



LEG/SGO/GY-1426506-08

Loan No. 1558/SF-GY
Amendment No. 1

AMENDATORY CONTRACT

AMENDATORY CONTRACT entered into between the CO-OPERATIVE REPUBLIC OF GUYANA (the "Borrower") and the INTER-AMERICAN DEVELOPMENT BANK (the Bank").

ARTICLE ONE

The Borrower and the Bank agree to amend Loan Contract No. 1558/SF-GY ("Agricultural Support Services Programme), entered into between the Borrower and the Bank on September 24, 2004, in the manner and to the extent set forth below.

1. Paragraph 2 of the Introduction of the Special Conditions of Loan Contract No. 1558/SF-GY shall be amended to be read as follows:

"2. CONSTITUENT ELEMENTS OF THE CONTRACT AND REFERENCE TO THE GENERAL CONDITIONS.

- (a) This Contract consists of these Special Conditions, the General Conditions, and the Annex, which are attached hereto. If any provision of the Special Conditions or the Annex should present any inconsistency or contradiction with the General Conditions, the provisions of the Special Conditions or the Annex shall prevail. In case of inconsistencies or contradictions between the Special Conditions or the Annex, specific rules shall prevail over general rules.
- (b) Rules for the application of amortization, interest, credit fee, inspection and supervision and disbursement clauses, as well as other conditions related to Programme execution, are established in detail in the General Conditions. The General Conditions also include general definitions."

2. Section 1.01 of the Special Conditions of Loan Contract No. 1558/SF-GY, shall be amended to be read as follows:

"**SECTION 1.01 Cost of the Programme.** The total cost of the Programme is estimated to be the equivalent of twenty million twenty-three thousand and two hundred dollars of the United States of America (US\$20,023,200). Unless otherwise stated in this Contract, the term "dollars" hereinafter signifies the currency of legal tender in the United States of America."

3. Section 1.02 of the Special Conditions of Loan Contract No. 1558/SF-GY, shall be amended to be read as follows:

“SECTION 1.02 Amount of the Financing. In accordance with this Contract, the Bank agrees to grant to the Borrower, and the Borrower accepts, a "Financing", chargeable to the resources of the Fund for Special Operations of the Bank, for up to the equivalent of seventeen million four hundred twenty-eight thousand and two hundred dollars (US\$17,428,200) or the equivalent thereof in other currencies forming part of such resources, except the currency of Guyana. The amounts disbursed from the Financing shall constitute the 'Loan'.”

4. Section 1.03 of the Special Conditions of Loan Contract No. 1558/SF-GY, shall be amended to be read as follows:

“SECTION 1.03 Additional Resources. The amount of the additional resources which, pursuant to Article 6.04 of the General Conditions, the Borrower shall undertake to contribute in a timely manner for the complete and uninterrupted execution of the Programme, is estimated to be the equivalent of two million five hundred and ninety-five thousand dollars (US\$2,595,000), although this estimate shall not imply any limitation or reduction of the obligation of the Borrower under said Article. To compute the equivalency in dollars, the rules set forth in Article 3.05(b) of the General Conditions shall be followed.”

5. A new subsection (iii) of literal (a) of Section 3.05 of the Special Conditions of Loan Contract No. 1558/SF-GY, should be added to be read as follows:

“(iii) The Borrower, through the Executing Agency, has submitted to the Bank evidence that at least sixty percent (60%) of the earthworks in any particular drainage and irrigation system have been satisfactorily completed following the engineering designs.”

6. Sections 4.01 and 4.04 of the Special Conditions of Loan Contract No. 1558/SF-GY, shall be amended to be read as follows:

“SECTION 4.01 Procurement of goods and works. Goods and works shall be procured in accordance with the provisions set forth in Document GN-2349-7 (“Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank”), dated July, 2006 (hereinafter referred to as the “Procurement Policies”), which are known to the Borrower, and the following provisions:

- (a) International Competitive Bidding: Except as otherwise provided in subsection (b) of this Section, goods and works shall be procured pursuant to the provisions set forth in Section II of the Procurement Policies.
- (b) Other Procurement Procedures: The following procurement methods may be used for the procurement of goods and works as long as the Bank determines that these methods meet the requirements established in the provisions set forth in Section III of the Procurement Policies:
 - (i) National Competitive Bidding; for goods, which estimated cost per contract is less than US\$350,000 and equal to or more than US\$50,000, and for

works which estimated cost per contract is less than US\$1,000,000 and more than US\$80,000, pursuant to the provisions set forth in paragraphs 3.3 and 3.4 of the Procurement Policies and the provisions below and provided that such procurement method is not in contradiction with the Procurement Policies or the basic guarantees that every procurement must meet.

- (c) Additional Procurement Requirements. The Borrower, through the Executing Agency, shall carry out the procurement of goods and works in accordance with:
 - (i) the general plans, technical, social and environmental specifications, budgets and other documents required for the acquisition or the construction, and, as the case may be, the specific guidelines and other documents necessary for the call for prequalification or bids; and
 - (ii) in the case of works, evidence that it has, prior to the initiation of the works and with respect to the real property where the works will be constructed, the right of legal possession, easements or other rights necessary to initiate the construction.

- (d) Review by the Bank of Procurement Decisions:
 - (i) Procurement Planning: Prior to the issuance of any invitations to prequalify or to bid for contracts, as the case may be, the Borrower, through the Executing Agency, shall present the proposed procurement plan for the Programme to the Bank for its review and approval, in accordance with the provisions set forth in paragraph 1 of Appendix 1 to the Procurement Policies. This plan shall be updated every twelve (12) months, or as needed, during Program execution, and submitted to the Bank for its review and approval. Procurement of all goods and works shall be undertaken in accordance with such procurement plan as shall have been approved by the Bank, and with the provisions set forth in said paragraph 1.

 - (ii) Prior Review: Unless the Bank agrees otherwise in writing, the contracts for works and the acquisition of goods and related services shall be subject to prior review, in accordance with the procedures spelled out in paragraphs 2 and 3 of Appendix 1 to the Procurement Policies.”

“SECTION 4.04 Contracting of Consultants. (a) Consultants’ services shall be procured in accordance with the provisions set forth in Document GN-2350-7 (“Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank”), dated July, 2006 (hereinafter called “the Consultant Policies”), which are known to the Borrower, and pursuant to the procedures set forth in the Procurement Plan referred to in subsection (b)(i) of this Section 4.04.

- (b) Review by the Bank of the process of selection of consultants:
 - (i) Selection and Contracting Planning: Prior to the issuance of any request for proposal to the consultants, the Borrower, through the Executing Agency, shall present to the Bank, for its review and approval, a procurement plan, which shall include contract cost estimates, contract packaging and

applicable selection criteria and procedures, in accordance with the provisions set forth in paragraph 1 of Appendix 1 to the Procurement Policies. This plan shall be updated every twelve (12) months, or as needed, during Programme execution, and submitted to the Bank for its review and approval. Selection and contracting of consultants shall be undertaken in accordance with such procurement plan as shall have been approved by the Bank.

- (ii) Ex-ante Review: Unless the Bank agrees otherwise in writing, the contracts for the contracting of consulting services shall be subject to ex-ante review, in accordance with the procedures spelled out in paragraphs 2 and 3 of Appendix 1 to the Consultant Policies.”

7. The Parties agree to incorporate as Section 3.09 of the Special Conditions of Loan Contract No. 1558/SF-GY, the following provision:

“**SECTION 3.09** **Special Execution Condition.** The parties agree that the execution of the Civil Works component referred to in the Annex will be divided in two stages. During the first stage, the Borrower prior the non-objection of the Bank, will tender the following D&I areas: (i) Vergenoegen / Bonasika and Den Amstel/Fellowship; (ii) Crabwood Creek; (iii) Vreed-en-Hoop/La Jalousie; and (iv) Golden Grove/Victoria. Once these works have been satisfactorily completed and, and as long as resources of the Financing allocated for this component are not exhausted during the first bidding process, the Borrower will tender prior the non-objection of the Bank, the following remaining areas (second stage of the civil works): (i) Black Bush Polder; (ii) Lots 52-74; and (iii) Cane Grove.”

8. Any reference to Annex A and the Programme Executing Unit (“PEU”) in Loan Contract No. 1558/SF-GY should be amended to be read as the Annex and Agricultural Sector Development Unit (“ASDU”), respectively.

9. Paragraph 3.01 of the Annex of Loan Contract No. 1558/SF-GY shall be amended to be read as follows:

“3.01 The estimated cost of the Programme is the equivalent of twenty million twenty-three thousand and two hundred dollars (US\$20,023,200), in accordance with the following investment categories and sources of financing:”

Cost and Financing
(in US\$ equivalent)

Category of Investment	BANK	BORROWER	Total
1. Engineering & Management	2,486,500	403,000	2,889,500
1.1. Management	1,200,000	403,000	1,603,000
1.2. Supervision	1,286,500	-	1,286,500
2. Direct Costs	13,595,200	1,882,000	15,477,200
2.1. Civil Works	10,507,400	1,855,000	12,362,400
2.1.1. Rehabilitation of Primary Systems	5,500,000	1,428,000	6,928,000
2.1.2. Rehabilitation of Secondary Systems	5,007,400	427,000	5,434,400
2.2. D&I Institutional Development	1,737,800	27,000	1,764,800
2.2.1. WUA Support	649,300	27,000	676,300
2.2.2. Farmers Training and Extension	814,000	-	814,000
2.2.2. NDIB Strengthening	274,500	-	274,500
2.3. Rice Seeds Development	1,150,000	-	1,150,000
2.3.1. Design of Rice Seed Facility	150,000	-	150,000
2.3.2. Construction of Rice Seed Facility	500,000	-	500,000
2.3.3. Rice Research Support	500,000	-	500,000
2.4. Agricultural Diversification	200,000	-	200,000
3. Concurrent Costs	768,000	-	768,000
3.1. D&I Technology Transfer	-	-	-
3.2. Land Tenure Regularization	268,000	-	268,000
3.3. Auditing	100,000	-	100,000
3.4. Evaluation and Monitoring	400,000	-	400,000
87.Capitalization Charges	578,500	310,000	888,500
Interest	175,900	-	175,900
Credit Fee	-	310,000	310,000
F.I.V.	402,600	-	402,600
Total	17,428,200	2,595,000	20,023,200

ARTICLE TWO

The Borrower and the Bank agree that this Amendatory Contract shall enter into force from the date of signature by the Borrower.

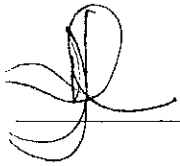
ARTICLE THREE

The Parties hereby ratify that all other provisions of Loan Contract No. 1558/SF-GY, remain in full force and effect.

IN WITNESS WHEREOF, the Borrower and the Bank, each acting through its authorized representative, have signed this Amendatory Contract in two (2) equally valid copies.

CO-OPERATIVE REPUBLIC OF
GUYANA

INTER-AMERICAN DEVELOPMENT
BANK



Ashni Singh
Minister of Finance



Marco Carlo Nicola
Representative in Guyana

Date:

16/10/07

Date: _____



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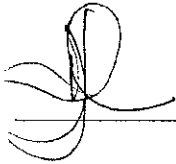
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