

1698

272

9-12-75

Res. que apruebo el acuerdo de préstamo suscrito entre los gbs. de Rep. Dom. y los EE. UU. por la suma 4,800.000.00 para ser utilizados en financiamiento de la salud.



EL CONGRESO NACIONAL
EN NOMBRE DE LA REPUBLICA

VISTOS los incisos 14 y 19 del Artículo 37 de la Constitución de la República;

VISTO el Acuerdo de Préstamo suscrito en fecha 1ro. de octubre de 1975, entre los gobiernos de la República Dominicana y los Estados Unidos de América;

R E S U E L V E :

UNICO. APROBAR el Acuerdo de Préstamo, suscrito en fecha 1ro. de octubre de 1975, entre la República Dominicana debidamente representada en este acto por el Honorable Señor Presidente de la República Doctor Joaquín Balaguer y los señores Carlos Rojas Badía, en su calidad de Secretario de Estado de Salud Pública y Asistencia Social y Manuel de Jesús Viñas Cáceres en su calidad de Secretario de Estado de Agricultura y los Estados Unidos de América, representado por su Excelencia Robert A. Hurwitch, Embajador de su país en la República Dominicana y John B. Robinson, Director, Misión de la A.I.D. para la República Dominicana, mediante el cual la Agencia para el Desarrollo Internacional (A.I.D.) conviene en prestar al país en fomento de la Alianza para el Progreso y de conformidad con el Acta de Ayuda Extranjera de 1961 y sus enmiendas, una suma que no exceda los cuatro millones ochocientos mil dólares de los Estados Unidos de América (US-\$4,800.000.00), suma que será destinada para respaldar el financiamiento del programa del sector salud, así como para desarrollar un programa de mejoramiento nutricional y llevar reformas administrativas en la Secretaría de Estado de Salud Pública y Asistencia Social; que copiado a la letra dice así. - - - - -

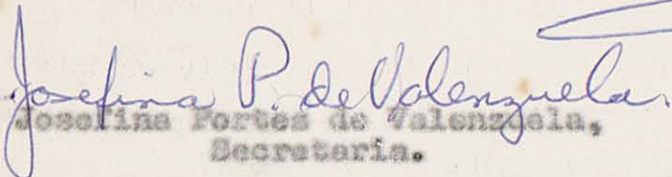
CONGRESO NACIONAL

ASUNTO: R. s. Aprob. del Acuerdo de Préstamo suscrito en Pa-
cía 1ro., de octubre de 1975, entre los gobiernos de
la República Dominicana y los Estados Unidos.

DADA en la Sala de Sesiones del Senado, Palacio del Congreso Nacional, en Santo Domingo de Guzmán, Distrito Nacional, Capital de la República Dominicana, a los veintiseis días del mes de noviembre del año mil novecientos setenta y cinco; años 132 de la Independencia y 113 de la Restauración.



Adriano A. Gripe Silva,
Presidente.



Josefina P. de Valenzuela,
Secretaria.



Antonio José Lalana,
Secretario.

1698

CONGRESO NACIONAL

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La LEGISLATURA *del* DE 19 *75*

REGISTRADA AL No. *288*
del libro letra *...*

No. *...* de sesiones de Leyes, Resoluciones

y Decretos votados por el Senado

y consta de *...*
hojas escritas en máquinas e razón de dos

espacios interlineales.

Santo Domingo, *26 de Mayo*, 19*75*

Jefe de las Oficinas del Senado *A D O*





PRESIDENCIA DE LA REPUBLICA DOMINICANA

Santo Domingo de Guzmán, D.N.

Núm: 43900

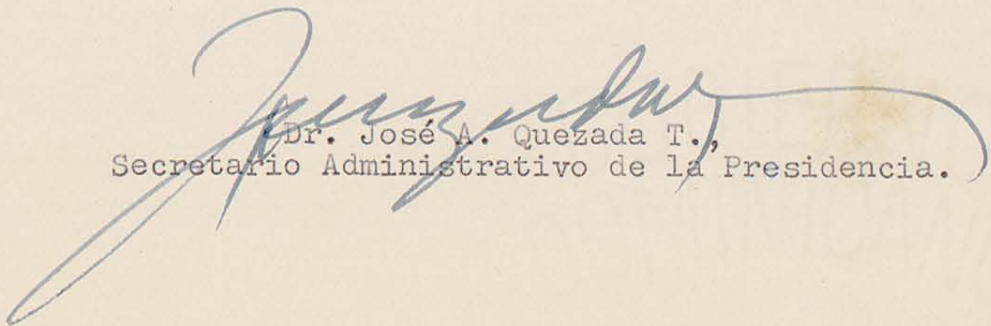
11 DIC. 1975

Señor
Presidente del Senado,
Ciudad.

Señor Presidente:

Pláceme comunicarle, que la Resolución aprobatoria del Acuerdo de Préstamo, suscrito en fecha 1ro. de octubre de 1975, entre el Estado Dominicano y los Estados Unidos de América, por una suma que no exceda los cuatro millones ochocientos mil dólares, ha sido promulgada en fecha 9 de diciembre en curso y registrada con el No. 272.-

Atentamente,


Dr. José A. Quezada T.,
Secretario Administrativo de la Presidencia.

JAQT
ma/aq.

Santo Domingo de Guzmán, D.N.

Núm: 43900

11 DIC. 1975

Señor
Presidente del Senado,
Ciudad.

Señor Presidente:

Pláceme comunicarle, que la Resolución aprobatoria del Acuerdo de Préstamo, suscrito en fecha 1ro. de octubre de 1975, entre el Estado Dominicano y los Estados Unidos de América, por una suma que no exceda los cuatro millones ochocientos mil dólares, ha sido promulgada en fecha 9 de diciembre en curso y registrada con el No. 272.-

Atentamente,

Dr. José A. Quezada T.,
Secretario Administrativo de la Presidencia.

JAQT
ma/aq.

Santo Domingo de Guzmán, D.R.

Núm: 43900

11 DIC. 1975

Señor
Presidente del Senado,
Ciudad.

Señor Presidente:

Pláceme comunicarle, que la Resolución aprobatoria del Acuerdo de Préstamo, suscrito en fecha 1ro. de octubre de 1975, entre el Estado Dominicano y los Estados Unidos de América, por una suma que no exceda los cuatro millones ochocientos mil dólares, ha sido promulgada en fecha 9 de diciembre en curso y registrada con el No. 272.-

Atentamente,

Dr. José A. Quezada T.,
Secretario Administrativo de la Presidencia.

JAGT
ma/aq.



REPUBLICA DOMINICANA
CAMARA DE DIPUTADOS DE LA REPUBLICA DOMINICANA

Santo Domingo de Guzmán, D.N.
2 de diciembre de 1975.-

000571

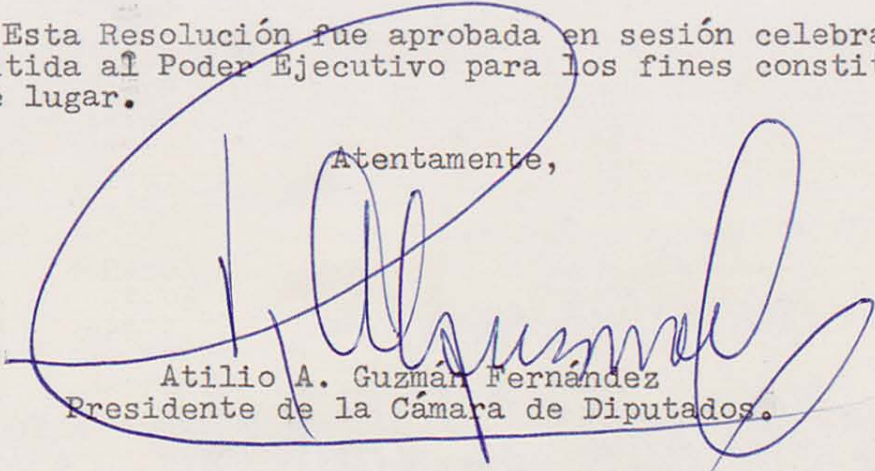
Doctor
Adriano A. Uribe Silva,
Presidente del Senado,
Su Despacho.

Señor Presidente:

Aviso a usted recibo de su oficio No. 518, de fecha 26 de noviembre del año en curso, junto al cual, - después de haber sido aprobada por el Senado, remitió usted a esta Cámara de Diputados, la Resolución Aprobatoria del Acuerdo de Préstamo suscrito entre el Estado Dominicano y los Estados Unidos de América, en fecha 1ro. de octubre de 1975, por una suma que no exceda los cuatro millones ochocientos mil dólares, que serán - destinados para respaldar el financiamiento del programa del sector de la salud de los pobres rurales y urbanos; así como para el desarrollo del mejoramiento nutricional y reformas - administrativas en la Secretaría de Estado de Salud Pública y Asistencia Social.

Esta Resolución fue aprobada en sesión celebrada hoy, y remitida al Poder Ejecutivo para los fines constitucionales de lugar.

Atentamente,



Atilio A. Guzmán Fernández
Presidente de la Cámara de Diputados.

Santo Domingo de Guzmán, D.N.
2 de diciembre de 1975.-

000571

Doctor
Adriano A. Uribe Silva,
Presidente del Senado,
Su Despacho.

Señor Presidente:

Aviso a usted recibo de su oficio No.518, de fecha 26 de noviembre del año en curso, junto al cual, - después de haber sido aprobada por el Senado, remitió usted a esta Cámara de Diputados, la Resolución Aprobatoria del Acuerdo de Préstamo suscrito entre el Estado Dominicano y los Estados Unidos de América, en fecha 1ro. de octubre de 1975, por una suma que no exceda los cuatro millones ochocientos mil dólares, que serán - destinados para respaldar el financiamiento del programa del sector de la salud de los pobres rurales y urbanos; así como para el desarrollo del mejoramiento nutricional y reformas - administrativas en la Secretaría de Estado de Salud Pública y Asistencia Social.

Esta Resolución fue aprobada en sesión celebrada hoy, y remitida al Poder Ejecutivo para los fines constitucionales de lugar.

Atentamente,

Atilio A. Guzmán Fernández
Presidente de la Cámara de Diputados.

Santo Domingo de Guzmán, D.N.
2 de diciembre de 1975.-

000571

Doctor
Adriano A. Uribe Silva,
Presidente del Senado,
Su Despacho.

Señor Presidente:

Aviso a usted recibo de su oficio No. 518, de fecha 26 de noviembre del año en curso, junto al cual, - después de haber sido aprobada por el Senado, remitió usted a esta Cámara de Diputados, la Resolución Aprobatoria del Acuerdo de Préstamo suscrito entre el Estado Dominicano y los Estados Unidos de América, en fecha 1ro. de octubre de 1975, por una suma que no exceda los cuatro millones ochocientos mil dólares, que serán - destinados para respaldar el financiamiento del programa del sector de la salud de los pobres rurales y urbanos; así como para el desarrollo del mejoramiento nutricional y reformas - administrativas en la Secretaría de Estado de Salud Pública y Asistencia Social.

Esta Resolución fue aprobada en sesión celebrada hoy, y remitida al Poder Ejecutivo para los fines constitucionales de lugar.

Atentamente,

Atilio A. Guzmán Fernández
Presidente de la Cámara de Diputados.

00518

Santo Domingo de Guzmán, D.N.,
26 de noviembre de 1975

Señor
Dr. Atilio A. Guzmán Fernández,
Presidente de la Cámara de Diputados,
Su Despacho.-

Señor Presidente:

Aprobado por el Senado en sesión de esta misma fecha, pláceme remitir a usted la Resolución que aprueba el Acuerdo de Préstamo suscrito entre el Estado Dominicano y los Estados Unidos de América, en fecha lro. de octubre de 1975, por una suma que no exceda los cuatro millones ochocientos mil dólares, que serán destinados para respaldar el financiamiento del programa del sector de la salud de los pobres rurales y urbanos; así como para el desarrollo del mejoramiento nutricional y reformas administrativas en la Secretaría de Estado de Salud Pública y Asistencia Social.

Atentamente le saluda,

Adriano A. Uribe Silva,
Presidente.

00519

Santo Domingo de Guzmán, D.N.,
26 de noviembre de 1975

Señor
Dr. Joaquín Balaguer,
Honorable Presidente de la República,
Su Despacho.-

Honorable Señor Presidente:

Aviso a usted recibo de su mensaje No. 41994, de fecha 25 de noviembre del año en curso, anexo al cual remitió el Acuerdo de Préstamo, suscrito entre el Estado Dominicano y los Estados Unidos de América, - en fecha lro. de octubre del año 1975, por una suma que no exceda los cuatro millones ochocientos mil dólares, - que serán destinados para respaldar el financiamiento - del programa del sector de la salud de los pobres rurales y urbanos; así como para el desarrollo del mejoramiento nutricional y reformas administrativas en la Secretaría de Estado de Salud Pública y Asistencia Social.

Pláceme participar a usted que el Senado en sesión de esta misma fecha dictó la Resolución Aprobatoria del referido Acuerdo y la remitió a la Cámara de Diputados, para los fines constitucionales.

Con sentimientos de la más alta consideración y estima, muy atentamente le saluda,

Adriano A. Uribe Silva,
Presidente.



*aprobado en Sesión
Sect. Sesión del SENADO
REPUBLICA DOMINICANA*

Joaquín Balaguer

PRESIDENTE DE LA REPUBLICA DOMINICANA

Núm. **41994** Santo Domingo de Guzmán, D. N.

25 NOV. 1975

Al
Presidente del Senado,
C i u d a d . -

Señor Presidente:

Me permito someter al Congreso Nacional, por conducto de ese alto Cuerpo Legislativo de su digna presidencia, de conformidad con las disposiciones del artículo 55, inciso 10, de la Constitución de la República, el acuerdo anexo, suscrito por el Estado Dominicano y la Agencia para el Desarrollo Internacional, (A.I.D.), por medio del cual esta última conviene en prestar al país en fomento de la Alianza para el Progreso y de conformidad con el Acta de Ayuda Extranjera de 1961 y sus enmiendas, una suma que no exceda los cuatro millones ochocientos mil dólares de los Estados Unidos de América (US\$4,800,000.00), suma ésta que será destinada para respaldar el financiamiento del programa del sector de salud proyectado para establecer un sistema de cuidado de salud a bajo costo para los 1.8 millones de pobres rurales y urbanos que no están siendo atendi-

...../

Archivado



Joaquín Balaguer

PRESIDENTE DE LA REPUBLICA DOMINICANA

-2-

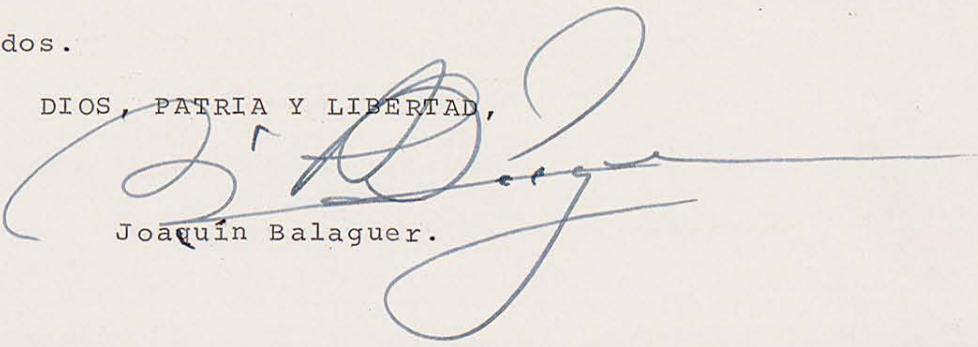
dos por el actual sistema de salud, así como para desarrollar un programa de mejoramiento nutricional y llevar reformas administrativas en la Secretaría de Estado de Salud Pública y Asistencia Social.

Nuestro país deberá pagar a la A.I.D. intereses que se acumularán al dos por ciento (2%) por año durante los primeros diez años, después de la fecha del primer desembolso, y al tres por ciento (3%) por año de ahí en adelante sobre el balance pendiente del capital y sobre cualquier interés vencido y no pagado.

El indicado préstamo deberá ser amortizado dentro de cuarenta (40) años, desde la fecha del primer desembolso en 61 pagos semestrales, aproximadamente iguales, de capital e intereses.

Espero, pues, que los señores legisladores, habrán de impartir su voto afirmativo al anexo convenio, tomando en consideración que el préstamo a que el mismo se refiere ayudará en el establecimiento de un sistema de cuidado de salud a bajo costo para los dominicanos económicamente marginados.

DIOS, PATRIA Y LIBERTAD,


Joaquín Balaguer.



EL CONGRESO NACIONAL EN NOMBRE DE LA REPUBLICA

VISTOS los Incisos 14 y 19 del Artículo 37 de la Constitución de la República;

VISTO el Acuerdo de Préstamo suscrito en fecha 1ro., de octubre de 1975, entre los gobiernos de la República Dominicana y los Estados Unidos de América.

R E S U E L V E :

UNICO. APROBAR el Acuerdo de Préstamo, suscrito en fecha 1ro. de octubre de 1975, entre la República Dominicana debidamente representada en este acto por el Honorable señor Presidente de la República Doctor Joaquín Balaguer y los señores Carlos Rojas Badía, en su calidad de Secretario de Estado de Salud Pública y Asistencia Social y Manuel de Jesús Viñas Cáceres en su calidad de Secretario de Estado de Agricultura y los Estados Unidos de América, representado por su Excelencia Robert A. Hurwitch, Embajador de su país en la República Dominicana y John B. Robinson, Director, Misión de la A.I.D. para la República Dominicana, mediante el cual la Agencia para el Desarrollo Internacional (A.I.D.) conviene en prestar al país en fomento de la Alianza para el Progreso y de conformidad con el Acta de Ayuda Extranjera de 1961 y sus enmiendas, una suma que no exceda los cuatro millones ochocientos mil dólares de los Estados Unidos de América (US -- \$4,800.000.00), suma que será destinada para respaldar el financiamiento del programa del sector salud, así como para desarrollar un programa de mejoramiento nutricional y llevar reformas administrativas en la Secretaría de Estado de Salud Pública y Asistencia Social; ~~X~~ que copiado a la letra dice así: _ _ _ _ _

A.I.D. Loan No. 517-U-028

Project No. AID/DLC/P2089

LOAN AGREEMENT

Between

THE GOVERNMENT OF THE DOMINICAN REPUBLIC

and the

UNITED STATES OF AMERICA

for

HEALTH SECTOR LOAN

CONFORMED COPY

Dated: October 1, 1975

ALLIANCE FOR PROGRESS

LOAN AGREEMENT

Dominican Republic - Health Sector Loan

A.I.D. Loan Number 517-U-028

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2a LEGISLATURA ORD. DE 19 75
REGISTRADA AL No. 288
del libro letra

en el folio de asuntos de Leyes, Resoluciones

No. y Decretos votados por el Senado

y consta de hojas escritas en máquinas a razón de dos

hojas escritas en máquinas a razón de dos
espacios interlineales,
Santo Domingo de los Ríos, 1975

Jefe de las Oficinas del Senado



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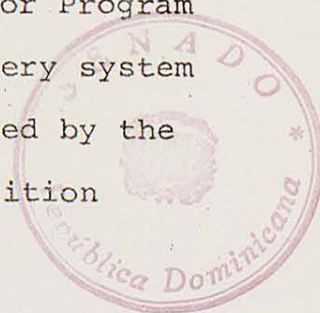
LOAN AGREEMENT DATED October 1, 1975 between the GOVERNMENT OF THE DOMINICAN REPUBLIC ("Borrower") and the UNITED STATES OF AMERICA, acting through the Agency for International Development ("A.I.D.").

ARTICLE I

The Loan

SECTION 1.01. The Loan. A.I.D. agrees to lend to the Borrower in furtherance of the Alliance for Progress and pursuant to the Foreign Assistance Act of 1961, as amended, an amount not to exceed four million eight hundred thousand United States dollars (\$4,800,000) ("Loan") to assist the Borrower in carrying out the Program referred to in Section 1.02 ("Program"). The Loan shall be used exclusively to finance United States dollar costs of goods and services required for the Program ("Dollar Costs") and local currency costs of goods and services required for the Program ("Local Currency Costs"). The aggregate amount of disbursement under the Loan is hereby referred to as "Principal".

SECTION 1.02. The Program. The Loan shall be used by the Borrower to assist in financing a Health Sector Program designed to (1) establish a low-cost health delivery system for the 1.8 million rural and urban poor not served by the existing public health system; (2) develop a nutrition



- 2 -

improvement program; and (3) carry out management reforms in the Secretariat of State for Health and Social Assistance.

The Program consists of the following Elements and Activities:

1. The Low-Cost Health Delivery System Element will assist in the establishment of a low-cost health delivery system to provide the approximately 1.8 million economically disadvantaged persons who reside in rural and urban areas of the Dominican Republic and who do not have access to the existing public health system, with basic health services, and for the collection of demographic and morbidity data.
2. The Nutrition Element is designed to improve the nutritional status of the country.
3. The Institutional Development of the Secretariat of Health and Social Assistance Element will assist in improving the management practices of the Secretariat of Health in order to increase the effectiveness of its public health care system and to fulfill its policy and planning role.

The Program, including its Elements and Activities, is more fully described in Annex I, attached hereto, incorporated



- 3 -

herein by reference, which Annex may be modified, consistent with the foregoing, by agreement in writing of the representatives of Borrower and A.I.D. designated under Section 9.02 hereof. The goods and services to be financed under the loan shall be listed in the implementation letters referred to in Section 9.03 ("Implementation Letters") hereof.

SECTION 1.03. Executing and Implementing Agencies. The Borrower hereby designates the Secretariat of State for Health and Social Assistance ("SESPAS") as the executing agency for purposes of carrying out the overall Program. The individual implementing agencies shall be the following: The National Malaria Eradication Service ("SNEM"); the Office of Nutrition Coordination ("ONC") of the Secretariat of State for Agriculture ("SEA"), and SESPAS. These agencies shall carry out the various Elements and Activities of the Program, as is more fully described in Annex I. Nothing herein shall be deemed to prohibit the Borrower from assigning an activity presently vested in a particular implementing agency pursuant to the provision of Annex I to another implementing agency or suitable entity; provided, however, that such a transfer of activities shall have the prior written consent of A.I.D.

SECTION 1.04. Use of Funds Generated by Other United States Assistance. The Borrower shall use for the Program,



- 4 -

in lieu of any United States dollars that would otherwise be disbursed under the Loan to finance the Local Currency Costs of the Program, any currencies other than United States dollars that may become available to the Borrower after the date of this Agreement in connection with assistance (other than the Loan) provided by the United States of America to the Borrower to the extent and for the purposes that A.I.D. and the Borrower may agree in writing. Any such funds used for the Program shall reduce the amount of the Loan, (to the extent that it shall not then have been disbursed) by an equivalent amount of United States dollars computed, as of the date of the agreement between A.I.D. and the Borrower as to the use of such funds, at the rate of exchange in effect on the date on which the pesos become available.

ARTICLE II

Loan Terms

SECTION 2.01. Interest. The Borrower shall pay to A.I.D. interest which shall accrue at the rate of two percent (2%) per annum for ten 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



- 5 -

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. The Borrower shall repay to A.I.D. the Principal within forty (40) years from the date of the first disbursement hereunder in sixty-one (61) approximately equal semi-annual installments of Principal and interest. The first installment of Principal shall be payable nine and one-half (9 1/2) years after the date on which the first interest payment is due in accordance with Section 2.01 hereof. A.I.D. shall provide the Borrower with an amortization schedule in accordance with this Section after the final disbursement under the Loan.

SECTION 2.03. Application, Currency, and Place of Payment. All payments of interest and Principal hereunder shall be made in United States dollars and shall be applied first to the payment of interest due and then to the repayment of Principal. Except as A.I.D. may otherwise specify in writing, all such payments shall be made to the Agency for International



- 6 -

Development, Washington, D.C. 20523, U.S.A., Attention:
Cashier, SA 12, and shall be deemed made when received by
the Office of the Cashier.

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

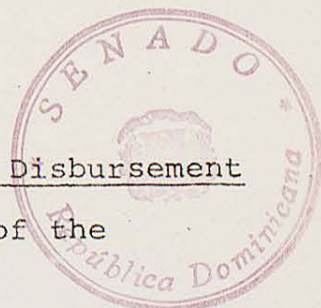
SECTION 2.05. Renegotiation of the Terms of the Loan.
In the light of the undertakings of the United States of
America, and the other signatories of the Act of Bogota and
the Charter of Punta del Este to forge an Alliance for
Progress, the Borrower agrees to negotiate with A.I.D., at
such time or times 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 the Dominican Republic
and of the other signatories of the Act of Bogota 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



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first Letter of Commitment under the Loan, the Borrower shall furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of the Legal Advisor to the Borrower, or of 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 the Borrower specified in Section 9.02, and a specimen signature of each person specified in such statement appropriately certified as to their authenticity; and

(c) Evidence of the Appointment of a Loan Coordinator.

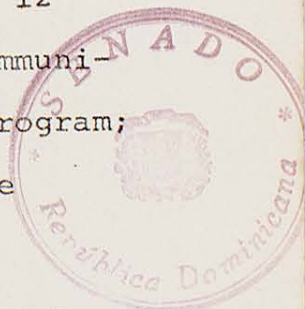
SECTION 3.02. Conditions Precedent to Disbursements for the Basic Health Services Program.

(a) Prior to any disbursement or the issuance of any commitment document under the Loan for the purpose of financing the Basic Health Services Program ("SBS"), Borrower shall submit to A.I.D. in form and substance satisfactory to A.I.D.:



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- (1) a Presidential decree authorizing SNEM to provide health services other than malaria eradication;
- (2) a plan for the reorganization of SNEM setting forth inter alia:
 - (a) the general administrative organization of the SBS and the malaria eradication functions of SNEM; and
 - (b) arrangements for coordinating SBS activities with SESPAS;
- (3) evidence of:
 - (a) the appointment of a Medical Director for the SBS; and
 - (b) the appointment of a registered nurse to the position of Nurse Supervisor for Region IV;
- (4) a time-phased plan setting forth the implementation of the SBS in Region IV during the first 12 months of the Program, to include the communities selected for participation in the Program;
- (5) a Manual of Diagnosis and Treatment to be used by the auxiliary nurses;



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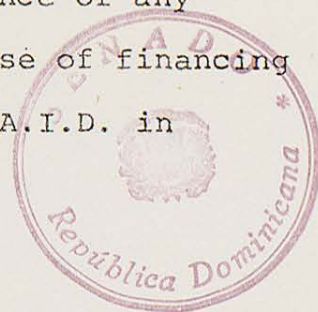
- (6) the arrangements between SNEM and the Robert Reid Cabral Hospital for implementing the SBS in the suburbs of Santo Domingo; and
- (7) the arrangements between SNEM and an appropriate nutrition recuperation center for providing nutrition recuperation training to Program personnel in Region IV.

(b) Prior to any disbursement or the issuance of any commitment document under the Loan subsequent to January 1, 1976, for the purpose of financing the SBS in each of Health Regions I, II, III and V, except as A.I.D. may otherwise agree in writing, Borrower shall submit to A.I.D. a time-phased plan setting forth in form and substance satisfactory to A.I.D.:

- (1) the implementation of the SBS in each such Health Region; and
- (2) the establishment of the nutrition recuperation centers in each such Health Region.

SECTION 3.03. Conditions Precedent to Disbursements for the Nutrition Element.

(a) Prior to any disbursement or the issuance of any commitment document under the Loan for the purpose of financing the Nutrition Element, Borrower shall submit to A.I.D. in form and substance satisfactory to A.I.D.:



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- (1) an administrative decree establishing a separate office of nutrition coordination within the Secretariat of State for Agriculture;
- (2) evidence of the appointment of a Director of said office of nutrition coordination; and
- (3) a scope of work for the foreign advisory assistance needed by said office of nutrition coordination during its initial operations.

(b) Prior to any disbursement or the issuance of any commitment document under the Loan for the purpose of financing each of the following activities of the Nutrition Element, except as A.I.D. may otherwise agree in writing, Borrower shall submit to A.I.D. in form and substance satisfactory to A.I.D.:

(1) Regarding the National Nutrition Education Awareness Program:

- (a) a time-phased plan setting forth the implementation of the mass media education and promotion campaign, which plan shall include the estimated costs of such campaign, and the linkages with the SBS at the health promoter level;



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- (b) the personnel categories selected for high-level training; and
 - (c) a time-phased plan setting forth the implementation of the first nutrition seminars, which plan shall include the topics to be discussed and participants;
- (2) Regarding the Rural Recuperation Feeding Program:
a time-phased plan setting forth the establishment and staffing of a demonstration nutritional recuperation center in each of Health Regions I, II, III and V; and
- (3) Regarding the Development of a Food Supplement Program:
the scope of work for the Food Supplement Study.

SECTION 3.04. Conditions Precedent to Disbursement for the SESPAS-Institutional Development Element. Prior to any disbursement or the issuance of any commitment document under the Loan for the purpose of financing the SESPAS-Institutional Development Element, Borrower shall submit to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) an administrative decree establishing a Technical Office for Administrative Reform ("TOAR") within SESPAS;



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(b) evidence of the appointment of a director of the TOAR;

(c) a time-phased work plan setting forth those administrative reform activities to be undertaken under the program during the first 12 months of operations;

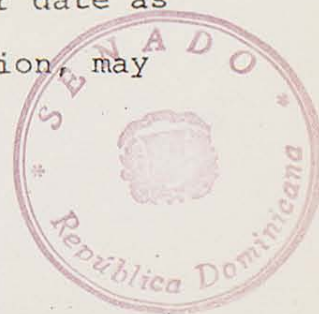
(d) the scope of work for the foreign consulting organization to assist the director of the TOAR; and

(e) an administrative decree establishing the Loan Administration Office within the Planning, Programming and Evaluation Division of SESPAS.

SECTION 3.05. 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 120 days from the date of this Agreement, or by 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 Sections 3.02 (a), 3.03 (a) and 3.04 shall not have 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



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cancel the then undisbursed balance of the amount of the Loan designated for use in the Loan Element (or Activity) or Elements (or Activities) for which conditions precedent were not met or may terminate this Agreement by giving written notice to the Borrower. In the event of a termination of this Agreement, 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 3.06. 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 through 3.04 have been met.

ARTICLE IV

General Covenants and Warranties

SECTION 4.01. Execution of the Program.

(a) The Borrower shall carry out the Program with due diligence and efficiency, and in conformity with sound engineering, construction, financial, administrative, planning and management practices. In this regard, Borrower shall at all times employ suitably qualified and experienced consultants and other personnel for the Program.



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(b) The Borrower shall cause the Program to be carried out in conformity with all of the plans, documents, specifications, contracts, schedules, statements, 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. The Borrower shall provide promptly as needed all funds, in addition to the Loan, and all other resources required for the punctual and effective carrying out of the Program, including but not limited to the contribution stated in Section 5.01 hereof.

SECTION 4.03. Continuing Consultation. The Borrower and A.I.D. shall cooperate fully to assure that the purpose of the Loan will be accomplished. To this end, the Borrower and A.I.D. shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Program, the performance by the Borrower and the Executing and Implementing Agencies of their obligations under this Agreement, the performance of the consultants, contractors, and suppliers engaged in the Program, and other matters relating to the Program.

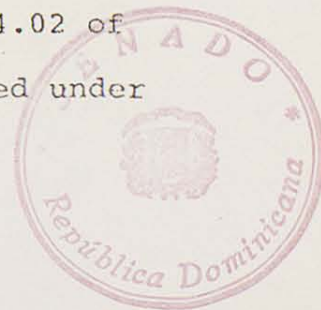
SECTION 4.04. Management. The Borrower shall provide or cause to be provided qualified and experienced management



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acceptable to A.I.D., for the Program, as may be appropriate for the maintenance and operation of the Program.

SECTION 4.05. Taxation. This Agreement, the Loan, and 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 the Dominican Republic. Ratification of this Agreement by the Congress of the Dominican Republic shall constitute Congressional Approval and Authorization for the inclusion of such exemptions in such contracts to be financed hereunder, and no further Congressional approval or authorization for such contracts by reason of the inclusion of such exemptions shall be required. Nonetheless and 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 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 the Dominican Republic, the 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.



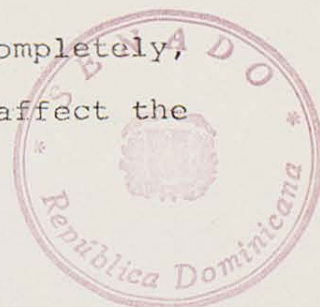
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SECTION 4.06. Utilization of Goods and Services.

(a) Goods and services financed under the Loan shall be used exclusively for the Program, except as Borrower and A.I.D. may otherwise agree in writing. Upon completion of the Program, or at such other time as goods financed under the Loan can no longer usefully be employed for the Program, Borrower may use or dispose of such goods in such a 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. The 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 or caused to be disclosed to A.I.D., accurately and completely, all facts and circumstances that might materially affect the

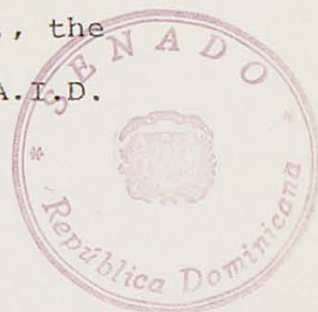


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Program and the discharge of its obligations under this Agreement. The Borrower shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise that might materially affect, or that it is reasonable to believe might materially affect, the Program or the discharge of the 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 or any kind, except as regular compensation to the Borrower's full-time officers and employees or as compensation for bona fide professional, technical, or comparable services. The 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.

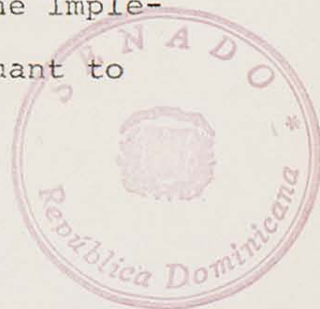


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(b) The Borrower warrants and covenants that no payments have been or will be received by the Borrower, or any official of the Borrower, in connection with the procurement of goods and services financed hereunder, except fees, taxes, or similar payments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

SECTION 4.09. Maintenance and Audit of Records. The Borrower shall maintain, or cause to be maintained, by the Executing and Implementing Agencies, in accordance with sound accounting principles and practices consistently applied, books and records relating both to the Program and to this Agreement. Such books and records shall, without limitation, be adequate to show:

- (a) Disbursement of Borrower's and A.I.D.'s contribution to the Special Segregated Program Account ("SSPA") to be established as set forth in the Implementation Letters;
- (b) Disbursements made from the SSPA to SESPAS and the Implementing Agencies;
- (c) The receipt and use made by SESPAS and the Implementing Agencies of funds disbursed pursuant to this Agreement.



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- (d) The receipt and use made of goods and services acquired with funds disbursed pursuant to this Agreement;
- (e) The nature and extent of solicitations of prospective suppliers of goods and services acquired;
- (f) The basis of the award of contracts and orders to successful bidders; and
- (g) the progress of the Program.

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. The Borrower shall furnish or cause to be furnished to A.I.D. such information and reports relating to the Loan and to the Program as A.I.D. may request.

SECTION 4.11. Inspections. The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Program, the utilization of all goods, facilities and services financed under the Loan or by Borrower's contributions, and the books, records, and other documents of the Borrower and of the Executing and Implementing Agencies



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relating to the Program and the Loan. The Borrower shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of the country of the Borrower for any purposes relating to the Loan.

SECTION 4.12. Operations and Maintenance. The Borrower shall operate, maintain and repair the facilities constructed under the Program in conformity with sound engineering, financial and administrative practices and in such manner as to insure the continuing and successful achievement of the purposes of the Loan.

ARTICLE V

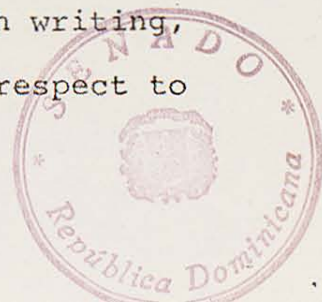
Special Covenants and Warranties

SECTION 5.01. Borrower's Contribution to the Program
The Borrower shall contribute in a manner satisfactory to A.I.D. not less than \$6,919,000, or such an amount as may be acceptable to A.I.D.

ARTICLE VI

Procurement

SECTION 6.01. Procurement from Selected Free World Countries. Except as A.I.D. may otherwise agree in writing, and except as provided in subsection 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 Program 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. Goods and services procured pursuant to this Section shall be referred to as "Selected Free World Goods" and "Selected Free World Services" respectively. All ocean shipping financed under the loan shall have both its source and origin in countries included in Code 941 of the A.I.D. Geographic Code book as in effect at the time of shipment. Notwithstanding any other provisions herein, motor vehicles to be procured with Loan funds must be manufactured in the United States.

SECTION 6.02. Procurement from the Dominican Republic.

Disbursements made pursuant to Section 7.02 shall be used exclusively to finance the procurement for the Program of goods and services having both their source and origin in the Dominican Republic.

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 Program 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) Except as A.I.D. may otherwise agree in writing, the Borrower shall furnish to A.I.D. promptly upon preparation, all plans, specifications, construction schedules, bid documents, and contracts relating to the Program and any modifications therein, whether or not the goods and services to which they relate are financed under the Loan.

(b) Except as A.I.D. may otherwise agree in writing, all of the plans, specifications, and construction schedules furnished pursuant to subsection (a) above shall be approved by A.I.D. in writing.



(c) 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. All plans, specifications, and other documents relating to goods and services financed under the Loan shall be in terms of United States standards and measurements, except as A.I.D. may otherwise agree in writing.

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

- (i) contracts for engineering 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.



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

(f) A.I.D. reserves the right to approve all personnel employed by contract or otherwise to render technical assistance under the Program, which personnel is financed with A.I.D. loan funds.

SECTION 6.07. Reasonable Price. No more than reasonable prices shall be paid for any goods or services financed, in whole or in part, under the Loan, as more fully described in Implementation Letters. Such items shall be procured on a fair and, except for professional services, on a competitive basis in accordance with procedures therefor prescribed in Implementation Letters.

SECTION 6.08. Shipping and Insurance.

(a) Selected Free World Goods financed under the Loan shall be transported to the Dominican Republic only 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.



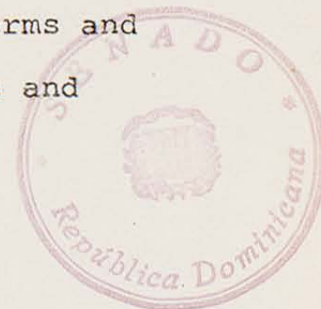
No such goods may be transported on any ocean vessel (or aircraft (i) which A.I.D., in a notice to the Borrower, has designated as ineligible to carry A.I.D.-financed goods, or (ii) which has been chartered for the carriage of A.I.D.-financed goods unless such charter has been approved by A.I.D.

(b) Unless A.I.D. shall determine that privately-owned United States-flag commercial vessels are not available at fair and reasonable rate for such vessels, (i) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed under the Loan which may be transported on ocean vessels shall be transported on privately-owned United States-flag commercial vessels, and (ii) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed under the Loan and transported to the Dominican Republic 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 (i) and (ii) above must be achieved with respect to both cargo transported from U.S. ports and cargo transported from non-U.S. ports, computed separately.



(c) Marine insurance on Selected Free World 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 the Dominican Republic or in a country included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time of placement, and (ii) claims thereunder are payable in currency in which such goods were financed or in freely convertible currency. If the Government of the Dominican Republic, 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 cooperating country financed under the Loan shall be insured against marine risks and such insurance shall 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.

(d) The Borrower shall insure, or cause to be insured, all Selected Free World Goods financed under the Loan against risks incident to their transit to the point of their use in the Program. Such insurance shall be issued upon terms and conditions consistent with sound commercial practice and



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shall insure the full value of the goods. Any indemnification received by the Borrower under such insurance shall be used to replace or repair any material damage or any loss of the goods insured or shall be used to reimburse the Borrower for the replacement or repair of such goods. Any such replacements shall have their source and origin in countries included in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts are entered into for such replacements, and shall be otherwise subject to the provisions of this Agreement.

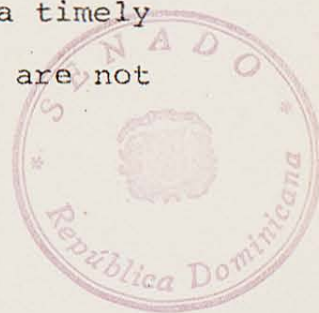
SECTION 6.09. Notification to Potential Suppliers. In order that all United States firms shall have the opportunity to participate in furnishing goods and services to be financed under the Loan, the Borrower shall furnish to A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Implementation Letters.

SECTION 6.10. Information and Marking. Borrower shall give publicity to the Loan and the Program as a program of United States aid in furtherance of the Alliance for Progress, identify the Program site, and mark goods financed under the Loan, as prescribed in Implementation Letters.



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SECTION 6.11. United States Government-owned Excess Property. The Borrower shall utilize, with respect to goods financed under the Loan to which the 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. The Borrower shall seek assistance from A.I.D., and A.I.D. will assist the 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 the Borrower or its representative. The costs of inspection and/or acquisition, and all charges incident to the transfer to the 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, the 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.



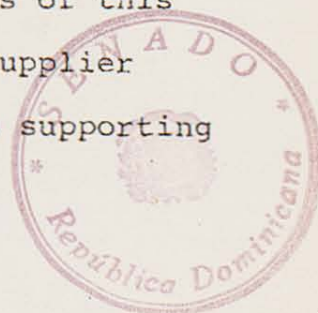
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SECTION 6.12. Employment of Non-Selected Free World Nationals under Construction Contracts. The employment of personnel to perform services under any construction contract financed under the Loan shall be subject to certain requirements with respect to nationals of countries other than the Dominican Republic 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 are prescribed in Implementation Letters.

ARTICLE VII

Disbursements

SECTION 7.01. Disbursement for United States Dollar Costs - Letters of Commitment to United States Banks. Upon satisfaction of conditions precedent, the 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 Program 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



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documentation as A.I.D. may prescribe in Letters of Commitment and Implementation Letters. Banking charges incurred in connection with Letters of Credit shall be for the account of the Borrower and may be financed under the Loan.

SECTION 7.02. Disbursement for Local Currency Costs.

Upon satisfaction of conditions precedent, the 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 Program 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 the Borrower owned by the U.S. 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 currency of the country of the Borrower.

SECTION 7.03. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Borrower and A.I.D. may agree to in writing.



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SECTION 7.04. Date of Disbursement. Disbursements by A.I.D. shall be deemed to occur, (a) in the case of disbursements pursuant to Section 7.01, on the date on which A.I.D. makes a disbursement to the 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 the 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, disbursement authorization, 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 30 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 later than 36 months from the date of this Agreement. A.I.D., at its option, may at any time or times after 36 months from the date of this Agreement, reduce the Loan by all or any part thereof for which documentation was not received by such date.



ARTICLE VIII

Cancellation and Suspension

SECTION 8.01. Cancellation by the Borrower. The Borrower may, with the prior written consent of A.I.D., by written notice to 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 any one or more of the following events ("Events of Default") shall occur:

- (a) The Borrower shall have failed to pay when due any interest or installment of Principal required under this Agreement;
- (b) The Borrower shall have failed to comply with any other provision of this Agreement, including, but without limitation, the obligation to carry out the Program with due diligence and efficiency in the manner hereby agreed upon;
- (c) The 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 the 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 the Borrower notice that all or any part of the unrepaid Principal shall be due and payable sixty (60) days thereafter, and, unless the Event of Default is cured within such sixty (60) days;

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

SECTION 8.03. Suspension of Disbursement. In the event that at any time:

- (a) An Event of Default has occurred;
 - (b) An event occurs that A.I.D. determines to be an extraordinary situation that makes it improbable either that the purpose of the Loan will be attained or that the Borrower will be able to perform its obligations under this Agreement;
- or



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(c) Any disbursement by A.I.D. would be in violation of the legislation governing A.I.D.;

(d) The 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 the Borrower or any of its agencies and the Government of the United States or any of its agencies, then A.I.D. may, at its option:

- (i) suspend or cancel outstanding commitment documents to the extent that they have not been utilized through the issuance of irrevocable Letters of Credit 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



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transferred to A.I.D. if the goods are from a source outside the Dominican Republic, are in a deliverable state and have not been offloaded in ports of entry of the Dominican Republic. Any disbursements made or to be made under the Loan with respect to such transferred goods shall be deducted from the Principal.

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

SECTION 8.05. Continued Effectiveness of Agreement. Notwithstanding any cancellation, suspension of disbursement, or acceleration of repayment, the provisions of this Agreement shall continue in full force and effect until the payment in full of all Principal and any accrued interest hereunder has been made.



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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 the 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 Program hereunder, to the extent justified; the remainder, if any, shall be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five 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 not conform to specifications, or to services that were inadequate, A.I.D. shall first make such refund available, for the cost of goods and services procured for the Program hereunder, to the extent justified, the remainder to be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder.

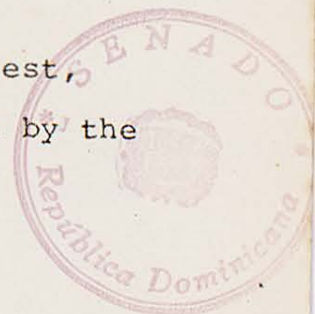
SECTION 8.07. Expenses of Collection. All reasonable costs incurred by A.I.D., other than salaries of its staff, in connection with the collection of any refund or in connection with amounts due A.I.D. by reason of the occurrence of any of the events specified in Section 8.02 may be charged to the Borrower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

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

ARTICLE IX

Miscellaneous

SECTION 9.01. Communications. Any notice, request, documents, or other communication given, made or sent by the



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

TO BORROWER:

Mail Address: Secretaria de Estado,
de Salud Publica y
Asistencia Social
Santo Domingo, Republica Dominicana

Cable Address: Salud Pública, Santo Domingo

TO A.I.D.:

Mail Address: USAID Mission to the
Dominican Republic
Santo Domingo, Dominican Republic

Cable Address: USAID Santo Domingo

Other Addresses may be substituted for the above upon the giving of notice. All notices, requests, communications, and documents submitted to A.I.D. hereunder shall be in English, except as A.I.D. may otherwise agree in writing.

SECTION 9.02. Representatives. For all purposes relative to this Agreement, the Borrower will be represented



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by the individual holding or acting in the Office of Secretary of State for Public Health and Social Assistance and A.I.D. will be represented by the individual holding or acting in the Office of the Director, USAID/Dominican Republic. Such individuals shall have the authority to designate additional representatives by written notice. In the event of any replacement or other designations of a representative hereunder, Borrower shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice of revocation of the authority of any of the duly authorized representatives of 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.

SECTION 9.04. Promissory Note. At such time or times as A.I.D. may request, the Borrower shall issue promissory



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notes or such other evidences of indebtedness with respect to the Loan, in such form, containing such terms and supported by such legal opinions as A.I.D. may reasonably request.

SECTION 9.05. Spanish and English Versions. In the event that the parties hereto also execute this Agreement in the Spanish language, then in cases of ambiguity or conflict between the English and Spanish versions, the English version of this Agreement shall control.

SECTION 9.06. Termination Upon Full Payment. Upon payment in full of the Principal and of any accrued interest, this Agreement and all obligations of the 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.

THE GOVERNMENT OF THE DOMINICAN
REPUBLIC

BY: _____

Joaquín Balaguer
President

TITLE: _____

THE GOVERNMENT OF THE UNITED
STATES OF AMERICA

BY: _____

Robert A. Hurwitch
Ambassador

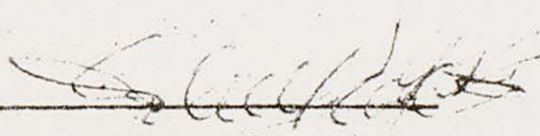
TITLE: _____



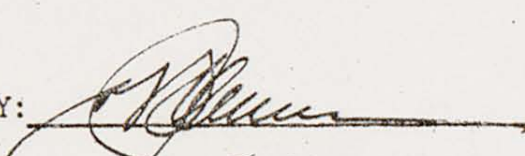
THE GOVERNMENT OF THE DOMINICAN
REPUBLIC

THE GOVERNMENT OF THE UNITED
STATES OF AMERICA

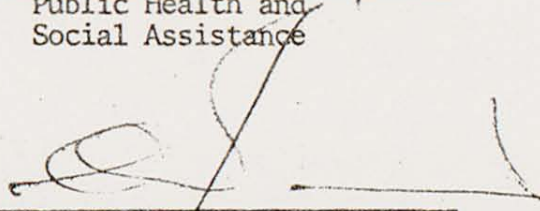
BY: _____


Carlos Rojas Badía
TITLE: Secretary of State for
Public Health and
Social Assistance

BY: _____


John B. Robinson
TITLE: Director, USAID Mission
to the Dominican Republic

BY: _____


Manuel de Jesús Viñas Cáceres
TITLE: Secretary of State for
Agriculture



ANNEX I

Program Description

I. BACKGROUND AND OBJECTIVES

A. Background

The Dominican Health Sector Assessment, carried out under the auspices of the Secretariat of Health and Social Welfare, has examined comprehensively the major health problems afflicting the Dominican people, especially the poorer elements of the population. The Assessment concluded that these problems, i.e., malnourishment, communicable disease, and excess and unwanted fertility, could be successfully attacked, provided that several important constraints identified in the Assessment were addressed and overcome. The constraints are:

- (a) the serious weakness of SESPAS in managing its public health system and fulfilling its policy and planning role;
- (b) the absence of an effective, low cost medical outreach program to bring public health services to that part of the population which needs it most, i.e., the poor majority;
- (c) the lack of a coherent program in nutrition; and
- (d) the lack of potable water and sewerage systems throughout the country.

The Government of the Dominican Republic has acknowledged that the problems of health and excessive population growth have



a high priority which require the investment of increased domestic and external resources. Accordingly, the purpose of this Loan is to assist the Government, acting through the Secretariat of Health, in its efforts to overcome progressively three of the major constraints identified above.^{1/}

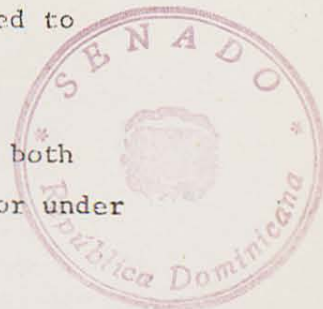
Program

The goal of the Program is to improve the health of the poorest sector of Dominican society, approximately 1.8 million people who are not served now by the existing public health system (the "target group"), in order to create a climate that will favor declines in fertility and will reduce the population growth rate. The Program Elements described below have been formulated as a cooperative effort between the Borrower and AID to assist in achieving this objective by:

- (a) reducing infant and preschool child mortality rates and the crude birthrate in those geographic areas subject to program activity;
- (b) enabling the Secretariat of Health to improve its performance in managing its public health system and fulfilling its policy and planning role in the health sector; and
- (c) develop a nutrition program in order to improve the long term nutritional status of the country.

The Program supported by this loan, derived from the Dominican findings of the Health Sector Assessment and designed to

^{1/} With respect to (d), major potable water programs financed both locally and by other international donors are in progress or under consideration.



address the most critical health problems, consists of the three Program Elements set forth in Section 1.02 of this Agreement, i.e., a low-cost health delivery system, nutritional activities and administrative reform measures within the Secretariat of Health.

II. IMPLEMENTATION OF THE LOAN

A. General

1. The Program to be financed by the GODR and this Loan will be carried out by those agencies and organizations specified in Section 1.03 of this Agreement. The Secretariat of State for Public Health and Social Assistance designated in Section 9.02 of the Loan Agreement as the Borrower's representative, shall be the principal Executing Agency for purposes of directing the activities to be undertaken pursuant to this Agreement.

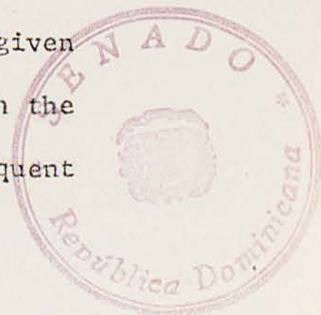
2. An annual evaluation of the Program will be completed, in conjunction with A.I.D. pursuant to Section 4.04 of this Agreement, at a time to be specified by Letter of Implementation

B. Program Costs

1. The total cost of the Program is RD\$11,719,274 with the contributions of the Borrower and A.I.D. identified below in Table I. The amounts shown as the Borrower's and A.I.D.'s contribution to the program will be budgeted and made available in accordance with Table I.

2. The Borrower's contribution will be additional to the regular operating budgets of the individual Implementing Agencies.

3. Pesos or dollars scheduled for disbursement in a given calendar year pursuant to the provisions of this Annex may, with the approval of the A.I.D., be disbursed in the preceding or subsequent



calendar year, provided that such change is in accordance with the needs of the Program, and provided further that the overall ratio between the Borrower and A.I.D. contributions is maintained. Any reduction in the Borrower's yearly contribution from that shown in Table I, shall be made with the consent of A.I.D. and may affect the availability of the A.I.D. contribution for that year.

TABLE I
 (1,000s)
 (\$ equiv.)

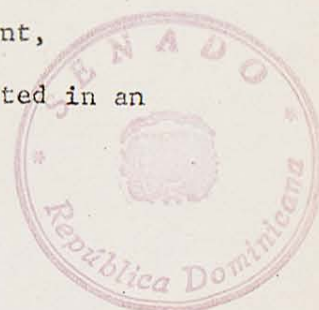
Aggregate Program Costs

	^{2/} <u>1976</u>	<u>1977</u>	<u>1978</u>	<u>Total</u>
AID				
Dollars	1,022	1,313	1,092	3,427
Pesos	458	559	356	1,373
GODR				
Pesos	<u>1,262</u>	<u>2,517</u>	<u>3,140</u>	<u>6,919</u>
	^{3/} 2,742	4,389	4,588	11,719

^{2/} All reference to years mean calendar year.

^{3/} Since the Dominican Peso and U.S. Dollar are at parity, the cost of the Program is reflected as an aggregate sum, without distinguishing between the two currencies.

4. By mutual written agreement between Borrower and A.I.D., the amounts shown hereafter in this Annex for use by a given Implementing Agency for a specified Program Element, Activity and Sub-Activity may be reallocated to another Implementing Agency or Program Element, Activity or Sub-Activity. Any such adjustment shall be reflected in an appropriate change in implementation targets.



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C. Program Description - General

For purposes of implementing the Program in general and for the preceding adjustment provisions, the Program Elements, Activities and Sub-Activities shall be as follows:

<u>Program Element</u>	<u>Activity & Sub-Activity</u> ^{4/}	<u>Implementing Agency</u>
1. Low-Cost Health Delivery System	a. Basic Health Service Program (SBS) 1. Rural Basic Health Service (RSBS) 2. Urban Basic Health Service (USBS)	National Service for the Eradication of Malaria (SNEM) of the Secretariat of Public Health
2. Nutrition	a. Establishment of an Office of Nutrition Coordination b. Research 1. Food Belief and Behavior Study c. National Nutrition Education 1. Mass Media Program 2. Nutrition Seminars 3. Participant Training d. Rural Nutrition Recuperation Program e. Development of a Food Supplement Program	Office of Nutrition Coordination (ONC) of the Secretariat of Agriculture
3. Institutional Development of the Secretariat of Health	a. Technical Office for Administrative Reform b. Human Resources Development and Personnel Administration c. Planning, Programming and Evaluation d. Information Systems 1. Biostatistics 2. Auditing Procedures e. Hospital Administration f. Maintenance g. Supply h. Transportation	Secretariat of Public Health and Social Assistance (SESPAS)

^{4/} Activities are preceded by letter, sub-activities by numerals.



D. Program Description by Element

1. Low-Cost Health Delivery System - SBS

a) Purpose

To establish a low-cost health delivery system to serve approximately 1.8 million rural and urban poor, not served by the existing public health system.

b) Financial Contribution

The Borrower and A.I.D. shall contribute the amounts set forth below during the years indicated to finance the Low-Cost Health Delivery System Element of the Program.

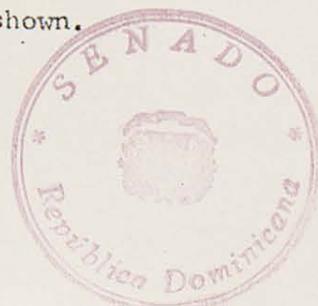
Table II
(1,000s)
(\$ equiv.)

Element: Low-Cost Health Delivery System

	1976	1977	1978	Total
AID				
Dollars	140	472	513	1,125
Pesos	122	223	176	521
GODR				
Pesos	<u>586</u>	<u>1,732</u>	<u>2,443</u>	<u>4,743</u>
	830	2,427	3,132	6,389

c) Activity Expenditures

Program funds will be expended for the Basic Health Service Activity, comprised of the Rural and Urban Basic Health Service Sub-activities, in the following manner during the periods shown.



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TABLE III
 (\$ equiv.)

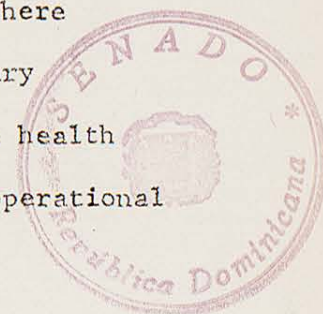
Activity: Basic Health Service (SBS)

	1976	1977	1978	Total
<u>Sub-activity</u>				
Rural Basic Health Service (RSBS)	627,514	2,160,435	2,741,640	5,529,589
Urban Basic Health Service (USBS)	<u>202,768</u>	<u>265,816</u>	<u>390,294</u>	<u>858,878</u>
	830,282	2,426,251	3,131,934	6,388,467

d) Implementation

The objective of the SBS program is to bring basic health services to the target group in the areas in which they reside. The SBS service will be composed of two operational units, the USBS program which will operate in the poor urban areas of Santo Domingo and Santiago and the RSBS program which will function in the rural areas throughout the five health regions of the country.

The SBS will be established as a branch of the National Malaria Eradication Service. Its staff will include a Director, who will be responsible for both the RSBS and USBS programs, five regional nurses who will exercise supervisory authority over the RSBS program in the regions to which they are assigned and other persons or organizations needed to assist in carrying out the USBS program. In addition, there will be approximately 25 Supervisory Auxiliary Nurses, 440 Auxiliary Nurses, and 4,500 Promoters, employed by SBS, who will provide the health services planned under the program through the RSBS and the USBS operational units.



The promoters will be women nominated by the communities in which they reside and will furnish health services such as the following: collection of basic demographic data, nutrition assistance, pre-natal care, immunization, oral rehydration of children, treatment of respiratory infections, cooperation with midwives and family planning assistance. Coordination will be maintained with the existing SESPAS public health care system to insure the proper functioning of a referral system for patients whose illness are too serious to be treated under the SBS program and to assure proper liaison between the two systems for maximum effectiveness.

To furnish the services mentioned above, training will be provided to the SBS operating staff. Further, to insure that the program operates effectively, it will be initiated in one region of the country (Region IV), and, thereafter, be expanded throughout the country taking into account the administrative capacity of SBS and the experience gained from operations in the first geographic region.

2. Nutrition

a) Purpose

To improve the long term nutritional status of the country by developing a nutrition program that includes the establishment of an Office of Nutrition Coordination, the undertaking of a national education program, a rural nutrition recuperation program, research study and the development of a food supplement program.

b) Financial Contribution

The Borrower and A.I.D. shall contribute the amounts set forth below during the years indicated to finance the Nutrition Element of the Program.

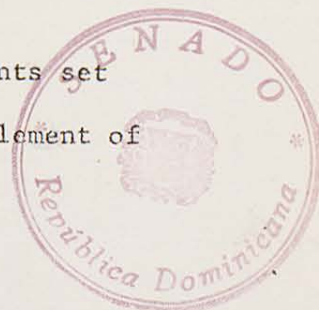


TABLE IV
(1,000s)
(\$ equiv.)

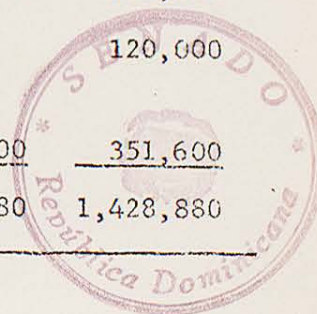
<u>Element: Nutrition</u>				
	1976	1977	1978	Total
AID				
Dollars	94	176	168	435
Pesos	130	129	62	321
GODR				
Pesos	<u>151</u>	<u>258</u>	<u>264</u>	<u>673</u>
	375	560	494	1,429

c) Activity Expenditures

Program funds will be expended for the several activities under the Nutrition Element of the Program in the following manner during the periods shown:

TABLE V
(\$ equiv.)

<u>Element: Nutrition</u>				
<u>Activity and Sub-activity</u>	1976	1977	1978	Total
1. Office of Nutrition Coordination	88,200	115,980	158,100	362,280
2. National Nutrition Education				
a. Mass Media Program	70,700	56,000	56,000	182,700
b. Nutrition Seminars	5,060	5,060	5,060	15,180
c. Participant Training	33,250	61,750	28,500	123,500
3. Rural Nutrition Re- cuperation Program	47,140	103,860	122,620	273,620
4. Research	68,000	52,000	-	120,000
5. Food Supplement Feasibility Study	<u>62,400</u>	<u>165,000</u>	<u>124,200</u>	<u>351,600</u>
	374,750	559,650	494,480	1,428,880



d) Implementation1) Establishment of Office of Nutrition Coordination (ONC)

During the course of Loan implementation an Office of Nutrition Coordination will be developed, which over time, will be able to formulate national nutrition policy and programs. This Office will be established in the Secretariat of State for Agriculture and will serve as the sub-implementing agency to carry out the nutrition component of the Program. ONC will initiate operations with a small professional staff consisting of a Director and a limited number of support personnel. This staff will be supplemented during the course of the Loan to include specialists such as a nutritionist, medical doctor, marketing specialist, dietician, agro-economist, statistician, economist and appropriate administrative support staff. Technical assistance will be furnished to advise, train and upgrade the professional competence of this Office. The ONC, in the performance of its duties, will coordinate its activities closely with the Secretariats of Health and Education.

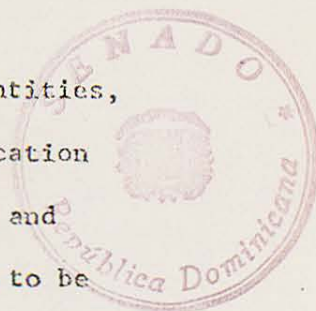
2) National Nutrition Education

This activity consists of the following sub-activities:

(a) a radio outreach, mass media program to reach the target group through educational programs on better nutritional practices; (b) a series of national seminars to help create an awareness of the nutrition problem; and (c) training to upgrade the capabilities of professionals specializing in nutrition.

a) Mass Media Program

ONC will contract with appropriate entity or entities, to design and to execute a mass media nutrition and health education campaign. The campaign, to be directed primarily at the rural and urban poor, will consist primarily of a radio outreach program to be



developed by the contractor, which will seek to change the attitudes of the target group on matters such as food and food preparation practices, personal hygiene, and the need to incorporate health, family planning and nutrition into their everyday activities. The program will be developed in a manner to support the nutrition educational efforts of the promoters under the SBS program.

b) Nutrition Seminars

Approximately three annual seminars to which high level government, business and professional leaders and the press will be invited, will be conducted under this sub-activity. In addition, regional level seminars for local leaders will be held as appropriate.

c) Participant Training

A professional training program in nutrition will be initiated by the ONC for selected persons from universities, key government offices and other institutions as appropriate. Approximately 13 man years of training will be provided to personnel such as medical doctors, nurses, economists and nutritionists during the course of the program.

3) Rural Nutrition Recuperation Program

ONC will coordinate the staffing and initiation of operations of five demonstration nutrition recuperation centers in the five health regions of the country, primarily, to serve as educational centers for SBS personnel and, secondarily, to assist in the rehabilitation of limited numbers of malnourished children.

4) Research

ONC will contract with appropriate institutions, such as universities and technical consultants, to undertake studies on the



determinants of malnutrition and the cost effectiveness of current and future nutrition programs. One such research project, already identified will be a "food beliefs/behavior patterns study" which, among other things, will provide basic information useful for the mass media and the food supplement programs.

5) Development of Food Supplements

Commercially marketable food supplements for children under two years of age and for pregnant and nursing mothers, will be developed under this activity. These food products will be designed to be low cost and highly nutritive. ONC will contract a qualified consultant, public or private, to carry out a comprehensive feasibility study covering the technical, administrative, financial, social and economic factors involved in implementing a food supplement program. The final contractor's report will consist of a series of alternative strategies and recommendations, upon which the Government can select the most advantageous means for initiating such a program.

3. Institutional Development of the Secretariat of Health

a) Purpose

To improve the Secretariat of Health's administrative and management practices in order to increase the effectiveness of its public health care system and to fulfill its policy and planning role.

b) Financial Contribution

The Borrower and AID shall contribute the amounts set forth below during the year indicated to finance the Institutional Development Element of the Program.



TABLE VI
(1,000s)

Element: Institutional Development of SESPAS

	1976	1977	1978	Total
AID				
Dollar	788	593	410	1,791
Pesos	206	207	119	532
GODR				
Pesos	<u>543</u>	<u>528</u>	<u>432</u>	<u>1,503</u>
	1,537	1,328	961	3,826

c) Activity Expenditures

Program funds will be expended for the Institutional Reform Element of the Program in the following manner during the periods shown.

TABLE VII
(\$ equiv.)

Element: Institutional Reform of SESPAS

	1976	1977	1978	Total
<u>Activity and Sub-activity</u>				
(a) Human Resources Development including Training	224,420	285,147	131,873	641,440
(b) Personnel Administration	86,280	56,780	45,930	188,990
(c) Planning, Programming and Evaluation	93,000	92,900	36,600	222,500
(d) Information Systems				
1) Biostatistics	15,850	10,750	4,300	30,900
2) Auditing	27,700	42,800	48,700	119,200
(e) Hospital Administration	121,300	164,400	111,850	397,550
(f) Maintenance	510,420	296,020	217,800	1,024,240
(g) Supply	63,900	14,050	-	77,950
(h) Transportation	16,500	-	-	16,500
(i) Technical Office of Administrative Reform	<u>377,700</u>	<u>364,700</u>	<u>364,700</u>	<u>1,107,100</u>
	1,537,070	1,327,547	961,753	3,826,370



d) Implementation

To assist the Secretariat of Health to carry out a comprehensive reform of its operations, a Technical Office of Administrative Reform will be established within the Secretariat. The Technical Office will consist of an Office Director and two aids, plus supporting clerical and secretarial staff. The responsibilities of the Technical Office will include the following:

1) The development of a yearly operational plan and budget for the reform, to be completed by November of each year to apply to the following calendar year. The recommended reform activities contained in the plan, after approval by the Secretary of Health and AID, will be incorporated into a formal work-plan to be implemented with Program funds.

2) Informing the Secretary on a regular basis of the progress of the program, and

3) Periodic evaluation of the progress of the reform.

To support this effort, a foreign advisory group will be contracted to work with the Technical Office and to provide assistance to the various operational offices of SESPAS as appropriate. The reform program will affect a series of key administrative functions which cut across programmatic and organizational levels of the Secretariat. The functional areas to be the form of attention under this Program Element include the following:

- a) Systems for human resource development and personnel administration;
- b) Planning, programming, and evaluation systems;
- c) Information systems, including biostatistics



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and audit procedures;

d) Hospital administration systems; and

e) Maintenance, transportation, and supply systems.

E. Other

Of the total AID contribution amounting to \$4,800,000, \$75,557 has not been budgeted for specific purposes among the three program elements; these funds will be allocated to meet unforeseen operational program requirements by subsequent letter of implementation.

