

A.I.D. Project No. 504-0077

A.I.D. Loan No. 504-T-017

between

GUYANA

and the

UNITED STATES OF AMERICA

for

AGRICULTURE SECTOR PLANNING

**Date:** March 8, 1980

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A.I.D. Project No. 504-0077

A.I.D. Loan No. 504-T-017

Project Loan and Grant Agreement

AGRICULTURE SECTOR PLANNING

Dated: March 8, 1980.

Between

The Government of Guyana ("Cooperating Country")

And

The United States of America, acting through the Agency for  
International Development ("A.I.D.")

Article 1. The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Cooperating Country of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2 The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of the improvement and strengthening of agriculture sector planning capacity in Guyana through the provision of technical assistance, participant training and the establishment of a computer center. Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 9.2 without formal amendment of this Agreement. Annex 1 will identify those elements of the Project for which Grant financing will be employed, and those for which Loan financing will be employed.

SECTION 2.2: Incremental Nature of Project

(a) A.I.D.'s Grant contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments of Grant funds will be subject to the availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Cooperating Country, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

### Article 3. Financing

SECTION 3.1. The Loan and Grant. To assist the Cooperating Country to meet the costs of carrying out the project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to lend the Cooperating Country under the terms of this Agreement not to exceed One Million U.S. Dollars (\$1,000,000) ("Loan"), and to grant the Cooperating Country under the terms of this Agreement not to exceed Four Hundred Thousand United States ("U.S.") Dollars (\$400,000) ("Grant"). The aggregate amount of disbursements under the Loan is referred to as "Principal". The Loan and the Grant together are referred to as the "Assistance". The Loan and the Grant may be used only to finance foreign exchange costs, as defined in Section 7.1 of goods and services required for the Project.

### SECTION 3.2. Cooperating Country Resources for the Project.

(a) The Cooperating Country agrees to provide or cause to be provided for the Project all funds, in addition to the Assistance, and all other resources required to carry out the Project effectively and in a timely manner in accordance with the objectives of this Agreement.

(b) The resources provided by the Cooperating Country for the Project will be not less than the equivalent of U.S. \$2,046,096 including costs borne on an "in-kind" basis.

### SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is December 31, 1984, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Assistance will have been performed and all goods financed under the Assistance will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Assistance for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 8.1 no later than nine (9) months following the PAOD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Cooperating Country, may at any time or times reduce the amount of the Assistance by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

**Article 4. Loan Terms**

**SECTION 4.1. Interest.** The Cooperating Country will pay to A.I.D. interest which will accrue at the rate of two percent (2%) per annum for ten (10) years following the date of the first disbursement of the Loan 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 will accrue from the date (as defined in Section 8.4) of each respective disbursement, and will be computed on the basis of a 365 day year. Interest will be payable semi-annually. The first payment of interest will be due and payable no later than six (6) months after the first disbursement of the Loan hereunder, on a date to be specified by A.I.D.

**SECTION 4.2. Repayment.** The Cooperating Country will repay to A.I.D. the Principal within twenty-five (25) years from the date of the first disbursement of the Loan in thirty-one (31) approximately equal semi-annual installments of Principal and interest. The first installment of Principal will be payable nine and one-half (9½) years after the date on which the first interest payment is due in accordance with Section 4.1. A.I.D. will provide the Cooperating Country with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

**Application, Currency, and Place of Payment.** All payments of interest and Principal hereunder will be made in U.S. Dollars and will 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, payments will be made to the Controller, Office of Financial Management, Agency for International Development, Washington, D.C. 20523, U.S.A., and will be deemed made when received by the Office of Financial Management.

Prepayment. Upon payment of all interest and any refunds then due, the Cooperating Country may prepay, without penalty, all or any part of the Principal. Unless A.I.D. otherwise agrees in writing, any such prepayment will be applied to the installments of Principal in the inverse order of their maturity.

**SECTION 4.5. Renegotiation of Terms.**

(a) The Cooperating Country 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 and continuing improvement in the internal and external economic and financial position and prospects of Guyana which enable the Cooperating Country to repay the Loan on a shorter schedule.

(b) Any request by either Party to the other to so negotiate will be made pursuant to Section 9.1, and will give the name and address of the person or persons who will represent the requesting Party in such negotiations.

(c) Within thirty (30) days after delivery of a request to negotiate, the requested Party will communicate to the other, pursuant to Section 9.1, the name and address of the person or persons who will represent the requested Party in such negotiations.

(d) The representatives of the Parties will meet to carry on negotiations no later than thirty (30) days after delivery of the requested Party's communication under subsection (c). The negotiations will take place at a location mutually agreed upon by the representatives of the Parties, provided that, in the absence of mutual agreement, the negotiations will take place at the office of the Cooperating Country's Ministry of Agriculture.

**SECTION 4.6. Termination on Full Payment.**

Upon payment in full of the Principal and any accrued interest, this Agreement and all obligations of the Cooperating Country and A.I.D. relating to the Loan provisions of this Agreement will cease, provided that, with respect to any obligations arising out of the expenditure of Grant funds, this Agreement will remain in full force and effect until such obligations are fulfilled.

**Article 5. Conditions Precedent to Disbursement**

**SECTION 5.1. Conditions Precedent to Initial Disbursement.** Prior to the first disbursement of the Assistance, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Cooperating Country will, 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 Guyana 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 Cooperating Country and that it constitutes a valid and legally binding obligation of the Cooperating Country in accordance with all of its terms;

(b) A statement of the names of the persons holding or acting in the office of the Cooperating Country specified in Section 9.2, and a specimen signature of each person in such statement;

(c) An implementation plan for the first year of Project activities including procurement of commodities, technical assistance, training and staffing and budget information.

**SECTION 5.2. Conditions Precedent to Disbursement for Equipment - Loan.** Prior to any disbursement, or the issuance of any commitment documents under this Agreement to finance the procurement of equipment and related goods and services, the Cooperating Country shall furnish in form and substance satisfactory to A.I.D.

- (a) a list of the proposed equipment and related goods and services;
- (b) a comprehensive plan for computer procurement, installation and initial operation including procurement procedures, sites, staffing, system support services and maintenance; and
- (c) a copy of the proposed contract(s) for computer hardware and services for prior A.I.D. approval.

**SECTION 5.3. Conditions Precedent to Subsequent Disbursements.** Prior to any disbursement or issuance of any commitment documents to finance Project activities during the twelve-month periods commencing on March 1, 1981, 1982, 1983 and 1984, respectively, the Cooperating Country 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., an implementation plan for Project activities for each such year, such plan to include staffing and budget information.

**SECTION 5.4. Notification of Meeting Conditions Precedent.** When A.I.D. has determined that the conditions precedent specified in Sections 5.1, 5.2 and 5.3 have been met, it will promptly notify the Cooperating Country with respect to each Section.

SECTION 5.5. Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 5.1 have not been met within 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 written notice to the Cooperating Country.

(b) If all of the conditions specified in Section 5.2 in respect to the proposed contract for procurement of the computer have not been met within 180 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 cancel the then undisbursed balance of the Assistance, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Cooperating Country. In the event of such termination, the Cooperating Country will repay immediately the Principal then outstanding and any accrued interest; on receipt by A.I.D. of such payments in full, this Agreement and all obligations of the Parties hereunder will terminate, except with respect to any obligations arising out of the expenditure of Grant funds.

(c) If all of the conditions specified in Section 5.3 for submitting each annual implementation plan have not been met by April 1 of each year, or such later date as A.I.D. may agree to in writing, A.I.D. at its option may then cancel the then undisbursed balance of the Assistance, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Cooperating Country. In the event of such termination, the Cooperating Country will repay immediately the Principal then outstanding and any accrued interest; on receipt by A.I.D. of such payments in full, this Agreement and all obligations of the Parties hereunder will terminate, except with respect to any obligations arising out of the expenditure of Grant funds.

Article 6: Special Covenants

SECTION 6.1. Project Evaluation. The Parties agree to establish an evaluation program as an integral part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project at least annually: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

**SECTION 6.2. Travel by Contract Technicians.**

The Cooperating Country covenants that all contractual agreements for technical services will include a clause requiring A.I.D. approval prior to initiation of travel by any technicians financed under this Project in order to insure that counterpart personnel are available to work with Project financed advisors.

**SECTION 6.3. Staff for Participating Agencies.**

The Cooperating Country covenants to promptly fill with competent staff the vacant positions existing in the Statistics Bureau, Planning Department and National Data Management Authority.

**SECTION 6.4. Adequate Operational Budgets.**

The Cooperating Country covenants to provide adequate operational budgets to the Statistics Bureau, Planning Department and National Data Management Authority to implement this Project including identification of the nature and amount of resources and financing annually provided.

**Article 7. Procurement Source**

**SECTION 7.1. Foreign Exchange Costs.**

(a) Disbursements under the Loan pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project 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 entered into for such goods and services, and disbursements under the Grant pursuant to Section 8.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

(b) Except as A.I.D. may otherwise agree in writing, ocean shipping will be financed under the Loan only on vessels under flag registry of U.S. or Guyana. If A.I.D. determines either that there are no vessels of flag registry of Guyana generally available for ocean transportation, or that Guyana has no access to U.S. flag service, A.I.D. in a Project Implementation Letter, may agree to finance under the Loan ocean transportation costs on vessels of other flag registry. Ocean transportation costs financed by the Grant shall be on vessels under flag registry of the United States, except as A.I.D. may otherwise agree in writing.

**Article 8. Disbursements**

**SECTION 8.1. Disbursement for Foreign Exchange Costs.**

(a) After satisfaction of conditions precedent, the Cooperating Country may obtain disbursements of funds under the Loan or the Grant for the Foreign Exchange Costs, as defined in Section 7.1, of goods and services required for the Project in accordance with the terms of the Agreement by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in the Cooperating Country's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. 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, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers, through Letters of Credit or otherwise, for such goods or services.

(b) Banking charges incurred by the Cooperating Country in connection with Letters of Commitment and Letters of Credit funded under the Loan or the Grant will be financed respectively under the Loan or the Grant unless the Cooperating Country instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Loan or the Grant.

**SECTION 8.2. Other Forms of Disbursement.**

Disbursements of the Loan or the Grant may also be made through such other means as the Parties may agree to in writing.

**SECTION 8.3. Rate of Exchange.** If funds provided under the Loan or the Grant are introduced into Guyana by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Cooperating Country will make such arrangements as may be necessary so that such funds may be converted into currency of Guyana at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Guyana.

**SECTION 8.4. Date of Disbursement.**

Disbursements of the Loan or Grant by A.I.D. will be deemed to occur on the date on which A.I.D. makes a disbursement to the Cooperating Country or its designee, or to a bank, contractor or supplier pursuant to a Letter of Commitment or Credit.

Article 9. Miscellaneous

SECTION 9.1. Communications. Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To the Cooperating Country:

Mail Address: Minister of Agriculture  
Vlissengen Road  
Georgetown, Guyana

Address for Cables: MINFLAM  
Georgetown, Guyana

To A.I.D.:

Mail Address: U.S.A.I.D.  
Mission to Guyana  
P.O. Box 25  
Georgetown, Guyana

Address for Cables: USAID, American Embassy  
Georgetown, Guyana.

Other addresses may be substituted for the above upon the giving of notice.

SECTION 9.2. Representatives. For all purposes relevant to this Agreement, the Cooperating Country will be represented by the individual holding or acting in the office of Minister of Agriculture, and A.I.D. will be represented by the individual holding or acting in the office of Director, USAID Mission to Guyana, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Cooperating Country, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

A "Combined Loan and Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

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

GUYANA

In Presence of:

By: Sgd. F.E. Hope  
Frank E. Hope.

sgd. Ivan S. Hamilton  
Ivan S. Hamilton  
Deputy Secretary to the  
Treasury

Title: Minister of Finance

UNITED STATES OF AMERICA

In Presence of:

By: Sgd. John T. Craig  
John T. Craig

Sgd. George B. Roberts,  
George B. Roberts, Jr.  
Ambassador

Title: Acting Director, USAID Mission  
to Guyana.

Annex 2

Combined Loan and Grant  
Project Standard Provisions Annex

Agriculture Sector Planning  
A.I.D. Project No. 504-0077

Definitions: As used in this Annex, the "Agreement" refers to the Project Loan and Grant Agreement to which this Annex is attached and of which this Annex forms a part. Terms used in this Annex have the same meaning or reference as in the Agreement.

Article A: Project Implementation Letters. To assist the Cooperating Country in the implementation of the Project, A.I.D., from time to time, will issue Project Implementation Letters that will furnish additional information about matters stated in this Agreement. The Parties may also use jointly agreed-upon Project Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement. Project Implementation Letters will not be used to amend the text of the Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement, including the revision of elements of the amplified description of the Project in Annex 1.

Article B:

SECTION B.1. The Parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Parties, at the request of either, will exchange views on the progress of the Project, the performance of obligations under this Agreement, the performance of any consultants, contractors or suppliers engaged on the Project, and other matters relating to the Project.

SECTION B.2. Execution of Project. The Cooperating Country will

(a) carry out the Project or cause it to be carried out with due diligence and efficiency, in conformity with sound technical, financial, and management practices, and in conformity with those documents, plans, specifications, contracts, schedules or other arrangements, and with any modifications therein, approved by A.I.D. pursuant to this Agreement; and

(b) provide qualified and experienced management for, and train such staff as may be appropriate for the maintenance and operation of the Project, and, as applicable for continuing activities, cause the Project to be operated and maintained in such manner as to assure the continuing and successful achievement of the purposes of the Project.

IV. FINANCIAL PLAN

The summary financial plan is projected as follows:

PROJECT INPUTS	A.I.D.		Cooperating	TOTAL
	Loan	Grant	Country	
Technical Assistance		1.868		1.868
Participant Training		0.030		0.030
Computer Hardware and Related Equipment	1.000			1.000
Personnel			3.246	3.246
Operating Expenses			0.957	0.957
Facilities			0.060	0.060
<b>TOTAL</b>	<b>1.000</b>	<b>1.898</b>	<b>4.263</b>	<b>7.161</b>



PROJECT AGREEMENT  
AGRICULTURE SECTOR PLANNING PROJECT

1. GOAL AND PURPOSE

The overall project goal is to improve the standard of living of the rural population. This goal will be accomplished through better agriculture sector program development and better management of sector resources as a result of an improved sector planning/budgeting system. The project purposes are (a) to institutionalize the capacity of the GOG for sustained, effective agricultural sector planning so as to develop policies, programs, projects and budgets designed to increase productivity and farmer income; and (b) to institutionalize the capacity of the GOG to establish and maintain a broad set of policy-relevant baseline data to facilitate the design, implementation and evaluation of programs and project

11. PROJECT COMPONENTS

Project purposes will be achieved through execution of the following activities:

(1) The Establishment of the Computer Center

This project will provide financing and technical assistance and training for the establishment of a national computer center dedicated to the maintenance and analysis of social and economic data for the country. Primary emphasis of this project will be placed on the development, analysis and maintenance of an agricultural sector data base, but the computer center will have a broader use than just the agricultural sector. The computer center will be established on the campus of the University of Guyana and the National Data Management Authority will have operational responsibility for the center. The Statistics Bureau of the Ministry of Economic Development will determine work priorities for the computer.

(2) Strengthening of the Statistics Bureau of the Ministry of Economic Development

This project will provide financial and technical assistance to aid the Statistics Bureau in fulfilling its functions of collecting information required for agriculture sector planning. This will include the design of surveys to be conducted, the design of new sample frames to be used, the development of questionnaire, questionnaire design, questionnaire testing, field work and assisting the National Data Manage

Authority in editing and tabulation specifications and in data processing. The project will provide technical assistance in the areas of surveys, mathematical statistics and data processing.

(3) Strengthening of the Planning Department of the Ministry of Agriculture

The project will provide technical assistance to the Planning Department of the Ministry of Agriculture to assist that department in carrying out its activities and responsibilities. These activities and responsibilities include economic research, farm management analysis, agricultural livestock production estimates, planning/budgeting and project development, monitoring and evaluation and marketing and trade analysis and projections. Technical assistance will be provided to strengthen the Planning Department in each of its areas of major responsibility.

(4) Strengthening the National Data Management Authority

The project will also provide technical assistance to the National Data Management Authority to assist the Data Management Authority in establishing the computer center and developing the basic programs for management of the large data base for the agriculture sector.

111. ADMINISTRATION OF THE PROGRAM

(1) Responsibility of the Planning Department of the Ministry of Agriculture

The overall administration of the project will rest with the Chief of the Planning Department of the Ministry of Agriculture. This individual will, in collaboration with the National Data Management Authority finalize the list of equipment for the computer center and initiate procurement as soon as possible after implementation of the project begins. This is an extremely important step in this project because of the relatively long lead time in procurement of the equipment necessary for the establishment of the computer center. In addition, the Chief of the Planning Department will be responsible for coordination with the National Data Management Authority and the Statistics Bureau of the Ministry of Economic Development for seeing that all the elements described in the program to be undertaken by each of the respective organizations is carried out on time. Once the procurement of the equipment for the computer

center has been initiated, the Chief of the Planning Department will supervise the preparation of detailed scopes of work for all of the technicians required under the project in close coordination with the National Data Management Authority and the Statistics Bureau. Specific activities to be undertaken by the Planning Department under the project will include additional analyses of the farm household survey. A number of potential areas have already been identified. In addition, the Planning Department will be responsible for analyses in the agriculture and livestock production, crop area and production estimates, planning/budgeting and project development, monitoring and evaluation, and marketing and trade.

(2) Responsibilities of the Statistics Bureau

The Statistics Bureau's function will be to collect the information required by the Planning Department for sector planning purposes. This includes the design of surveys to be conducted, design of new sample frames to be used based on the 1980 Population Census Add-on, the development with collaboration of the Planning Department of questionnaire content, questionnaire design, questionnaire testing, field work and assisting the National Data Management Authority in data editing and development of tabulation specifications and other phases of data processing. The Statistics Bureau will begin immediately to staff-up vacant positions. The Statistics Bureau will also begin to draw up the scope of services for both the resident and short-term advisors.

(3) Responsibilities of the National Data Management Authority

The National Data Management Authority will initiate activities as soon as possible after project implementation begins with two programmers who will assist the Planning Department of the Ministry of Agriculture in obtaining additional tabulations as needed for the analysis of the farm household survey. These tabulations will be produced by the National Data Management Authority utilizing the computer center at GUYMINE on a time available basis until the new computer center at the University of Guyana Campus becomes operational. The National Data Management Authority will provide assistance to the Planning Department in preparation of the final list of equipment and follow-up on procurement thereof. The National Data Management Authority will oversee the computer center installation. As the center nears completion, the National Data Management Authority will staff its offices and the resident advisors will be called forward.

(4) Delegation of Responsibilities

In order to facilitate implementation of the project, the Cooperating Country herewith confirms that persons occupying the following positions may act in the capacities specified below and that the signatures of such persons will be presented to U.S.A.I.D., as provided under Section 5.1(b) of the Project Loan and Grant Agreement:

(a) Execution, amendment, modification or amplification of this Agreement -

Minister of Finance

(b) Execution of contracts and other commitments under this Agreement -

Minister of Agriculture

(c) All matters pertaining to Letters of Commitment, Special Letters of Credit and other related financial matters

Accountant General

Deputy Accountant General

Assistant Accountant General

(d) As to signing certificates of performances and other implementation matters as described in this section -

Chief Planning Officer, Ministry of Agriculture

Chief Statistics Officer, Ministry of Economic Development

Director, National Data Management Authority.

(5) Procurement of Services

The A.I.D. Grant funds for this project will be used to fund contracts to provide the technical assistance and participant training requirements of the project. It is agreed that A.I.D. will undertake to contract directly with United States Government Agencies, using Grant funds provided under the Project Agreement, to provide certain of the technical assistance services required for the Project.

**SECTION B.3. Utilization of Goods and Services**

(a) Any resources financed under the Assistance will, unless otherwise agreed in writing by A.I.D., be devoted to the Project until the completion of the Project, and thereafter will be used so as to further the objectives sought in carrying out the Project.

(b) Goods or services financed under the Assistance, except as A.I.D. may otherwise agree in writing, will not be used to promote or assist a foreign aid project or activity associated with or financed by a country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use.

**SECTION B.4. Taxation.** (a) This Agreement, and the Assistance will be free from, and the Principal and interest of the Loan will be paid free from, any taxation or fees imposed under laws in effect in the territory of the Cooperating Country.

(b) To the extent that (1) any contractor, including any consulting firm, any personnel of such contractor financed under the Assistance, and any property or transaction relating to such contracts and (2) any commodity procurement transaction financed under the Assistance, are not exempt from identifiable taxes, tariffs, duties or other levies imposed under laws in effect in the territory of the Cooperating Country, the Cooperating Country will, as and to the extent provided in and pursuant to Project Implementation Letters, pay or reimburse the same with funds other than those provided under the Assistance.

**SECTION B.5. Reports, Records, Inspections, Audit.**

The Cooperating Country will:

(a) furnish A.I.D. such information and reports relating to the Project and to this Agreement as A.I.D. may reasonably request;

(b) maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to the Project and to this Agreement, adequate to show, without limitation, the receipt and use of goods and services acquired under the Assistance. Such books and records will be audited regularly, in accordance with generally accepted auditing standards, and maintained for three years after the date of last disbursement by A.I.D.; such books and

records will also be adequate to show the nature and extent of solicitations of prospective suppliers of goods and services acquired, the basis of award of contracts and orders, and the overall progress of the Project towards completion; and

(c) afford authorized representatives of A.I.D. the opportunity at all reasonable times to inspect the Project, the utilization of goods and services financed by A.I.D., and books, records and other documents relating to the Project and the Assistance.

**SECTION B.6. Completeness of Information**

The Cooperating Country confirms:

(a) that the facts and circumstances of which it has informed A.I.D., or caused A.I.D. to be informed, in the course of reaching agreement with A.I.D. on the Assistance, are accurate and complete, and include all facts and circumstances that might materially affect the Project and the discharge of responsibilities under this Agreement, and

(b) that it will inform A.I.D. in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect, the Project or the discharge of responsibilities under this Agreement.

**SECTION B.7. Other Payments.** The Cooperating Country affirms that no payment have been or will be received by any official of the Cooperating Country in connection with the procurement of goods or services financed under the Assistance except fees, taxes, or similar payments legally established in the territory of the Cooperating Country.

**SECTION B.8. Information and Marking.** The Cooperating Country will give appropriate publicity to the Assistance and the Project as a program to which the United States has contributed, identify the Project site, and mark goods financed by A.I.D., as described in Project Implementation Letters.

**Article C: Procurement Provisions**

**SECTION C.1. Special Rules.** (a) The source and origin of ocean and air shipping will be deemed to be the ocean vessel's or aircraft country of registry at the time of shipment.

(b) Premiums for marine insurance placed in the territory of the Cooperating Country will be deemed an eligible Foreign Exchange Cost, if otherwise eligible under Section C.7(a).

(c) Any motor vehicles financed under the Assistance will be of United States manufacture, except as A.I.D. may otherwise agree in writing.

(d) Transportation by air, financed under the Grant, of property or persons (and their personal effects) will be on carriers holding United States certification, to the extent service by such carriers is available. Details on this requirement will be described in a Project Implementation Letter.

SECTION C.2. Eligibility Date. No goods or services may be financed under the Assistance which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement, except as the Parties may otherwise agree in writing.

SECTION C.3. 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 Cooperating Country will furnish to A.I.D. upon preparation;

(1) any plans, specifications, procurement or construction schedules, contracts, or other documentation relating to goods or services to be financed under the Assistance, including documentation relating to the prequalification and selection of contractors and to the solicitation of bids and proposals. Material modifications in such documentation will likewise be furnished A.I.D. on preparation;

(2) such documentation will also be furnished to A.I.D., upon preparation, relating to any goods or services which, though not financed under the Assistance, are deemed by A.I.D. to be of major importance to the Project. Aspects of the Project involving matters under this subsection (a) (2) will be identified in Project Implementation Letters;

(b) Documents related to the prequalification of contractors, and to the solicitation of proposals for goods and services financed under the Assistance 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 and contractors financed under the Assistance for engineering and other professional services, for construction services, and for such other services, equipment or materials as may be specified in Project

Implementation Letters, will be approved by A.I.D. in writing prior to execution of the contract. Material modifications in such contracts will also be approved in writing by A.I.D. prior to execution; and

(d) Consulting firms used by the Cooperating Country for the Project but not financed under the Assistance, 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 Cooperating Country for the Project but not financed under the Assistance shall be acceptable to A.I.D.

SECTION C.4. Reasonable Price. No more than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Assistance. Such items will be procured on a fair, and, to the maximum extent practicable, on a competitive basis.

SECTION C.5. Notification to Potential Suppliers. To permit all United States firms to have the opportunity to participate in furnishing goods and services to be financed under the Assistance; the Cooperating Country will furnish A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Project Implementation Letters.

SECTION C.6. Shipping

(a) Goods which are to be transported to the territory of the Cooperating Country may not be financed under the Assistance if transported either: (1) on an ocean vessel or aircraft under the flag of a country which is not included in A.I.D. Geographic Code 935 as in effect at the time of shipment, or (2) on an ocean vessel which A.I.D., by written notice to the Cooperating Country, has designated as ineligible; or (3) under an ocean or air charter which has not received prior A.I.D. approval.

(b) Costs of ocean or air transportation (of goods or persons) and related delivery services may not be financed under the Assistance, if such goods or persons are carried: (1) on an ocean vessel under the flag of a country not, at the time of shipment, identified under the paragraph of the Agreement entitled "Procurement Source: Foreign Exchange Costs", without prior written A.I.D. approval; or (2) on an ocean vessel which A.I.D., by written notice to the Cooperating Country, has designated as ineligible; or (3) under an ocean vessel or air charter which has not received prior A.I.D. approval.



(c) Unless A.I.D. determines that privately-owned United States flag commercial ocean vessels are not available at fair and reasonable rates for such vessels, (1) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed by A.I.D. which may be transported on ocean vessels will 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 by A.I.D. and transported to the territory of the Cooperating Country 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) of this subsection must be achieved with respect to both any cargo transported from U.S. ports and any cargo transported from non-U.S. ports, computed separately.

#### SECTION C.7. Insurance

(a) Marine insurance on goods financed by A.I.D. which are to be transported to the territory of the Cooperating Country may be financed under the Assistance, as a Foreign Exchange Cost under this Agreement provided (1) such insurance is priced at the lowest available competitive rate, and (2) claims thereunder are payable in the currency in which such goods were financed or in any freely convertible currency. If the Cooperating Country, by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D. - financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the territory of the Cooperating Country financed by A.I.D. here under will be insured against marine risks and such insurance will be placed in the United States with a company or companies authorized to do a marine insurance business in a State of the United States.

(b) Except as A.I.D. may otherwise agree in writing, the Cooperating Country will insure, or cause to be insured, goods financed under the Assistance imported for the Project against risks incident to their transit to the point of their use in the Project; such insurance will be issued on terms and conditions consistent with sound commercial practice and will insure the full value of the goods. Any indemnification received by the Cooperating Country under such insurance will be used to replace or repair any material damage or any loss of the goods insured or will be used to reimburse the Cooperating Country for the replacement or repair of such goods. Any such

replacement will be of source and origin of countries listed in A.I.D. Geographic Code 935 as in effect at the time of replacement, and, ~~except~~ as the Parties may agree in writing, will be otherwise subject to the provisions of the Agreement.

SECTION C.8. U.S. Government-owned Excess Property

The Cooperating Country agrees that wherever practicable United States Government-owned excess personal property, in lieu of new items financed under the Assistance should be utilized. Funds under the Assistance may be used to finance the costs of obtaining such property for the Project.

Article D: Termination; Remedies

SECTION D.1. Cancellation by Cooperating Country

The Cooperating Country may, by giving A.I.D. 30 days written notice, cancel any part of the Loan or the Grant which has not been disbursed or committed for disbursement to third parties.

SECTION D.2. Events of Default; Acceleration

It will be an "Event of Default" if the Cooperating Country shall have failed:

(a) to pay when due any interest or installment of principal required under this Agreement, or (b) to comply with any other provision of this Agreement, or (c) to pay when due any interest or installment of principal or other payment required under any other loan, guaranty or other agreement between the Cooperating Country or any of its agencies and A.I.D. or any of its predecessor agencies. If an Event of Default shall have occurred, then A.I.D. may give the Cooperating Country notice that all or any part of the unrepaid Principal will be due and payable sixty (60) days thereafter, and, unless such Event of Default is cured within that time:

- (1) Such unrepaid Principal and accrued interest hereunder will be due and payable immediately, and
- (2) the amount of any further disbursements made pursuant to then outstanding commitments to third parties or otherwise will become due and payable as soon as made.

SECTION D.3. Suspension. If at any time:

- (a) An Event of Default has occurred; or
- (b) An event occurs that A.I.D. determines to be an extraordinary situation that makes it improbable either that the purpose of the Assistance will be attained or that the Cooperating Country 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.; or

(d) The Cooperating Country shall have failed to pay when due any interest, installment of principal or other payment required under any other loan, guaranty, or other agreement between the Cooperating Country or any of its agencies and the Government of the United States or any of its agencies;

Then A.I.D. may:

(1) suspend or cancel outstanding commitment documents to the extent they have not been utilized through irrevocable commitments to third parties or otherwise, giving prompt notice thereof to the Cooperating Country;

(2) decline to issue additional commitment documents or to make disbursement other than under existing ones; and

(3) at A.I.D.'s expense, direct that title to goods financed under the Assistance be transferred to A.I.D. if the goods are from a source outside Guyana, are in a deliverable state and have not been offloaded in ports of entry of Guyana. Any disbursement made under the Loan with respect to such transferred goods will be deducted from Principal

SECTION D.4. Cancellation by A.I.D. If within sixty (60) days from the date of any suspension of disbursements pursuant to Section D.3., the cause or causes thereof have not been corrected, A.I.D. may cancel any part of the Assistance that is not then disbursed or irrevocably committed to third parties.

SECTION D.5. Continued Effectiveness of Agreement. Notwithstanding any cancellation, suspension or disbursement, or acceleration of repayment, the provisions of this Agreement will continue in effect until the payment in full of all Principal and accrued interest hereunder.

SECTION D.6. Refunds. (a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or which is not made or used in accordance with this Agreement, or which was for goods or services not used in accordance with this Agreement, A.I.D., notwithstanding the availability or exercise of any other remedies provided for under this Agreement, may require the Cooperating Country to refund the amount of such disbursement in U.S. Dollars to A.I.D. within sixty (60) days after receipt of a request therefor.

(b) If the failure of the Cooperating Country to comply with any of its obligations under this Agreement has the result that goods or services financed under the Assistance are not used effectively in accordance with this Agreement, A.I.D. may require the Cooperating Country to refund all or any part of the amount of the disbursements under this Agreement for such goods or services in U.S. dollars to A.I.D. within sixty days after receipt of a request therefor.

(c) The right under subsection (a) or (b) to require such a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three years from the date of the last disbursement under this Agreement.

(d) (1) Any refund under subsection (a) or (b), or (2) any refund to A.I.D. from a contractor, supplier, bank or other third party with respect to goods or services financed under the Assistance, which refund relates to an unreasonable price for or erroneous invoicing of goods or services, or to goods that did not conform to specifications, or to services that were inadequate, will (A) be made available first for the cost of goods and services required for the Project, to the extent justified, and (B) the remainder, if any, (i) if derived from Loan funds, will be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan reduced by the amount of such remainder, and (ii) if derived from Grant funds, will be deducted from the amount of the Grant.

(c) Any interest or other earnings on Grant funds disbursed by A.I.D. to the Cooperating Country under this Agreement prior to the authorized use of such funds for the Project will be returned to A.I.D. in U.S. Dollars by the Cooperating Country.

SECTION D.7. Nonwaiver of Remedies. No delay in exercising any right or remedy accruing to a Party in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

SECTION D.8 Assignment. The Cooperating Country agrees, upon request, to execute an assignment to A.I.D. of any cause of action which may accrue to the Cooperating Country in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar contract with A.I.D. financed in whole or in part out of funds granted by A.I.D. under this Agreement.