the PAC may be modified as necessary by mutual agreement between the Government of Jamaica and AID.

Reporting to the Project Advisory Committee (PAC), will be the Project Division of the Ministry of Education which will handle the administration and co-ordination of activities of the Project. This Division will be staffed appropriately to carry out the activities and functions of the Loan satisfactorily, and its specific responsibilities will include

- (a) Obtaining the data and information necessary to expedite the submission of material to AID in satisfaction [of] conditions precedent, covenants and other requirements of the Loan;
- (b) Preparing the master plan and the detailed annual implementation plans;
- (c) Initiating, co-ordinating and obtaining GOJ approvals for contracts, procurement, disbursement requests and other such functions assigned to it under the Project;
- (d) Preparing regular reports as well as the agenda and document for the periodic joint GOJ/AID meeting provided for under the Loan.

Project progress will be measured on the basis of actual accomplishments in relation to each Annual Implementation Plan. During each year of the Project an annual review shall be held to determine the extent of progress and to identify corrective measures for areas of weakness under the Project. Other less formal reviews will be held from time to time by the parties charged with implementing the Project.

III. FINANCIAL AND DISBURSEMENT PLAN

The total estimated cost of the four-year Project is U.S. \$20.2 million. The AID loan of \$9.1 million is expected to finance approximately 45% of the total costs, and the Government of Jamaica's minimum contribution in the equivalent of U.S. \$11.1 million will finance approximately 55% of the total Project costs. The Financial Plan for the Project, by Area of Activity and by Component (Table 1), and the Capital Cost Budget (Table 2) may be modified in writing by mutual agreement, in accordance with Project requirements.

Disbursements for U.S. dollar costs for procurement of commodities and services under the Project will be accomplished through Letters of Commitment, by direct payment, or through other normal AID procedures, as appropriate.

Reimbursement of local currency costs for eligible items will be accomplished by disbursements from local currency owned by the United States and obtained by AID with United States dollars. Payment will be based on reimbursement of AID's *pro rata* share of actual local currency expenses incurred by the Government of Jamaica as set forth in Tables 1 and 2.

Reimbursement will occur on the basis of the account statements and by such other documentation as may be agreed to by AID and GOJ, bearing in mind the varied nature of sub-project activities. This process will be repeated until AID's maximum contribution to each Project element has been reached.

AID will limit its capital contribution for each construction/renovation activity to the amounts stated in Table 2. Reimbursement will be based on actual costs not to exceed this fixed amount. Costs in excess of this amount will be funded by the GOJ.

FINANCIAL PLAN BY AREA OF ACTIVITY AND BY COMPONENT

(Figures in US \$ 000)

	Continuing Education		Rural Primary		Rural Secondary		Teacher Education		Management Development		Total	
	GOJ	AID	GOJ	AID	GOJ	AID	GOJ	AID	GOJ	AID	GOJ	AID
CAPITAL CONTRIBUTION												
A. Land	75				250		50		160		535	
B. Construction		252			3,637	2,913	1,587	1,299	120	98	5,344	4,562
C. Major Equipment		11	275			1,392		544		40		2,262
Sub-Total	75	263	275		3,887	4,305	1,637	1,843	280	138	5,879	6,824
Contingency 10%					364	291	159	130	12	10	535	431
Sub-Total	75	263	275		4,251	4,596	1,796	1,973	292	148	6,414	7,255
Total Capital											13,669	
NON-CAPITAL CONTRIBUTION												
D. Technical Assistance ..		97			160		220		150		627	
E. Participant Training ..		65			70		127		106		368	
F. Materials and Supplies .		90	45						20		155	
G. Research							240				240	
H. Funds Contribution	55	110	150	345							205	455
I. Personnel	530		150		700		275		125		1,780	
J. Admin./Operating Costs.	328		130		1,467		589		187		2,701	
Sub-Total	913	362	430	390	2,167	230	864	587	312	276	4,686	1,845
Total — Non-Capital											6,531	
Total — Contributions	988	625	430	665	6,418	4,826	2,660	2,560	604	424	1,100	9,100
TOTAL Program											20,200	

NOTE. AID's Capital Contribution may be decreased and utilized to increase AID's Non-Capital Contribution, provided that AID's contribution to each Project element is not varied by more than ten percent (10%) and that the total variation among elements would not exceed \$910,000.

(Figures in US \$ 000)

		GOJ	AID	Total
A. Continuing Education				
Subcenters and Experimental Schools (Modifications to 18 primary schools including up to 3 Experimental Schools).		Land	75	75
		Constr	252	252
		Equip	11	11
			<u>75</u>	<u>338</u>
B. Rural Primary				
Electrification Programs				
	Generators		65	65
	Service/Maintenance		20	20
	Installation		20	20
	Wiring		130	130
	Connecting		40	40
	Equip		<u>275</u>	<u>275</u>
C. Rural Secondary				
Two Agricultural Vocational Schools (RRDCs).		Land	200	200
		Constr	3,559	6,472
		Equip	1,331	1,331
			<u>3,759</u>	<u>8,003</u>
Jamaica School of Ag.		Land	50	50
		Constr	78	78
		Equip	61	61
			<u>128</u>	<u>189</u>
D. Teacher Education				
Teacher Training College		Land	50	50
		Constr	1,587	2,886
		Equip	544	544
			<u>1,637</u>	<u>3,480</u>
E. Management Development				
EDDC at Caenwood		Land	160	160
		Constr	120	218
		Equip	40	40
			<u>280</u>	<u>418</u>
	Sub-Total		<u>5,879</u>	<u>12,703</u>
	Contingency 10% on Construction (C, D and E)		535	966
	TOTAL		<u>6,414</u>	<u>13,669</u>

ALLIANCE FOR PROGRESS LOAN AGREEMENT AMENDMENT¹
BETWEEN THE GOVERNMENT OF JAMAICA AND THE
UNITED STATES OF AMERICA FOR THE RURAL EDUCATION
SECTOR LOAN

Dated: November 25, 1977

A.I.D. Loan Number 532-V-009

LOAN AGREEMENT AMENDMENT dated November 25, 1977, between the GOVERNMENT OF JAMAICA (“Borrower”) and the UNITED STATES OF AMERICA acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT (“A.I.D.”).

Article 1. THE LOAN

Section 1.01. THE LOAN AS AMENDED. A.I.D. agrees to lend to the Borrower in furtherance of the Alliance for Progress and pursuant to the Foreign Assistance Act of 1961, as amended, an additional amount not to exceed Two Million One Hundred Thousand United States Dollars (\$2,100,000) to further assist Borrower in carrying out the Project (as amended) referred to in Section 1.02 (“Project”). This amount is hereby added to the amount of the original loan agreement (as signed on November 13, 1975)² of Nine Million One Hundred Thousand United States Dollars (\$9,100,000) for a new loan total amount of Eleven Million Two Hundred Thousand United States Dollars (\$11,200,000). The Loan, as amended, shall be used exclusively to finance foreign exchange costs of goods and services required for the Project (“Dollar Costs”) and local currency costs of goods and services required for the Project (“Local Currency Costs”).

Section 1.02. THE PROJECT AS AMENDED. This \$2.1 million amendment to the Rural Education Sector Loan will provide additional non-capital and capital resources to permit Jamaica’s Ministry of Education (MINED) to carry out an integrated educational program aimed at the rural areas. Activities in each of the program’s five major components — Continuing Education, Rural Primary Education, Rural Secondary Education, Teacher Education and Management Development — will be supplemented to assist in achieving the series of objectives articulated in the 1974 Capital Assistance Paper (CAP) as revised and refined to suit Jamaica’s educational strategy at the present time.

The amendment provides funding for goods and services in the following approximate amounts: an additional 50 months of technical assistance (\$280,000); 400 months of participant training (\$258,000); materials, supplies and minor equipment (\$337,000); research (\$65,000); a community development/self-help fund (\$335,000); construction (\$685,000) and equipment (\$130,000) to facilitate establishment of eighteen (18) community sub-centers, six (6) experimental primary schools and agricultural vocational secondary schools, all in rural areas, and the Educational Development and Demonstration Center.

Section 1.03. PROVISIONS. The provisions controlling the funding provided pursuant to this amendment are those stated in the original Loan Agreement docu-

¹ Came into force on 25 November 1977 by signature.

² See p. 276 of this volume.

ment signed on November 13, 1975, except as modified in Sections 1.01 and 1.02 above and the attached (amended) Annex I which is descriptive of the Project as provided for in this loan amendment.

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

Government
of Jamaica:

[Signed]
By: ERIC BELL
Title: Minister of Education

[Signed]
By: H. G. BARBER
Title: Financial Secretary for and on
behalf of the Minister of Fi-
nance and Planning

Government
of the United States of America:

[Signed]
By: FREDERICK IRVING
Title: Ambassador

[Signed]
By: DONOR M. LION
Title: Mission Director, USAID
Jamaica

A N N E X I

JAMAICA RURAL EDUCATION SECTOR LOAN

I. PROJECT DESCRIPTION

The Project is designed to assist in upgrading formal and non-formal education relevant to rural living and employment, and to provide facilities, equipment, training, technical assistance and improve management, planning, research and development capabilities in support of this effort. The specific program elements include:

- (a) Continuing education activities providing nonformal education opportunities under a program designed to benefit the rural population;
- (b) Rural primary education activities to assist in improving rural school facilities and developing experimental models to increase quality and relevance of primary education to the rural environment;
- (c) Rural secondary education activities to assist in developing facilities and programs for vocational training in the agricultural field;
- (d) Teacher training activities to assist upgrading and expanding the teaching resources needed to support the priorities in rural education; and
- (e) Management, planning, research and development activities in support of the sector program.

Project activities will be described in detail in Implementation Plans and other documents agreed to by AID and GOJ pursuant to the Loan Agreement. However, the following are the main activities expected to be undertaken in support of the Project elements enumerated above. (The financial components are summarized in Tables 1 and 2.)

A. Continuing Education

- (i) Establish three Regional Rural Development Centers utilizing the facilities and staff which form an integral part of the regional agricultural/vocational institutions (described further under Section C to be established under this Project).

These centers will serve in an administrative and supervisory as well as direct operational support role in connection with the sub-centers described below by providing intensive short courses for sub-center trainees, extension workers, school teachers, and community leaders. They will co-ordinate their activities with other institutions and agencies involved in carrying out GOJ national policies in education, human resources and community development aspects of rural national development efforts.

(ii) The creation of a minimum of eighteen and up to thirty sub-centers by renovating and modernizing existing primary schools. The sub-centers will offer afternoon, evening and weekend courses, seminars, workshops, community meetings, social and civic meetings, recreational programs and other such educational opportunities to rural residences of the respective immediate areas.

(iii) Technical assistance, training, materials and equipment in support of the Regional Rural Development Centers and sub-centers.

(iv) A community development matching funds program, operated through the above sub-centers and designed to further community participation through the provision of non-formal education programs intended to meet local needs.

B. *Rural Primary Education*

(i) Curriculum Design—the Ministry of Education, with technical assistance provided under the Project, will continue to develop meaningful curriculum methods and materials for rural primary schools to be evaluated in the experimental rural primary schools identified in connection with the Project. This will be a coordinated effort between the curriculum research, evaluation, Media and materials groups operating from the “Educational Development and Demonstration Center” described further under Section D (i).

(ii) Experimentation—a minimum of six rural primary schools will be identified for the purposes of carrying out experimental programs under the Project. The schools selected will be renovated and remodelled if necessary but will not differ materially from the typical Jamaican rural school.

(iii) Maintenance, Renovation, Remodeling and Modernization of Rural Schools—

a) Technical assistance will be provided as appropriate under the Project to:

- 1) Advise and assist the Ministry of Education’s maintenance department on updating an inventory survey of existing facilities;
- 2) Develop techniques readily adaptable at local levels for the improvement of existing facilities, as well as develop operating procedures and efficient ways of delivering this information to local school districts; and
- 3) Develop a training program designed to improve the ongoing maintenance program for required school repairs.

b) As an essential complementary element to the above, the Project will provide for maintenance funds to assist in financing the normal maintenance of the selected rural schools.

c) Funds will be provided for the remodeling and renovation of the sub-centers for continuing education as described in Section A (ii) and the experimental schools element of the primary education program mentioned in Section B (ii), above.

d) Initial electrification of approximately twenty-five rural schools with highest priority needs through the provision of diesel generators, with special consideration to be given to generator maintenance. As permanent electrification is achieved in each respective school, such generators will be transferred to the next highest priority schools. Funds will also be provided for the wiring and electrical connection of schools within the Project and others within easy reach of the national electricity grid.

C. *Rural Secondary Education*

(i) Development of programs and curriculum aimed at making agricultural vocational education more relevant to rural Jamaica.

(ii) Construction of two new agricultural vocational secondary schools and expansion of a third school at Dinthill all designed to increase enrollment by 700 places. These secondary schools will also function at the Regional Rural Development Centers described in Section A above.

(iii) Technical assistance, training, materials and equipment in support of the agricultural secondary school programs.

D. *Teacher Education*

(i) The creation of an Education Development Program, which has as its objective qualitative improvement of Jamaican teacher training, upgrading of curricula, materials, methods and other factors necessary to improve the educational delivery system. The program will be located at the Educational Development and Demonstration Center.

(ii) The construction of a teacher training college with emphasis on rural/non-formal education and an enrollment of approximately 300 students.

(iii) Technical assistance, training, materials and equipment in support of the teacher education program.

E. *Management, Planning, Research and Development*

This Project will finance non-capital and capital assistance costs of improving the Ministry of Education's management, planning, research and evaluation and budgeting capabilities through the provision of appropriate technical assistance, equipment, and materials, training programs, and construction of an Educational Development and Demonstration Center.

II. PROJECT ADMINISTRATION AND IMPLEMENTATION

The administration of the Project will be carried out by the Ministry of Education, which will maintain direction, policy, guidance and coordination of the other activities under the Project through the Project Advisory Committee (PAC), to include the Permanent Secretary of the Ministry of Education (Chairman), Chief Education Planner, Chief Education Officer, Director of Projects Division, Director of Finance, Director of Management Services, Chief Architect, USAID/Educational Advisor (ex-officio) and such other advisors as the Ministry of Education may deem necessary. Membership of the PAC may be modified as necessary by mutual agreement between the Government of Jamaica and AID.

Reporting to the Project Advisory Committee (PAC) will be the Projects Division of the Ministry of Education which will handle the administration and coordination of activities of the Project. This Division will be staffed appropriately to carry out the activities and functions of the loan satisfactorily, and its specific responsibilities will include

- a) Obtaining the data and information necessary to expedite the submission of material to AID in satisfaction of conditions precedent, covenants and other requirements of the loan;
- b) Preparing the master plan and the detailed annual implementation plans;
- c) Initiating, coordinating and obtaining GOJ approvals for contracts, procurement, disbursement requests and other such functions assigned to it under the project;
- d) Preparing regular reports as well as the agenda and document for the periodic joint GOJ/AID meeting provided for under the loan.

Project progress will be measured on the basis of actual accomplishments in relation to each Annual Implementation Plan. During each year of the Project an annual review shall be held to determine the extent of progress and to identify corrective measures for areas of

weakness under the Project. Other less formal reviews will be held from time to time by the parties charged with implementing the Project.

III. FINANCIAL AND DISBURSEMENT PLAN

The total estimated cost of the four year Project is U.S. \$22.3 million. The AID loan of \$11.2 million is expected to finance approximately 50% of the total costs, and the Government of Jamaica's minimum contribution [in] the equivalent of U.S. \$11.1 million will finance 50% of the total Project costs. The financial Plan for the Project, by Area of Activity and by Component (Table 1), and the Capital Cost Budget (Table 2) may be modified in writing by mutual agreement, in accordance with Project requirements.

Disbursements for U.S. dollar costs for procurement of commodities and services under the Project will be accomplished through Letters of Commitment, by direct payment, or through other normal AID procedures, as appropriate.

Reimbursement of local currency costs for eligible items will be accomplished by disbursements from local currency owned by the United States and obtained by AID with United States dollars. Payment will be based on reimbursement of AID's *pro rata* share of actual local currency expenses incurred by the Government of Jamaica as set forth in Tables 1 and 2.

Reimbursement will occur on the basis of the account statements and by such other documentation as may be agreed to by AID and GOJ, bearing in mind the varied nature of sub-project activities. This process will be repeated until AID's maximum contribution to each project element has been reached.

AID will limit its capital contribution for each construction/renovation activity to the amounts stated in Table 2. Reimbursement will be based on actual costs not exceeding this fixed amount. Costs in excess of this amount will be funded by the GOJ.

Table 1. FINANCIAL PLAN—TOTAL PROGRAM
(US \$ 000)

	Continuing Education		Rural Primary		Rural Secondary		Teacher Education		Management Development		Total	
	GOJ	AID	GOJ	AID	GOJ	AID	GOJ	AID	GOJ	AID	GOJ	AID
CAPITAL CONTRIBUTION												
Land and Construction	75	312	—	110	3,887	3,013	1,637	1,299	280	523	5,879	5,257
Major Equipment	—	46	—	275	—	1,447	—	544	—	80	—	2,392
Sub-total	75	358	—	385	3,887	4,460	1,637	1,843	280	603	5,879	7,649
Contingency	—	—	—	—	364	291	159	130	12	10	535	431
Sub-total	75	358	—	385	4,251	4,751	1,796	1,973	292	613	6,414	8,080
Total Capital												14,494

	Continuing Education		Rural Primary		Rural Secondary		Teacher Education		Management Development		Total	
	GOJ	AID	GOJ	AID	GOJ	AID	GOJ	AID	GOJ	AID	GOJ	AID
NON-CAPITAL CONTRIBUTION												
Technical Assistance	—	147	—	150	—	210	—	220	—	180	—	907
Training	—	100	—	60	—	200	—	127	—	139	—	626
Materials, Supplies and Minor Equipment	—	163	—	85	—	74	—	60	—	110	—	492
Research	—	—	—	—	—	—	—	—	—	305	—	305
Funds Contribution	55	225	120	455	30	110	—	—	—	—	205	790
Personnel	530	—	150	—	700	—	275	—	125	—	1,780	—
Admin/Operation Costs ...	328	—	130	—	1,467	—	589	—	187	—	2,701	—
Sub-total	913	635	400	750	2,197	594	864	407	312	734	4,686	3,120
Total Non-Capital												7,806
TOTAL Contributions	988	993	400	1,135	6,448	5,345	2,660	2,380	604	1,347	11,100	11,200

NOTE. AID's Capital Contribution may be decreased and utilized to increase AID's Non-Capital Contribution, provided that AID's contribution to each Project element is not varied by more than ten percent (10%) and that the total variation among elements would not exceed \$1,120,000.

Table 2. CAPITAL COST BUDGET
(Figures in US \$ 000)

			GOJ	AID	Total
A. Continuing Education					
Subcenters and Experimental Schools	Land and Constr.		75	312	387
(Modifications to 18 primary schools including up to 3 Experimental Schools)	Equip.			46	46
			75	358	433
B. Rural Primary					
Construction Program				110	110
Electrification Program					
Generators				65	65
Service/Maintenance				20	20
Installation				20	20
Wiring				130	130
Connecting				40	40
	Equip.			385	385
C. Rural Secondary					
Two Agricultural Vocational Schools (RRDCs)	Land and Constr.		3,759	2,913	6,672
	Equip.			1,331	1,331
			3,759	4,244	8,003
Dinhill	Land and Constr.		128	100	228
	Equip.			116	116
			128	216	344

		<i>GOJ</i>	<i>AID</i>	<i>Total</i>
D.	<i>Teacher Education</i>			
	Teacher Training College			
	Land and Constr.	1,637	1,299	2,936
	Equip.		544	544
		1,637	1,843	3,480
E.	<i>Management Development</i>			
	EDDC at Caenwood			
	Land and Constr.	280	523	803
	Equip.		80	80
		280	603	883
	Sub-total	5,879	7,649	13,528
	Contingency on Construction (C, D and E)	535	431	966
	TOTAL	6,414	8,080	14,494