AIRGRAM **DEPARTMENT OF STATE**

PDAAB-027-A1

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TO - AID/W TOAID A-205

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A.I.D.
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DATE SENT
10-27-70

FROM · Tegucigalpa.

SUBJECT · PUBLIC ADMINISTRATION PROPS 522-11-790-039.1
039.4
039.5
039.6
039.7

REFERENCE · ATO-A-105

Regarding the above reference the Mission is studying the findings and recommendations of the panel. The Public Administration Advisor and the Program Office are studying the consolidation of All public administration projects, with the exception of Tax Administration, in one PROP. The Mission is also working on a PAR for the Organization and Methods Project (522-11-790-039.4). After the PAR is completed we will proceed with the preparation of the PROP. It is contemplated to complete the PAR by the end of this month.

DAVIS

PAGE PAGES
OF

DRAFTED BY	OFFICE	PHONE NO.	DATE	APPROVED BY:
Jesse W. Lee	Pub.Adm.Div.		10/23/70	PROG: T.J.Mehen

AID AND OTHER CLEARANCES

DEPDIR: J.E.Nepple.

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AIRGRAM

DEPARTMENT OF STATE

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TO – Tegucigalpa AIDTO-A 05

FROM – AID/W

SUBJECT – Public Administration PROPS 522-11-790-039.1,
039.4
039.5
039.6
039.7

REFERENCE –

1. AID/W evaluation Panel reviewed these PROPs on July 7, 1970. The Mission Program Officer informed the panel that the Mission intended to eliminate all of these PROPs and substitute a single Public Administration project. The panel understands that work along these lines is currently under way. It was felt useful, however, that the panel furnish the Mission with some guidance on the redrafting of this project which might be useful in facilitating approval of the new project.

2. It is not clear to AID/W which of the current projects will be continued and which will be eliminated. Therefore, these comments will have to be of a general rather than specific nature.

3. In general the panel believes that the revised PROP should cite the specific problems which require U.S. assistance and solution. The objective of the project, therefore would be to assist the government of Honduras in its solution of these national problems. The problems presumably are not failures in the organization or procedures of Public Administration, but more serious developmental problems.

PAGE 1 OF PAGES 3

DRAFTED BY	OFFICE	PHONE NO.	DATE	APPROVED BY:
Arthur M. Hughes	LA/OPNS	29882	8/28/70	JIHeller:LA/DP

AID AND OTHER CLEARANCES

CJohnson:LA/DP (Draft) MDagata:LA/CEN (Draft) [redacted]
PSchraud:LA/DP (Draft) WFeldman:LA/DR
BBaker:LA/OPNS (Draft)

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AID-5-39 (11-69)

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An example of such problems would be inability of the government to plan or carry out developmental programs; unresponsiveness of governmental organs to the needs and desires of the people; failure to provide basic infrastructure services such as: water, sewer, trash collection, public safety, justice, customs collection; arbitrariness, or injustice in treatment of citizens, etc.

4. Once the problems have been delineated, the next step would be to determine what the objective for problem solution in Honduras is. The panel assumes that during the 4 years that most of these projects have been in operation, some underlying understandings have been reached with the government as to their intended direction in solution of national problems.

5. The targets for the project, therefore, should be those conditions which will exist at the end o f the project which will represent a partial attainment of the national objectives, with sufficient trends and projections for the future to assure the Mission and the government of Honduras that progress will continue after the project is over and that the national objectives will be achieved within an acceptable period of time.

6. Institutional development, in this context, represents a course of action rather than a target of a project, for instance: development and training of an O & M Staff would not represent the solution of a national problem, since the real solution lies in the work this staff will do in solving national problems. The same comment could apply to redesigning the Central Accounting System, or development of economic capabilities in the Superior Council of Economics, or establishment of a Civil Service System.

7. Of the projects proposed, the one which comes closer to the approach herein outlined is 039.6 on Municipal Development which has its targets stated in terms of involvement of citizens in public affairs, involvement of local services, increased municipal revenues, strengthening of local government. Where these targets fall short, however, is in specificity. It should be possible, for instance, ineach of these cited areas to indicate in some measureable or objectively verifiable way the extent of public involvement sought, the level of service considered adequate, the amount of increase in revenue desired.

8. Finally, when the targets have been selected, the project proposal should include appropriate benchmarks showing the level of these activities or services at the beginning of the project in 1966 or at least as of 1970 so as to show what progress is expected as a result of this project activity.

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PRO AG

PROJECT AGREEMENT

BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND

THE MINISTRY OF ECONOMY AND FINANCE

AN AGENCY OF THE GOVERNMENT OF HONDURAS

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

[X] PROJECT DESCRIPTION ANNEX A
[ ] FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
[X] STANDARD PROVISIONS ANNEX
[ ] SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

	DATE
[X] GENERAL AGREEMENT FOR TECHNICAL COOPERATION	4/12/61
[ ] ECONOMIC COOPERATION AGREEMENT	
[ ] (other)	

1. PROJECT/ACTIVITY NO. 522-11-790-039.2
PAGE 1 OF 11 PAGES

2. AGREEMENT NO. 522-10-70

3. [X] ORIGINAL OR REVISION NO.

4. PROJECT/ACTIVITY TITLE

PUBLIC ADMINISTRATION
(Tax Administration)

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5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. AID APPROPRIATION SYMBOL: 72-1101010

7. AID ALLOTMENT SYMBOL: 095-50-522-00-69-01

8. AID FINANCING [ ] DOLLARS [ ] LOCAL CURRENCY	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total		115,500		115,500
(b) Contract Services		95,500		95,500
(c) Commodities				
(d) Other Costs		20,000 1/		20,000 1/
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT $1.00=				
(a) Total				
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

10. SPECIAL PROVISIONS (Use Additional Continuation Sheet, if Necessary)

1/ $ 3,800 for participant training.

11. DATE OF ORIGINAL AGREEMENT: February 11, 1970

12. DATE OF THIS REVISION:

13. ESTIMATED FINAL CONTRIBUTION DATE: June 30, 1970

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

SIGNATURE: Manuel Acosta B. DATE: 4/28/70
TITLE: Minister of Economy & Finance

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: Walter G. Stoneman DATE:
TITLE: Director USAID/Honduras

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AID 1350-1A (9-71)

PROAG CONTINUATION SHEET

ANNEX A

PROJECT AGREEMENT BETWEEN AID AND The Ministry of Economy & Finance

AN AGENCY OF THE GOVERNMENT OF HONDURAS

1. Project/Activity No. 522-11-790-039.2

2. Agreement No. 522-10-70

3. Project/Activity Title PUBLIC ADMINISTRATION (Tax Administration)

4. [X] Original or Revision No.

I. Introduction

A. One of the basic goals of the Alliance for Progress, as proclaimed in the Charter of Punta del Este, is the reform of Tax Laws and the development of sound tax administration. Effective Tax Administration contributes to economic and social development through rational and equitable mobilization of financial resources.

II. Objective

The Government of Honduras and the United States Government, through the Agency for International development (AID) enter into this agreement for the purpose of improving tax administration to obtain increased tax revenues. The U.S. Government and the Government of Honduras agree to cooperate in carrying out this project by continuation of technical assistance by the U.S. Internal Revenue Service Tax Team. The activities contemplated in this Project Agreement comprise an intensive program of tax administration improvement and personnel training. The results expected are increased revenues, more uniform applications of the tax laws, and more effective use of funds budgeted for tax administration.

III. Plan of Action

A. The IRS Tax Team, in conjunction with the Directorate General of Tax in the Ministry of Economy &

I. Introducción

A. Una de las metas básicas de la Alianza para el Progreso, proclamada en la Carta de Punta del Este, es la reforma de las leyes de impuestos y el desarrollo de una buena administración tributaria. Una administración tributaria efectiva contribuye al desarrollo social y económico a través de una más efectiva movilización racional y equitativa de los recursos financieros.

II. Objetivo

El Gobierno de Honduras y la Agencia para el Desarrollo Internacional celebran este Convenio con el propósito de mejorar la administración tributaria y obtener aumentos en la recaudación de impuestos. El Gobierno de los Estados Unidos de América y el Gobierno de Honduras convienen en cooperar para llevar a cabo este proyecto mediante la ayuda técnica otorgada por el equipo del Servicio de Rentas Internas de los Estados Unidos. Las actividades consideradas en este Convenio de Proyecto comprenden un programa intensivo para mejorar la administración tributaria y el adiestramiento de personal. Los resultados esperados son: aumento de ingresos, una aplicación más uniforme de las leyes del impuesto y un uso más efectivo de los fondos presupuestados para la Administración Tributaria.

III. Plan de Acción

A. El equipo del IRS en unión con el Director General de la Tributación, Ministerio de Economía y Hacienda, ha

For the Cooperating Government or Agency

SIGNATURE: _____ DATE: _____

TITLE:

For the Agency for International Development

SIGNATURE: _____ DATE: _____

TITLE:

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PROAG CONTRIBUTION SHEET

ANNEX A

PROJECT AGREEMENT BETWEEN AID AND

The Ministry of Economy & Finance

AN AGENCY OF THE GOVERNMENT OF HONDURAS

1. Project/Activity No. 522-11-700-039.2

2. Agreement No. 522-10-70

3. Project/Activity Title: PUBLIC ADMINISTRATION (Tax Administration)

4. [X] Original or Revision No. ____

Finance, has developed specific projects, for each functional area or activity, which are designed to assist in achieving the objective. Fiscal Year 1970 targets will achieve the following:

1. Prior to January 30, 1970, a detailed Project Implementation Plan (PIP) will be prepared jointly by AID and the Ministry of Economy and Finance. The PIP will include a schedule of actions to be taken by the parties to this agreement with target dates and figures, and must be approved in writing by the parties to this agreement. It may be revised at any time by mutual written agreement. In the event that the parties are unable to comply with provisions of the plan, this Project Activity shall be revoked or modified through an appropriate amendment. Such revocation may also be effected unilaterally by either party, pursuant to Paragraph P. of the Standard Provisions (Annex B).

2. A Project Appraisal Report (PAR) will be prepared by March 31, 1970 by personnel of AID and the cooperating Honduran entity in order that prompt corrective action may be taken to prevent major problems and delays. Results of these comprehensive evaluations will be reported to the concerned officials of the Honduran Government through the Director of USAID/H, together with requests of any changes in the project which may be advisable.

elaborado proyectos específicos para cada área funcional o actividad, designados a ayudar en la consecución de este objetivo. Durante el Año Fiscal de 1970 los proyectos cubrirán lo siguiente:

1. El AID y el Gobierno de Honduras, por medio del Ministerio de Economía y Hacienda elaborarán un plan detallado para la implementación de este proyecto antes del 30 de Enero de 1970. El Plan incluirá un programa de actividades con fechas de realización y cifras y deberá ser aprobado por escrito por las partes participantes en el Convenio. Podrá ser revisado en cualquier tiempo y de común acuerdo en escrito. En el caso de que las partes no puedan cumplir con las disposiciones del plan o convenir en su revisión, este Proyecto de Convenio será revocado o modificado por medio de una enmienda. Esa revocación puede ser hecha por cualquiera de las partes, de conformidad con el Párrafo P de las Disposiciones Generales (Anexo B).

21. Este informe de Proyecto de Evaluación (PAR) será preparado antes del 31 de Marzo de 1970 por el personal de la Misión AID y las entidades participantes de Honduras, a fín de dictar medidas correctivas inmediatas y así evitar mayores problemas y demoras. Los resultados de estas evaluaciones se harán del conocimiento de los funcionarios respectivos del Gobierno de Honduras por medio del Director de la Misión de A.I.D., incluyendo en las mismas los cambios que sean convenientes.

For the Cooperating Government or Agency	For the Agency for International Development
SIGNATURE: _____ DATE: _____	SIGNATURE: _____ DATE: _____
TITLE:	TITLE:

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3. Bring about more efficient clerical and administration operations by providing appropriate training to selected tax agency employees in administrative support activities such as O&M and general administrative services

3. Obtener una mayor eficiencia en las operaciones administrativas y de oficina proporcionando adiestramiento a un grupo selecto de empleados de la Dirección General de Tributación que prestan servicios en actividades administrativas de apoyo tales como organización y métodos y servicios administrativos en general.

4. Improve the technical skills of the individual auditors by conducting an on-site training course on advanced audit techniques. Best qualified participants will be trained as instructors to continue the training of other auditors. The objective is to replace skills lost by attrition and increase by 15% to 20% the revenue from audit deficiencies.

4. Mejorar la capacidad técnica de los auditores mediante un curso de técnicas avanzadas de auditoría. Los participantes mejor calificados se adiestrarán como instructores para que éstos continuen con el adiestramiento de los demás auditores. El objetivo es el de reemplazar la capacidad perdida por bajas de personal e incrementar en un 15% a 20% los ingresos de fiscalización.

5. Maximum utilization of electronic data processing equipment by continuing to develop and implement improved programs and routines for current applications, and by providing the DGT with the technical knowledge and guidance in expanding the use of ADP to other tax enforcement applications. Specific targets for this area are described in the work plans of the IRS Tax Team, the general areas of service work will be, revenue accounting, billing operations, delinquency checks returns processing, mathematical verification, vehicle registration and licensing program, and development of a taxpayer master file. Improve capability of ADP personnel and the efficiency of the ADP organization by implementing the following measures:

5. Lograr mayor utilización del equipo electrónico para procesamiento automático de datos continuando el desarrollo e implementación de programas y rutinas más eficientes en cuanto a las aplicaciones actuales y proporcionando a la Dirección General de Tributación conocimientos técnicos y asesoramiento para ampliar el uso del procesamiento automático de datos hacia otras áreas de administración tributaria. Los objetivos específicos en esta área se describen en el Plan de Trabajo del grupo del IRS, las áreas generales de trabajo serán: contabilidad de impuestos, operaciones de facturación, tramitación de declaraciones, chequeos de morosidad, verificación matemática, registro de vehículos y asignación de placas, y

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desarrollo de un archivo maestro de contribuyentes. Mejorar la capacidad del personal de procesamiento automático de datos y la eficiencia de la misma organización llevando a cabo las siguientes medidas:

- Require appropriate documentation of all projects and programs to ensure a continuity of operations and obviate the need to rewrite programs.

- Requerir la documentación apropiada de todos los proyectos y programas para asegurar la continuidad de las operaciones y eliminar la necesidad de reprogramar.

- Develop work plans, time schedules, document work flow and document controls for both manual and machine processes.

- Desarrollar planes de trabajo, itinerarios de trabajo, flujo de documentos y control de documentos en los procesos manuales y mecánicos.

- Improve the internal operating efficiency of current computer programs by monitoring accuracy of input data with internal program controls.

- Mejorar la eficiencia de la operación interna de los programas actuales de computación verificando la exactitud de la información de entrada por medio de controles dentro del programa.

- Train programmers in the techniques of program testing using test data designed to yield predetermined results.

- Adiestrar programadores en las técnicas de probar programas utilizando datos de prueba que por su diseño dan resultados predeterminados.

Establish production and quality controls for the coding and transcription operation. Production controls will provide management with data on output capacity and data on individual performance. Quality controls will reduce to acceptable levels volume of invalid input data.

- Establecer controles de producción y de calidad para las operaciones de codificación y transcripción. Los controles sobre producción proporcionarán a la administración información de la capacidad de trabajo de la organización así como información sobre el rendimiento de cada empleado. Estos controles reducirán a niveles aceptables el volúmen de información de entrada incorrecta.

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Since ADP is essentially a service function the accomplishments in this area cannot be measured in terms of increased revenue collections but rather in terms of improved efficiency, timeliness of output, accuracy of the data generated and in reduced costs of operation

Por el hecho de que PAD es una función de servicio, los logros obtenidos en esta área no pueden medirse en términos de mayores recaudaciones de impuestos, excepto en una forma indirecta, sino más bién en términos de mayor eficiencia, presentación de trabajos oportunamente, exactitud de la información presentada y reducción en los costos de operación.

6. Expedite collection of outstanding accounts and obtain delinquent returns by implementing the recommendations made to improve these functions by two TDY IRS Collection Advisors. Coordinate ADP support activity to provide meaningful output data for these enforcement functions, e.g. the classification of outstanding accounts by size, age, geographic location and uncollectable accounts. The effort in this area should reduce outstanding accounts receivable by 20% at the end of 6 months after implementation and by an additional 15% to 20% at the end of 12 months. A 10% increase in returns filed can also be expected.

6. Agilizar la recaudación de la deuda tributaria y obtener declaraciones morosas poniendo en práctica las recomendaciones hechas por los asesores a corto plazo del IRS con el fín de mejorar estas funciones. Coordinar los trabajos de PAD con el fín de que éste proporcione información útil a las entidades con funciones coactivas, e.g. la clasificación de cuentas pendientes por cantidad, antiguedad, ubicación geográfica y cuentas incobrables. Los esfuerzos en esta área podrían reducir la deuda tributaria en un 20% al final de los primeros 6 meses despues de su implantación y en un 15% a 20% adicional al fín de 12 meses. También se podría esperar un aumento del 10% en las declaraciones recibidas.

7. Collaborate with the OSM technician in preparing procedural manuals for processing operations and enforcement functions. Advise on the use, design and control of printed forms and form letters used by the DGT, so as to develop a more efficient organization by providing written guidelines for operational personnel and by the effective use of printed material.

7. Colaborar con el técnico de OSM en la preparación de manuales para las operaciones de procesamiento y funciones coactivas. Asesorar en el uso, diseño y control de formularios impresos y de cartas impresas utilizadas por la Dirección General de Tributación, con el fín de desarrollar una organización más eficiente proporcionando manuales al personal en operaciones y obtener un uso más efectivo del material impreso.

PROJECT AGREEMENT BETWEEN THE AND The Ministry of Economy & Finance AN AGENCY OF THE GOVERNMENT OF HONDURAS	1. Project Number 522-11-700.039.2	PAGE 2 OF 15 PAGES
	2. Agreement No. 522-10-70	1 [X] Original or Revision No. ____
	3. Project/Activity Title PUBLIC ADMINISTRATION (Tax Administration)	

8. Assist management in further development of its taxpayer information, taxpayer assistance, taxpayer education, and public relations programs, so as to create taxpayer confidence in the DGT and thereby encourage voluntary compliance of tax obligations.

9. Study the current procedures for administering the 3% sales and service tax. The study will identify problem areas, and deficiencies in the present system. On the basis of the findings appropriate recommendations for improving the administration of this tax will be developed. Implementation of the recommendations should result in improved compliance and in 10 to 15% increase in revenue from this source.

B. The Government of Honduras agrees to utilize the technical assistance by:

1. The establishment of an ad hoc committee comprised of the Minister of Economy & Finance, the Director General of Taxes, the Subsecretaries of Economy and Finance, and the Budget Director, which will review the status and progress of this project on a quarterly basis starting January 23, 1970.

2. The development of a training unit comprised of instructor personnel in such areas as auditing and accounting;

8. Asistir a la Dirección en el desarrollo del servicio de información, asistencia al contribuyente y educación del contribuyente y en el programa de relaciones públicas, a fin de lograr la confianza del contribuyente hacia la Dirección General de Tributación y como consecuencia estimular el cumplimiento voluntario de obligaciones impositivas.

9. Estudiar los procedimientos actuales para la administración del impuesto del 3% sobre impuestos y servicios. El estudio identificará los problemas de áreas y las deficiencias en el sistema actual. Con base en estos resultados se harán las recomendaciones apropiadas para mejorar la administración de este impuesto. El desarrollo de estas recomendaciones dará como resultado un mejor cumplimiento del pago y un aumento del 10 al 15% en las recaudaciones por este concepto.

B. El Gobierno de Honduras conviene en utilizar la asistencia técnica en:

1. El establecimiento de un Comité ad hoc compuesto por el Ministro de Economía y Hacienda, el Director General de Tributación, los subsecretarios de Economía y Hacienda y el Director del Presupuesto, quienes examinarán el status y progreso del proyecto trimestralmente a partir del 23 de Enero de 1970.

2. El desarrollo de una unidad de adiestramiento compuesta de personal instructor en areas tales como auditoría y contabilidad;

For the Cooperating Government or Agency	For the Agency for International Development
SIGNATURE: _____ DATE: _____	SIGNATURE: _____ DATE: _____
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3. Retain the skills and expertise obtained through this project by providing adequate compensation for the personnel of the DGT commensurate with their increased capacity to produce; and

4. The provision of the adequate services, facilities and equipment to support the technical assistance personnel provided by AID under this project.

IV. Responsibilities of the Agency for International Development and the Government of Honduras

A. The Agency for International Development hereby agrees to provide:

1. Personnel Services

a. The services of an Advisor for liaison with respect to administration and coordination of this project agreement.

b. A senior tax Advisor of the US Internal Revenue Service who will work with the Director General of Taxes in carrying out the objectives of this project and in addition will provide technical assistance in taxpayer education, processing and collections, accounting, overall planning and implementation.

c. One US Internal Revenue Service technician, on a long-term assignment, to conduct training and provide technical assistance as set forth in Paragraph III (A) (5).

3. Retener los conocimientos y pericia obtenida a través de este proyecto proporcionando una compensación adecuada para el personal de la DGT de acuerdo con su mayor capacidad de producción; y

4. Proporcionar los servicios adecuados, facilidades y equipo para apoyar al personal técnico proporcionado por la A.I.D. bajo este contrato.

IV. Responsabilidades de la Agencia para el Desarrollo Internacional y el Gobierno de Honduras.

A. La Agencia para el Desarrollo Internacional conviene en proporcionar:

1. Personal

a. Los servicios de un Asesor como enlace con relación a la administración y coordinación de este Convenio de Proyecto.

b. Un asesor principal de impuestos del Servicio de Rentas Internas de los E.U. quién trabajará con el Director General de Tributación en la realización de los objetivos de este proyecto y además proporcionará la asistencia técnica necesaria para la educación del contribuyente, procedimientos y recaudaciones, contabilidad, planeamiento e implementación.

c. Un técnico del Servicio de Rentas Internas de los E.U. con asignación a largo plazo, para llevar a cabo el adiestramiento y proporcionar asistencia técnica según se indica en el párrafo III (A) (5).

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d. Three short-term Technicians to provide the technical assistance and training described in III (A), (4), (6) and (9).

Total Personal Services
($ 95,500)

2. Other Costs

a. Allowances and other local costs in support of members of the tax team ($15,885).

b. Printing costs, training supplies and equipment, etc., as may be recommended by the Senior Tax Advisor, and per diem costs incurred by team members for travel within Honduras ($ 315).

c. Specialized Tax Training for 2 participants. ($ 3,800).

3. It is the intention of A.I.D. and the Government of Honduras that this agreement be amended, subject to availability of funds, prior to June 30, 1970 to provide for continuation of the project through June 30, 1971.

B. The Government or Honduras hereby agrees to provide:

1. Office space; furnishings; equipment; secretarial, typing, clerical and translating services; supplies; reproduction and printing services; local transportation or domestic air travel for members of the IRS Tax Team and employees of the Government of Honduras engaged in activities under this PROAG.

d. Tres técnicos a corto plazo para proporcionar la asistencia técnica y el adiestramiento descrito en el párrafo III (A), (4), (6), y (9).

Total de Servicios Personales
($ 95,000)

2. Otros Costos

a. Asignaciones y otros costos locales para el equipo del Servicio de Rentas Internas ($15,885).

b. Costos de impresión, material de entrenamiento y equipo, etc., que recomiende el asesor principal de impuestos y gastos de viáticos en los que incurran los miembros del equipo de Rentas Internas para viajes dentro del país ($ 315).

c. Adiestramiento especializado sobre recaudación de impuestos para dos participantes ($ 3,800).

3. Es la intención del A.I.D. y del Gobierno de Honduras enmendar este Convenio antes del 30 de Junio de 1970 sujeto a la disponibilidad de fondos para continuar el proyecto hasta el 30 de Junio de 1971.

B. El Gobierno de Honduras por este medio conviene en proporcionar lo siguiente:

1. Local para oficina; mobiliario; equipo; servicios secretariales y de traducción; suministros; servicios de impresión y reproducción; transporte local o aéreo doméstico para los miembros del grupo de IRS (Internal Revenue Service) y los empleados del Gobierno de Honduras que prestan sus servicios bajo este Convenio de Proyecto.

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2. Necessary administrative and technical personnel to collaborate in carrying out activities described herein and to participate in special courses and on-the-job training activities conducted locally by the IRS Tax Team.

3. Payment of pre-departure and international travel costs of personnel to be trained by IRS in the US or third countries; guaranties that all such personnel are retained in their positions or similar ones for a minimum of one year following their return; and consultation with the IRS Tax Team in any case which appears to merit an exception to this policy.

4. Free access of the IRS Tax Team to offices, personnel records, reports, and related materials of the Government of Honduras for necessary background and current information and data related to and essential to fulfillment of services by the IRS Tax Team.

5. The Government of Honduras will designate an official to serve as GOH/USAID liaison for administration and coordination of this project agreement.

V. General Provisions

A. The Ministry of Economy & Finance of the Government of Honduras agrees to give full publicity to this cooperative project through

2. El personal administrativo y técnico necesario para colaborar en el desarrollo de las actividades aquí descritas y para participar en los cursos especiales y otras actividades de adiestramiento llevadas a cabo localmente por el grupo de IRS.

3. Pago de los gastos de viaje y transporte internacional de personal a ser entrenado por el Servicio de Rentas Internas en los E.U. o en un tercer país; garantizar que este personal conservará su puesto o uno similar por el mínimo de un año después de su regreso; consultar con el Equipo del Servicio de Rentas Internas en cualquier caso que amerite una excepción a esta regla.

4. Libre acceso del Equipo del Servicio de Rentas Internas a los funcionarios y el personal del Gobierno de Honduras, a los archivos, informes y materiales relacionados para obtener la información necesaria y los datos relacionados y esenciales para el cumplimiento de los servicios del Equipo del Servicio de Rentas Internas.

5. El Gobierno de Honduras designará un funcionario que servirá de enlace entre el Gobierno de Honduras y la Agencia para el Desarrollo Internacional (A.I.D.) en lo que respecta a la administración y coordinación de este Convenio de Proyecto.

V. Disposiciones Generales

A. El Ministerio de Economía y Hacienda conviene en dar completa publicidad a este proyecto cooperativo a través de la prensa, radio, televi-

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AID 1000-1A (9-63)

PROAG CONTINUATION SHEET

ANNEX A

PROJECT AGREEMENT
BETWEEN AID AND
The Ministry of Economy & Finance
AN AGENCY OF THE GOVERNMENT OF HONDURAS

1. Project/Activity No. 522-11-790-039.2
2. Agreement No. 522-10-70
3. Project/Activity Title: PUBLIC ADMINISTRATION (Tax Administration)

2. [X] Original or Revision No. ____

the media of the press, radio, TV, or other publicity source deemed advisable. Such publicity will identify the project with the Alliance for Progress.

sión y cualesquiera otros medios que estime convenientes. Tal publicidad identificará el proyecto con la Alianza para el Progreso.

For the Cooperating Government or Agency
SIGNATURE: _____ DATE: _____
TITLE:

For the Agency for International Development
SIGNATURE: _____ DATE: _____
TITLE:

AID 1330-1
(6-64)

PRO AG

PD-AAB-037 CI

5220039-21p. (34)

PROJECT AGREEMENT

BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND THE MINISTRY OF ECONOMY AND FINANCE

AN AGENCY OF THE GOVERNMENT OF HONDURAS

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- [ ] PROJECT DESCRIPTION ANNEX A
- [ ] FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
- [X] STANDARD PROVISIONS ANNEX
- [ ] SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

	DATE
[ ] GENERAL AGREEMENT FOR TECHNICAL COOPERATION	
[X] ECONOMIC COOPERATION AGREEMENT	4-12-61
[ ] (other)	

1. PROJECT/ACTIVITY NO. 522-11-790-039.2

PAGE 1 OF 13 PAGES

2. AGREEMENT NO. 522-12-71

3. [X] ORIGINAL OR REVISION NO.

4. PROJECT/ACTIVITY TITLE

PUBLIC ADMINISTRATION (TAX)

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. AID APPROPRIATION SYMBOL 72-1111010

7. AID ALLOTMENT SYMBOL 195-50-522-00-69-11

8. AID FINANCING [X] DOLLARS [ ] LOCAL CURRENCY	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total		108,500		108,500
(b) Contract Services (PASA)		92,300		92,300
(c) Commodities				
(d) Other Costs PASA OTHER		12,300 3,900		12,300 3,900
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT $1.00=				
(a) Total				
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

10. SPECIAL PROVISIONS *(Use Additional Continuation Sheets, if Necessary)*

11. DATE OF ORIGINAL AGREEMENT March 16, 1971

12. DATE OF THIS REVISION

13. ESTIMATED FINAL CONTRIBUTION DATE December 31, 1971

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

SIGNATURE: Manuel Acosta B. DATE:

TITLE: Minister of Economy & Finance

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: John E. Nepple DATE: 3/15/71

TITLE: Acting Director USAID/Honduras

Mr. John E. Nepple

Mr. Lee
PUB.ADM.

Mr. Mehen
PROG.

Mr. Riedel
CONT.

Mr. Pike
JAO

E.P.Astle
DEP.DIR.
(Acting)

I. Introduction

A. One of the basic goals of the Alliance for Progress, as proclaimed in the Charter of Punta del Este, is the reform of Tax Laws and the development of sound tax administration. Effective Tax Administration contributes to economic and social development through rational and equitable mobilization of financial resources.

II. Objective

The Government of Honduras and the United States Government, through the Agency for International Development (AID) enter into this agreement for the purpose of improving tax administration to obtain increased tax revenues. The U.S. Government and the Government of Honduras agree to cooperate in carrying ou' this project by continuation of technical assistance by the U.S. Internal Revenue Service Tax Team. The activities contemplated in this Project Agreement comprise an intensive program of tax administration improvement and personnel training. The results expected are increased revenues, more uniform applications of the tax laws, and more effective use of funds budgeted for tax administration.

I. Introducción

A. Una de las metas básicas de la Alianza para el Progreso, proclamada en la Carta de Punta del Este, es la reforma de las leyes de impuestos y el desarrollo de una buena administración tributaria. Una administración tributaria efectiva contribuye al desarrollo social y económico a través de una más efectiva mobilización racional y equitativa de bs recursos financieros.

II. Objetivo

El Gobierno de Honduras y la Agencia para el Desarrollo Internacional celebran este Convenio con el propósito de mejorar la administración tributaria y obtener aumentos en la recaudación de impuestos. El Gobierno de los Estados Unidos de América y el Gobierno de Honduras convienen en cooperar para llevar a cabo este proyecto mediante la ayuda técnica otorgada por el equipo del Servicio de Rentas Internas de los Estados Unidos. Las actividades consideradas en este Convenio de Proyecto comprenden un programa intensivo para mejorar la administración tributaria y el adiestramiento de personal. Los resultados esperados son: aumento de ingresos, una aplicación más uniforme de las leyes del impuesto y un uso más efectivo de los fondos presupuestados para la Administración Tributaria.

III. Plan of Action

A. The IRS TAX Team, in conjunction with the Directorate General of Taxation in the Ministry of Economy and Finance, has developed specific projects, for each functional area or activity which are designed to assist in achieving the objective. Fiscal Year 1971 targets are as follows:

1. A Project Appraisal Report (PAR) will be prepared by March 31, 1971 by personnel of AID and the cooperating Honduras entity in order that prompt corrective action may be taken to prevent major problems and delays. Results of these comprehensive evaluations will be reported to the appropriate officials of the Honduran Government through the Director of USAID/H, along with requests for changes in the project that may be advisable.

2. To develop technical and administration skills of key tax agency employees. Improved capabilities will be accomplished through several INTAX Seminars given by the Internal Revenue Service in the United States throughout the fiscal year in cooperation with the USAID/H.

III. Plan de Acción

A. El Equipo de Servicio de Rentas Internas de los Estados Unidos conjuntamente con la Dirección General de Tributación en el Ministerio de Economía y Hacienda, ha desarrollado proyectos específicos para cada actividad o área funcional, las cuales han sido diseñadas con el propósito de que sirvan como una ayuda en el logro del objetivo de este proyecto. Las metas para el año fiscal 1971, son las siguientes:

1. Para el 31 de marzo de 1971, el Personal de A.I.D. y la entidad cooperadora del Gobierno de Honduras, prepararán un Reporte de Evaluación de Proyecto, para que se tome la debida acción para prevenir problemas mayores y demoras. Los resultados de estas amplias evaluaciones se darán a conocer a los funcionarios respectivos del Gobierno de Honduras, por medio del Director de USAID/H, junto con las peticiones de cambios que sean aconsejables para el proyecto.

2. Desarrollar habilidades técnicas y administrativas de aquellos empleados claves de la Dirección General de Tributación. El mejoramiento de las capacidades se logrará mediante los varios Seminarios INTAX que impartirá el Servicio de Rentas Internas de los Estados Unidos durante el año fiscal con la cooperación de USAID/H.

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Indicate block numbers.

Use this form to complete the information required in any block of a PIO or PAA form.

3. Initiate the preparation of a handbook on audit techniques for field and office auditors. IRS advisors will gather the necessary material for the handbook and will assist a qualified counterpart, furnished by the cooperating country in adapting the material for use of Honduran auditors.

3. Iniciar la preparación de un manual sobre técnicas de auditoría para auditores de oficina y de campo. Los Asesores del Servicio de Rentas Internas reunirán toda la información y material necesarios y asistirán a la persona calificada que asigne el Gobierno de Honduras en la adaptación del material para uso de los auditores hondureños.

4. Collaborate with the OAS Audit Advisor in developing an improved selection plan of returns for audit. Participate in defining criteria for evaluating the selection plan and in implementing the plan. The audit selection plan will be designed to achieve maximum production as well as economic and geographic coverage.

4. Colaborar con el Asesor Auditor de la O.E.A. en el desarrollo de un plan de selección de declaraciones para fines de auditoría. Participar en definir el criterio apropiado para evaluar el plan de selección y en la ejecución del mismo. El plan de selección de auditoría será diseñado para lograr una producción máxima y un alcance máximo de sectores economicos y geográficos.

5. Computerize the mathematical verification of returns and identification of returns with potential audit adjustments.

5. Mecanizar la verificación matemática de las declaraciones y la identificación de declaraciones con posibles modificaciones de auditoría.

6. Improve the technical capabilities of tax agency employees with a sustained in-service training program in accounting and audit techniques. Explore the use of CCTI facilities to accomplish technical training needs.

6. Mejorar las capacidades técnicas de los empleados de la Dirección con un programa reforzado de adiestramiento interno sobre técnicas de contabilidad y auditoría. Explorar el uso de las facilidades del CCTI para lograr el adiestramiento técnico necesario.

7. Participate in the installation of a new 360/25 computer and of the peripheral equipment that makes up the new ADP configuration. A Systems Analyst will assist in planning the site for the new

7. Participar en la instalación de un computador 360/25 y del equipo periférico que comprende la nueva configuración. Un Analista de Sistemas asistirá en el planeamiento del sitio apropiado para el nuevo

computer, in planning a temporary site for the old computer, and will prepare a floor plan of the various operation to ensure proper flow of work from station to station.

computador, en el planeamiento de un sitio provisional para el computador viejo y preparará un plan de ubicación para las varias operaciones, asegurando un flujo de trabajo apropiado de estación a estación.

8. Design an income tax master file of taxpayers which will contain the taxpayer's identification number, name, address and filing history. The new system in addition to the controls and processing procedures will automatically generate delinquency checks, printouts of indexes, audit selection lists and will also be a source for valuable statistical data. The system will be desgined so that it can be expanded to incorporate other taxes and to improve accounting controls.

8. Establecer un archivo maestro del Impuesto Sobre la Renta, el cual contendrá el número de registro, nombre, dirección y un historial sobre la presentación de declaraciones. El nuevo sistema, además de los controles y procedimientos de procesamiento, automaticamente proveerá chequeos de morosidad, indices, nominas para fines de fiscalización y también será una fuente valiosa de datos estadísticos. El sistema será diseñado para ser ampliado, para incorporar otros impuestos y para mejorar los controles de contabilidad.

9. Design a computerized accounting system, a sales tax system and a withholding tax system to be incorporated into the income tax master file system. Prepare procedural manuals for all components engaged in processing returns and documents under each of the new systems.

9. Diseñar un sistema mecanizado de contabilidad, un sistema para el impuesto de ventas y un sistema para retenciones en la fuente, los cuales serán incorporados al sistema del archivo maestro. Preparar manuales de procedimiento para toda entidad que toma parte en el procesamiento de las declaraciones y documentos bajo cada uno de los sistemas nuevos.

10. Provide a short term collection advisor to develop and implement a tax delinquent accounts procedure designed to effect timely collection of current outstanding.

10. Proveer un Asesor en Recaudaciones, a corto plazo, para desarrollar y ejecutar un procedimiento sobre cuentas morosas, diseñado para efectuar cobros oportunos de cuen-

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Indicate block numbers.

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accounts and to reduce the large inventory of old accounts. Implementation of the new procedure will require that DGT increase the number of investigators from 2 to 6. Until the procedure can be automated, the DGT must also periodically provide the services of at least five typists during peak volume periods.

tas corrientes pendientes y reducir el extenso inventario de cuentas viejas. La ejecución del nuevo procedimiento requerirá que la Dirección General de Tributación aumente el número de investigadores de 2 a 6. Hasta que el procedimiento pueda ser mecanizado, la Dirección General de Tributación proveerá periodicamente los servicios de por lo menos 5 mecanografas durante los períodos de más trabajo.

11. Establish a pilot project for systematically canvassing businesses to identify non-filers and delinquent taxpayers in Tegucigalpa. The canvassing project will later be extended to the three major district offices and to other urban areas.

11. Establecer un proyecto piloto para un censo sistemático de negocios para identificar negocios omisos y a contribuyentes morosos en Tegucigalpa. El proyecto de censo se extenderá más tarde a las tres oficinas regionales principales y a otras areas urbanas.

12. Use computer program to run periodic delinquency checks on taxpayers subject to income and sales taxes to identify those who have not filed, and to generate delinquent notices. Establish a procedure for the prompt follow-up of computer generated delinquent return information.

12. Hacer chequeos de morosidad por computador de contribuyentes sujetos a los impuestos de renta y ventas para identificar los morosos y para tirar avisos de morosidad. Establecer un procedimiento para actuar oportunamente sobre la información de morosidad proporcionada por el computador.

13. Provide a short-term sales tax advisor to prepare and give a training course to auditors stationed in Tegucigalpa and San Pedro Sula on sales tax audit techniques. The advisor will also study current sales tax operation and recommend ways for improving the administration of the sales tax law.

13. Proporcionar un Asesor de Impuesto Sobre Ventas a corto plazo, para que prepare e imparta un curso de adiestramiento a auditores estacionados en Tegucigalpa y en San Pedro Sula sobre técnicas de auditoría en el Impuesto sobre Ventas. El Asesor también estudiará las operaciones actuales del Impuesto sobre Ventas y hará recomendaciones para mejorar la administración del Impuesto sobre Ventas.

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Indicate block numbers.

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14. For purposes of taxpayer information and education the tax team will collaborate with the respective counterpart in preparing a pictorial pamphlet to be distributed to the general public. The pamphlet will provide information on who must pay taxes, where and when to pay taxes and how the revenue is used. In support of the taxpayer information project the USAID/H will provide $2,000 towards the cost of printing and distributing a tax calendar.

14. Para propositos de información y educación del contribuyente el equipo del IRS colaborará con la persona correspondiente en la preparación de un folleto ilustrativo para ser distribuido al público en general. El folleto proporcionará información sobre quien debe pagar impuestos, donde y cuando pagarlos y como se utilizan los impuestos. En apoyo del proyecto de información al contribuyente el USAID/H proporcionará $2,000 (Lps.4,000) para gastos de impresión y distribución de un calendario tributario.

15. Initiate preparation of procedural manuals on a tax by tax basis.

15. Iniciar la preparación de manuales de procedimientos para cada impuesto.

B. The Ministry of Economy & Finance through the Director General of Taxation agrees to make full utilization of the technical assistance and to ensure the success of the program by taking the following measures:

B. El Ministerio de Economía y Hacienda por medio del Director General de Tributación, acuerda hacer uso total de la asistencia técnica y de asegurar el éxito del programa, tomando las siguientes medidas:

1. Appoint a qualified person responsible for establishing an in-service training program to improve the technical and management capabilities of tax agency employees. The officer selected will determine training needs, organize training courses and accomplish the training with qualified personnel of the tax agency.

1. Asignar una persona calificada para que sea responsable de establecer un programa de adiestramiento interno para mejorar las capacidades técnicas y administrativas de los empleados de la Dirección. La persona seleccionada determinará las necesidades de adiestramiento, organizará cursos de adiestramiento y llevará a cabo los mismos con personal calificado de la Dirección.

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2. Make available qualified counterpart to work with the Advisor in preparing handbook on audit techniques for field and office audits.

2. Asignar a una persona calificada para que trabaje con el Asesor en la preparación de un manual sobre técnicas de auditoría de campo y de oficina.

3. Provide training on a continuing basis to auditors on Sales Tax Audit Techniques. The instructor guidelines and the training material developed by the Sales Tax Advisor will be used for this purpose.

3. Proporcionar adiestramiento en una forma continua a los auditores sobre Técnicas de Auditoría del Impuesto sobre Ventas. La guía para el instructor y el material de adiestramiento desarrollado por el Asesor de Impuesto Sobre Ventas serán utilizadas para este fín.

4. Form special group of at least 10 auditors to perform canvassing and sales tax audits of businesses in Tegucigalpa and San Pedro Sula.

4. Formar un grupo especial de 10 auditores como minimo, para realizar censos y auditorias de Impuesto sobre Ventas de negocios en Tegucigalpa y San Pedro Sula.

5. Make maximum use of the new computer by increasing the technical staff in the ADP Department by two permanent programmers in CY 1971. To hire at least two programmers on a part time basis to assist in preparing programs for the new systems being designed.

5. Hacer uso máximo del nuevo computador aumentando el personal técnico en el Departamento de PAD, por 2 programadores permanentes en el año corriente 1971. Contratar por lo menos 2 programadores temporalmente para que colaboren en la preparación de programas para los nuevos sistemas que se estan diseñando.

6. Ensure the success of the delinquent account procedure by increasing staffing of the "Sección de Apremios" from two to six field investigators providing office space and equipment recommended by the shortterm Advisor, and to provide the necessary clerical support to type delinquency notices during peak volume periods.

6. Asegurar el éxito del procedimiento de cuentas morosas aumentando el personal administrativo de la "Sección de Apremios" de dos a seis investigadores de campo, proporcionando espacio y equipo de oficina, recomendado por el Asesor a corto plazo, así mismo proveer las oficinistas necesarias para mecanografiar avisos de morosidad durante los períodos de más trabajo.

7. Provide the funds necessary to print and distribute the pictorial pamphlet referred to in item A. 14 above.

8. Establish and staff a group responsible for taxpayer assistance for walk-in and telephone inquiries.

9. Prepare a tax calendar for distribution to businesses and to the professional community.

10. Establish policies for systematic statistical reporting based upon management's needs.

11. Appoint a qualified O. & M. specialist to identify problem areas in tax administration.

12. Conduct an in-service training course on supervision.

13. Provide counterparts to work with AID Advisor on preparation of procedural manuals on a tax by tax basis.

IV. Responsibilities of the Agency for International Development and the Government of Honduras.

A. The Agency for International Development hereby agrees to provide:

7. Proporcionar los fondos necesarios para imprimir y distribuir el folleto ilustrado, tal como lo describe el artículo A. 14.

8. Establecer un grupo de personal que se responsabiliza en asistir a los contribuyentes tanto personalmente como por teléfono.

9. Preparar un calendario tributario para ser distribuido a negocios y a la comunidad profésional.

10. Establecer una política para sistematizar los informes estadísticos, basada en las necesidades del personal ejecutivo.

11. Asignar un especialista en Organización y Métodos para que identifique las áreas de problemas en la administración de impuestos.

12. Dictar un curso interno de adiestramiento en supervisión.

13. Proporcionar personal de la Dirección para trabajar con el Asesor de A.I.D. en la preparación de manuales de procedimiento para cada impuesto.

IV. Responsabilidades de la Agencia para el Desarrollo Internacional y el Gobierno de Honduras.

A. La Agencia para el Desarrollo Internacional conviene en proporcionar:

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1. Direct Hire

a. The services of an Advisor for liaison with respect to administration and coordination of this project agreement.

2. PASA

a. A senior tax Advisor of the US Internal Revenue Service who will work with the Director General of Taxes in carrying out the objectives of this project and in addition will provide technical assistance in general management, processing, collection, accounting, and in overall planning and implementation.

b. One US Internal Revenue Service technician, on a long-term assignment, to provide technical assistance as set forth in Paragraph III A. 3., 4., 5., 7., 8., 9., and 12.

c. Two short-term Technicians to provide the technical assistance and training described in III A. 10. and 13.

PASA: $92,300

3. PARTICIPANTS

Training of properly selected GOH personnel mentioned in Paragraph III A. 2. above will be provided and funds therefor obligated by separate PIO/Ps

1. Personal Permanente

a. Los servicios de un Asesor como enlace con relación a la administración y coordinación de este Acuerdo de Proyecto.

2. PASA

a. Un Asesor principal de impuestos del Servicio de Rentas Internas de los EE.UU. quien trabajará con el Director General de Tributación en la realización de los objetivos de este proyecto y además proporcionará la asistencia técnica necesaria en administración general, procesamiento, recaudación, contabilidad, y en planear e implementar todo lo proyectado.

b. Un técnico del Servicio de Rentas Internas de los EE.UU. con asignación a largo plazo, para llevar a cabo el adiestramiento y proporcionar asistencia técnica según se indica en el párrafo III A. 3., 4., 5., 7., 8., 9., y 12.

c. Dos técnicos a corto plazo para proporcionar la asistencia técnica y el adiestramiento descrito en el párrafo III A. 10. y 13.

PASA: $92,300

3. PARTICIPANTES

Se proveerá el adiestramiento para el personal seleccionado del Gobierno de Honduras, tal como se menciona anteriormente en el párrafo III A. 2. y los fondos necesarios se cargarán separadamente en PIO/Ps

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Indicate block numbers.

Use this form to complete the information required in any block of a PIO or PAA form.

under project 039.4, Organization and Methods.

4. Other Costs

a. Allowances and other local costs in support of members of the tax team ($12,300).

b. Printing costs, training supplies and equipment, etc. as may be recommended by the Senior Tax Advisor. ($3,900)

5. It is the intention of AID and the Government of Honduras that this agreement be amended, subject to availability of funds, prior to June 30, 1971 to provide for continuation of the project through June 30, 1972.

B. The Government of Honduras hereby agrees to provide:

1. Office space; furnishings, equipment, secretarial, typing, clerical and translating services, supplies, reproduction and printing services, local transportation or domestic air travel for members of the IRS Tax Team and employees of the Government of Honduras engaged in activities under this PROAG.

2. Necessary administrative and technical personnel to collaborate in carrying out activities

bajo el Proyecto 039.4 de Organización y Métodos.

4. Otros Costos

a. Asignaciones y otros costos locales para el equipo del Servicio de Rentas Internas ($12,300).

b. Costos de impresión, material de entrenamiento y equipo, etc. que recomiende el asesor principal de impuestos. ($3,900).

5. Es la intención del A.I.D. y del Gobierno de Honduras enmendar este Convenio antes del 30 de Junio de 1971 sujeto a la disponibilidad de fondos para continuar el proyecto hasta el 30 de Junio de 1972.

B. El Gobierno de Honduras por este medio conviene en proporcionar lo siguiente:

1. Local para oficina, mobiliario, equipo, servicios secretariales y de traducción, suministros, servicios de impresión y reproducción, transporte local o aéreo doméstico para los miembros del grupo de IRS (Internal Revenue Service) y los empleados del Gobierno de Honduras que prestan sus servicios bajo este Convenio de Proyecto.

2. El personal administrativo y técnico necesario para colaborar en el desarrollo de las actividades

described herein and to participate in special courses and on-the-job training activities conducted locally by the IRS Tax Team.

aqui descritas y para participar en los cursos especiales y otras actividades de adiestramiento llevadas a cabo localmente por el grupo del IRS.

3. Payment of pre-departure and international travel costs of personnel to be trained by IRS in the US or third countries; guaranties that all such personnel are retained in their positions or similar ones for a minimum of one year following their return; and consultation with the IRS Tax Team in any case which appears to merit an exception to this policy.

3. Pago de los gastos de viaje y transporte internacional de personal a ser entrenado por el Servicio de Rentas Internas en los E.U. o en un tercer país; garantizar que este personal conservará su puesto o uno similar por el mínimo de un año después de su regreso; consultar con el Equipo del Servicio de Rentas Internas en cualquier caso que amerite una excepción a esta regla.

4. Free access of the IRS Tax Team to offices, personnel records, reports, and related materials of the Government of Honduras for necessary background and current information and data related to and essential to fulfillment of services by the IRS Tax Team.

4. Libre acceso del Equipo del Servicio de Rentas Internas a los funcionarios y el personal del Gobierno de Honduras, a los archivos, informes y materiales relacionados para obtener la información necesaria y los datos relacionados y esenciales para el cumplimiento de los servicios del Equipo del Servicio de Rentas Internas.

5. The Government of Honduras will designate an official to serve as GOH/USAID liaison for administration and coordination of this project agreement.

5. El Gobierno de Honduras designará un funcionario que servirá de enlace entre el Gobierno de Honduras y la Agencia para el Desarrollo Internacional (A.I.D.) en lo que respecta a la administración y coordinación de este Convenio de Proyecto.

V. General Provisions

V. Disposiciones Generales

A. The Ministry of Economy and Finance of the Government of Honduras agrees to give full publicity to this cooperative project through the media of the press,

A. El Ministerio de Economía y Hacienda conviene en dar completa publicidad a este proyecto cooperativo a través de la prensa, radio, televisión y cualesquiera otros

AID 1800-1 (8-63) CONTINUATION SHEET	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	☐ Worksheet ☐ Issuance	PAGE 13 OF 13 PAGES
		1. Cooperating Country HONDURAS	2.a. Code No.
FORM SYMBOL	TITLE OF FORM	2.b. Effective Date	2.c. ☐ Original OR Amendment No.
		3. Project/Activity No. and Title 522-12-71 PUBLIC ADMINISTRATION (TAX)	522-11-790-039.2

Indicate block numbers.

Use this form to complete the information required in any block of a PIO or PAA form.

radio, TV, or other publicity source deemed advisable. Such publicity will identify the project with the Alliance for Progress.

medios que estime conveniente. Tal publicidad identificará el Proyecto con la Alianza para el Progreso.

PROJECT AGREEMENT
BETWEEN AID AND
AN AGENCY OF THE GOVERNMENT OF
HONDURAS

1. Project/Activity No.
2. Agreement No.
3. ☐ Original or Revision No.
5. Project/Activity Title

B

DISPOSICIONES GENERALES

A. Tal como se usa en este Convenio el término "U.S.A.I.D." se refiere a la Agencia para el Desarrollo Internacional (Agency for International Development) cualquiera de sus dependencias o el organismo que la sucediere. Cuando se haga referencia a "este Convenio de Proyecto", se entenderá el Convenio de Proyecto original, según haya sido modificado por cualesquiera revisiones que hayan entrado en vigor.

B. 1. La U.S.A.I.D. facilitará las cantidades especificadas en la Sección 8 de este Convenio de Proyecto, según se necesitaren para el Proyecto, con el objeto de que se empleen para los fines predeterminados, y en la forma que podrá explicarse, con más detalles en la Sección 5. Además, según podrá especificarse también en la Sección 5, U.S.A.I.D. facilitará, a condición de que haya fondos disponibles y (cuando los procedimientos de la U.S.A.I.D. lo requieran) según se disponga en las Ordenes de Ejecución de Proyectos (PIOs), que la U.S.A.I.D. expediere conforme a sus procedimientos, fondos para (a) sufragar los gastos de proveer servicios técnicos que prestarán los empleados del Gobierno de los Estados Unidos en relación con el proyecto, (b) sufragar parte de los gastos que ocasione, fuera del país cooperador, la especialización, en relación con el proyecto, de personas capacitadas de dicho país y (c) sufragar los gastos adicionales que se especificaran.

STANDARD PROVISIONS

A. As used herein, the term U.S.A.I.D. shall refer to the Agency for International Development, any component agency, and any successor agency. References to "this Project Agreement" shall mean the original Project Agreement as modified by any revisions which have entered into effect.

B. 1. U.S.A.I.D. will make available the amounts specified in Block 8 of this Project Agreement as necessary for the project for use for the designated purposes and as may be further described in Block 5 hereof. In addition, as may be further specified in Block 5 hereof U.S.A.I.D., will, subject to the availability of funds and (where required by U.S.A.I.D. procedures) as provided for in Project Implementation Orders (PIOs) issued by U.S.A.I.D. in accordance with its procedures, make available funds (a) to pay costs of furnishing technical services to be performed by United States Government employees in connection with the project (b) to pay a share of the costs of providing training outside the cooperating country in connection with the project for qualified persons from the cooperating country, and (c) to pay such additional costs as may be specified.

For the Cooperating Government or Agency
SIGNATURE: _____ DATE: _____
TITLE:

For the Agency for International Development
SIGNATURE: _____ DATE: _____
TITLE:

2. El Organismo cooperador facilitará las cantidades especificadas en la Sección 9 de este Convenio de Proyecto, según se necesitaren para el proyecto, con el objeto de que se empleen para los fines predeterminados, y en la forma que podría explicarse, con más detalles, en la Sección 5. El Organismo Cooperador facilitará asimismo, o dispondrá que se faciliten, otras aportaciones de bienes, servicios, instalaciones y fondos que se requieren para llevar a cabo el proyecto, según se podrá especificar en la Sección 5, o según convinieren subsiguientemente ambas partes.

C. La U.S.A.I.D. y el Organismo Cooperador podrán conseguir la ayuda de otros organismos públicos y privados para llevar a cabo sus obligaciones respectivas conforme a este Convenio de Proyecto. Ambas partes podrán acordar la aceptación de aportaciones de bienes, servicios, instalaciones y fondos para los fines de este Convenio de Proyecto de otros organismos públicos y privados y podrán acordar que una tercera parte participe en llevar a cabo actividades pertinentes a este Convenio de Proyecto.

D. Todas las contribuciones de la U.S.A.I.D. sujetas a este Convenio de Proyecto se harán en o antes de la fecha de la Contribución Final aquí especificada. Asimismo, todas las contribuciones del Organismo Cooperador sujetas a este convenio de proyecto se harán en o antes de esa misma fecha, salvo en lo que aquí se especificare en contrario, o que las dos partes acordaran subsiguientemente. Se considerará haberse hecho

2. The Cooperating Agency will make available the amounts specified in Block 9 of this Project Agreement, as necessary for the project, for use for the designated purposes and as may further be described in Block 5 hereof. The Cooperating Agency will also make or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the project as may be specified in Block 5 hereof or as may subsequently be agreed upon by the two parties.

C. U.S.A.I.D. and the Cooperating Agency may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Project Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Project Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Project Agreement.

D. All contributions of U.S.A.I.D. pursuant to this Project Agreement shall be made on or before the final contribution date specified herein. Except as otherwise specified herein or subsequently agreed by the two parties, all contributions of the Cooperating Agency pursuant to this Project Agreement shall be made on or before that same date. A contribution of goods or services shall

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una contribución de mercaderías o servicios cuando la parte contribuyente que los ha de proveer o costear haya entregado las mercaderías o hecho rendir los servicios de acuerdo con la práctica comercial.

E. La adquisición de mercadería y la contratación de servicios, que la U.S.A.I.D. ha de costear, total o parcialmente, podrán llevarse a cabo (cuando así lo requieran los procedimientos de la U.S.A.I.D.) sólo de conformidad con PIOs que la U.S.A.I.D. expida conforme a sus procedimientos.

F. A menos que se especificare otra cosa en el PIO aplicable, la adquisición de mercaderías y contratación de servicios, con fondos de la contribución de la U.S.A.I.D. mencionada en la Sección 8 de este Convenio de Proyecto, estarán sujetas a las disposiciones del Reglamento 1 de la U.S.A.I.D.

G. A menos que se especificare otra cosa en el PIO aplicable, el título de todos los bienes que se adquieran con fondos de la U.S.A.I.D., conforme a la Sección 8 (c) de este Convenio de Proyecto corresponderá al Organismo Cooperador o al organismo público o privado que fuere autorizado por el mismo. Esta disposición no es aplicable a los bienes que pudieran usarse en relación con el proyecto, pero no se adquieran con fondos sujetos a dicha Sección 8 (c).

H. Todos los bienes que se suministraren a cualquiera de las partes con fondos de la otra parte, conforme a este Convenio de Proyecto se dedicarán, a menos que la parte que haya aporta-

be considered to have been made when the goods or services, provided or financed by the contributing party, are delivered in accordance with commercial practice.

E. The procurement of commodities and contract services to be financed in whole or in part by U.S.A.I.D. may (where so required by U.S.A.I.D. procedures) be undertaken only pursuant to PIOs issued by U.S.A.I.D. in accordance with its procedures.

F. Unless otherwise specified in the applicable PIO, the procurement of commodities and contract services financed with the U.S.A.I.D. contribution referred to in Block 8 of this Project Agreement shall be subject to the provisions of U.S.A.I.D. Regulation 1.

G. Unless otherwise specified in the applicable PIO, title to all property procured through financing by U.S.A.I.D. pursuant to Block 8 (c) of this Project Agreement shall be in the Cooperating Agency, or such public or private agency as it may authorize. This Provision is inapplicable to any property which may be used in connection with the project but is not financed pursuant to said Block 8(c).

H. Any property furnished to either party through financing by the other party pursuant to this Project Agreement, shall unless otherwise agreed by the party

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do los fondos para la adquisición acordare otra cosa, el proyecto hasta su terminación y después de terminado se usarán para promover los objetivos que se perseguían al llevar a cabo el proyecto. Cada gobierno ofrecerá devolver al otro, o reembolsarle por los bienes que obtuviere con fondos del otro gobierno conforme a este Convenio de Proyecto, y que no se usaren de conformidad con la cláusula precedente.

I. 1. Si la U.S.A.I.D., y cualquier organización pública o privada que suministre mercaderías, mediante fondos de la U.S.A.I.D. en el país cooperador para sus operaciones conforme a este Convenio sobre Proyecto, está sujeto a leyes, reglamentos o procedimientos administrativos del país cooperador, pasible de derechos de aduana e impuestos de importación sobre mercaderías introducidas en el país cooperador para llevar a cabo este Convenio sobre Proyecto, el Organismo Cooperador pagará dichos derechos e impuestos a menos que un tratado internacional en vigor aplicable, disponga una exención.

2. En caso que cualquier personal (que no sean ciudadanos y residentes del país cooperador), ya sean empleados del Gobierno de los Estados Unidos o empleados de organizaciones públicas o privadas, o individuos bajo contrato con U.S.A.I.D., el Organismo Cooperador, o cualquier agencia autorizada por el Organismo Cooperador, que se hallen presentes en el país cooperador para prestar servicios que la U.S.A.I.D. haya conve-

which financed the procurement, be devoted to the project until completion of the project, and thereafter shall be used so as to further the objectives sought in carrying out the project. Either party shall offer to return to the other or to reimburse the other for any property which it obtains through financing by the other party pursuant to this Project Agreement which is not used in accordance with the preceding sentence.

I. 1. If U.S.A.I.D. and any public or private organization furnishing commodities through U.S.A.I.D. financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for custom duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Project Agreement, the Cooperating Agency will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

2. If any personnel (other than citizens and residents of the cooperating country) whether United States Government employees or employees of public or private organizations under contract with, or individuals under contract with U.S.A.I.D., the cooperative Agency, or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which U.S.A.I.D. has

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nido en proporcionar o costear conforme a este Convenio sobre Proyecto, estén sujetos, de conformidad a las leyes, reglamentaciones o procedimientos administrativos del país cooperador, a impuestos a la renta, seguro social con respecto a la renta en virtud de la cual están obligados a pagar impuestos a la renta y seguro social al Gobierno de los Estados Unidos; a impuestos sobre la propiedad cuando se trata de bienes muebles que se tienen para uso propio; y al pago de gravámenes o derechos sobre efectos personales o enseres domésticos importados al país cooperador para uso propio del personal y miembros de su familia (sin incluir aquellos efectos personales o domésticos que pudieran ser vendidos por dicho personal en el país cooperador), el Organismo Cooperador pagará dichos derechos, gravámenes o impuestos a no se que un tratado internacional en vigor aplicable, disponga una exención.

J. Todo personal (que no sean ciudadanos y residentes del país cooperador), ya sean empleados del Gobierno de los Estados Unidos o empleados de organizaciones públicas o privadas, o individuos, bajo contrato con U.S.A.I.D., el Organismo Cooperador, o cualquier organismo autorizado por el Organismo Cooperador que se hallen presentes en el país cooperador para prestar servicios que la U.S.A.I.D. haya convenido en proporcionar o costear conforme a este Convenio sobre Proyecto, estará sujeto a la aprobación del Organismo Cooperador y de U.S.A.I.D. y estará bajo la dirección general del Director de la Misión de la U.S.A.I.D. en el país cooperador.

agreed to furnish or finance under this Project Agreement, are, under the laws, regulations or administrative procedures of the cooperating country, liable for income and social security taxes with respect to income upon which they are obligated to pay income or social security taxes to the Government of the United States of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by such personnel in the cooperating country), the Cooperating Agency will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. Any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with or individuals under contract with U.S.A.I.D., the Cooperating Agency or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which U.S.A.I.D. has agreed to furnish or finance under this Project Agreement shall be subject to the approval of the Cooperating Agency and U.S.A.I.D., and shall be under the general direction of the Director of the U.S.A.I.D.

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K. En caso que alguna mercadería fuera suministrada al Organismo Cooperador o a cualquier organismo público o privado autorizado por el Organismo Cooperador, sobre la base de una concesion mediante fondos de la U.S.A.I.D. conforme a este Convenio sobre Proyecto y en virtud de arreglos que produjeren la acumulacion de utilidades al Organismo Cooperador, o a cualquier organismo autorizado, y si el convenio aplicable entre los dos gobiernos mencionados en la primera página de este convenio de proyecto, no estableciera una Cuenta Especial y el depósito en la misma de fondos en la moneda del país, el Organismo Cooperador hará los arreglos necesarios para establecer una Cuenta Especial y depositará en la misma fondos en la moneda del país cooperador en sumas iguales a dichas utilidades, de acuerdo con aquellos términos y condiciones que se acordaren. Los fondos depositados en la Cuenta Especial pueden ser usados únicamente en la forma que acordaren la U.S.A.I.D. y el Organismo Cooperador estipulandose que la parte de los fondos depositados en la Cuenta Especial señalada por la U.S.A.I.D., serán puestos a disposición de U.S.A.I.D. para atender a los requerimientos de los Estados Unidos.

L. El Organismo Cooperador tomará las providencias necesarias a fin de que los fondos que la U.S.A.I.D. o cualquier organismo público o privado introdujere al país cooperador con el objeto de cumplir las obligaciones de la U.S.A.I.D en virtud del presente, serán convertibles a la moneda del país

Mission to the Cooperating Country.

K. If any commodity is furnished to the Cooperating Agency, or any public or private agency authorized by the Cooperating Agency, on a grant basis through financing by U.S.A.I.D. pursuant to this Project Agreement under arrangements which will result in the accrual of proceeds to the Cooperating Agency or any authorized agency and if the applicable agreement between the two governments referred to on the first page of this project agreement does not provide for the establishment of a Special Account and the deposit therein of currency of the cooperating Agency will make such arrangements as may be necessary to establish a Special Account and to deposit therein currency of the cooperating country in amounts equal to such proceeds in accordance with such terms and conditions as may be agreed upon. Funds in the Special Account may be used only as agreed upon by U.S.A.I.D. and the Cooperating Agency, provided, that such portion of the funds in the Special Account as may be designated by U.S.A.I.D. shall be made available to U.S.A.I.D. to meet the requirements of the United States.

L. The Cooperating Agency will make such arrangements as may be necessary so that funds introduced into the cooperating country by U.S.A.I.D. or any public or private agency for purposes of carrying out obligations of U.S.A.I.D. here under shall be convertible into cur-

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cooperador al tipo de cambio más alto, legalmente permitido en el momento de realizarse la conversión.

N. U.S.A.I.D. gastará fondos y realizará operaciones en cumplimiento de este Convenio de Proyecto exclusivamente de acuerdo con las leyes y reglamentos pertinentes del Gobierno de los Estados Unidos.

N. Ambas partes tendrán derecho en todo momento de observar las operaciones que se realicen en virtud de este Convenio de Proyecto. Cada parte tendrá, además, durante el término que dure el proyecto, y tres años después de haberse terminado, el derecho de (1) examinar cualquiera de los bienes adquiridos con recursos financieros de esa parte en virtud de este Convenio de Proyecto, dondequiera que estuvieren ubicados o (2) inspeccionar y controlar cualesquiera documentos y cuentas relativos a los fondos suministrados por ese gobierno o toda propiedad y servicios contractuales costeados con sus fondos conforme a este Convenio de Proyecto, dondequiera se hallen y mantengan tales documentos. Cada parte, al hacer arreglos para disponer de cualquier propiedad adquirida con recursos de la otra parte, conforme a este Convenio de Proyecto, garantizará que los derechos de examen, inspección y control descritos en la cláusula precedente, quedarán reservados al gobierno que haya suministrado los recursos financieros.

O. Al terminarse el proyecto, se preparará un Informe de Terminación, que será firmado por los representantes apropiados de la U.S.A.I.D. y del Organismo Cooperador, y se presentará a la U.S.

rency of the cooperating country at the highest rate which at the time the conversion is made, is not unlawful in the cooperating country.

M. U.S.A.I.D. shall expend funds and carry on operations pursuant to this Project Agreement only in accordance with the applicable laws and regulations of the United States Government.

N. The two parties shall have the right at any time to observe operations carried out under this Project Agreement. Either party during the term of the Project and three years after the completion of the project, shall further have the right (1) to examine any property procured through financing by that party under this Project Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by that party under this Project Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Project Agreement shall assume that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

O. Upon completion of the project, a Completion Report shall be drawn up, signed by appropriate representatives of U.S.A.I.D. and the cooperating agency, and submitted to

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A.I.D. y el Organismo Cooperador. El Informe de Terminación incluirá un resumen de las contribuciones efectivamente hechas por la U.S.A.I.D. y por el Organismo Cooperador para el proyecto, y proporcionará datos sobre las actividades realizadas, los objetivos alcanzados y otros datos básicos pertinentes. La U.S.A.I.D. y el Organismo Cooperador canjearán otros datos que necesitarán con el objeto de determinar la naturaleza y alcance de las operaciones realizadas en virtud de este Convenio y para evaluar la eficacia de las mismas.

U.S.A.I.D. and the Cooperating agency. The Completion Report shall include a summary of the actual contributions by both U.S.A.I.D. and the Cooperating Agency to the project, and shall provide a record of the activities carried out, the objectives achieved, and related basic data. U.S.A.I.D. and the Cooperating Agency shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

P. El presente Convenio de Proyecto entrará en vigor en la fecha de su firma. Cualquiera de las partes podrá dar por terminado este Convenio de Proyecto notificando por escrito a la otra parte, con 30 días de anticipación, su propósito de terminarlo. La terminación de este Convenio de Proyecto pondrá fin a cualquier obligación de las dos partes de efectuar contribuciones de conformidad con las Secciones 8 y 9 de este Convenio de Proyecto, excepto por pagos comprometidos para atender obligaciones no cancelables contraídas con terceros antes de la terminación del Convenio de Proyecto. Queda expresamente entendido que las obligaciones estipuladas en el párrafo H referente al uso de los bienes seguirán en vigor después de dicha terminación.

P. The present Agreement shall enter into force when signed. Either party may terminate this Project Agreement by giving the other party 30 days written notice of intention to terminate it. Termination of this Project Agreement shall terminate any obligations of the two parties to make contributions pursuant to Blocks 8 and 9 of this Project Agreement, except for payments which they are committed to make pursuant to non-cancellable commitments entered into with third parties prior to the termination of the Project Agreement. It is expressly understood that the obligations under Paragraph H relating to the use of property shall remain in force after such termination.

McGREGOR & WERNER, INC., WASHINGTON 12, D.C.

PD-AAB-027 - EI

5220039-35

AID 1330-1 (6-64)

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PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND

AN AGENCY OF THE GOVERNMENT OF _____

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- [ ] PROJECT DESCRIPTION ANNEX A
- [ ] FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
- [X] STANDARD PROVISIONS ANNEX
- [ ] SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

	DATE
[X] GENERAL AGREEMENT FOR TECHNICAL COOPERATION	4/12/61
[ ] ECONOMIC COOPERATION AGREEMENT	
[ ] (other)	

1. PROJECT/ACTIVITY NO. 522-11-790-039.2

PAGE 1 OF 8 PAGES

2. AGREEMENT NO. 522-6-72

3. [XX] ORIGINAL OR REVISION NO. _____

4. PROJECT/ACTIVITY TITLE

PUBLIC ADMINISTRATION (TAX)

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. AID APPROPRIATION SYMBOL 72-1121010

7. AID ALLOTMENT SYMBOL 295-50-522-00-69-21

8. AID FINANCING [XX] DOLLARS [ ] LOCAL CURRENCY	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total		106,100		106,100
(b) Contract Services PASA		55,000		55,000
OTHER		10,000		10,000
(c) Commodities				
(d) Other Costs PASA/PERSONNEL		14,000		14,000
OTHER		27,100		27,100
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT $1.00=				
(a) Total				
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

10. SPECIAL PROVISIONS *(Use Additional Continuation Sheets, if Necessary)*

11. DATE OF ORIGINAL AGREEMENT November 15, 1971

12. DATE OF THIS REVISION

13. ESTIMATED FINAL CONTRIBUTION DATE December 31, 1973

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

SIGNATURE: Elio Ynestroza M.

TITLE: Minister of Finance

DATE: _____

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: Edward Marasciulo

TITLE: USAID, Director

DATE: _____

I. Introduction

A. One of the basic goals of the Alliance for Progress, as proclaimed in the Charter of Punta del Este, is the reform of Tax Laws and the development of sound tax administration. Effective tax administration contributes to economic and social development through rational and equitable mobilization of financial resources.

II. Objective

The Government of Honduras and the United States Government, through the Agency for International Development (AID) enter into this Agreement for the purpose of improving tax administration to obtain increased tax revenues. The U.S. Government and the Government of Honduras agree to cooperate in carrying out this project by continuation of technical assistance by US and other advisors suitable to the project. The activities contemplated in this Project Agreement comprise an intensive program of tax administration improvements and personnel training. The results expected are increased revenues, more uniform applications of the tax laws, and more effective use of funds budgeted for tax administration.

III. Plan of Action

A. The USAID Tax Advisors (to be provided as indicated in Section IV following) will assist the

I. Introducción

A. Una de las metas básicas de la Alianza para el Progreso, proclamada en la Carta de Punta del Este, es la reforma de las leyes tributarias y el desarrollo de una buena administración tributaria. Una administración tributaria efectiva contribuye al desarrollo económico-social a través de una movilización racional y equitativa de los recursos financieros.

II. Objetivo

El Gobierno de Honduras y el Gobierno de los Estados Unidos de América a través de la Agencia para el Desarrollo Internacional (AID) celebran este Convenio con el propósito de mejorar la administración tributaria a fin de obtener incrementos en la recaudación de impuestos. El Gobierno de los Estados Unidos de América y el Gobierno de Honduras convienen en cooperar para llevar a cabo este proyecto mediante la continuación de la asistencia técnica de los Estados Unidos y otros asesores convenientes al proyecto. Las actividades contempladas en este Convenio de Proyecto, comprenden un programa intensivo para mejorar la administración tributaria y adiestramiento de personal. Los resultados esperados son: aumento de ingresos, una aplicación más uniforme de las leyes tributarias y el uso más efectivo de los fondos presupuestados para la Administración Tributaria.

III. Plan de Acción

A. Los asesores en tributación de la Agencia para el Desarrollo Internacional (que serán provistos como se indica en la Sección IV) asesorarán al

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Director General and his staff in a series of specific projects. These will be detailed in a Joint Project Implementation Plan which shall be completed by January 31, 1972 and will be incorporated into this Agreement as an annex thereto. This plan will cover:

1. Areas in which other donor (OAS and UN) tax advisors will coordinate their work programs with that of the USAID advisors, under the general guidance of the Director General of Taxation.

2. Details of advisor inputs to the in-country training of technical, professional and administrative personnel in the General Directorate of Taxation.

3. Training plan itself showing kinds of training to be completed, calendar of courses, and output targets. This plan will cover both in-country and out-of-country training for the calendar year 1972.

4. Design of a management information system to help the Director establish units of performance for his organization and to know how the organization is performing against these standards.

5. Specific improvements in the ADP operations which should result from the resident advisor's training and guidance such as an expanded master file, improved quality and timeliness of routine processing, statistical by-products, etc.

Director General y a su personal en una serie de proyectos específicos. Estos serán detallados en un Plan Conjunto de la Implementación del Proyecto, el cual estará terminado el 31 de Enero de 1972 y será incorporado a este Convenio como un anexo. Este plan cubrirá lo siguiente:

1. Areas en las cuales otros asesores de otros organismos (OEA y ONU) coordinarán sus programas de trabajo con los asesores de la AID, de acuerdo a los lineamientos generales del Director General de Tributación.

2. Detalles de la contribución del asesor en el adiestramiento en el país de personal técnico, profesional y administrativo en la Dirección General de Tributación.

3. Plan de adiestramiento exponiendo las clases de adiestramiento a realizarse, calendario de cursos y objetivos esperados. Este plan cubrirá adiestramiento dentro y fuera del país para el año 1972.

4. Diseño de un sistema de información administrativa para ayudar al Director a establecer unidades de funcionamiento para su organización y saber como la organización está desenvolviendose con esas normas.

5. Adelantos específicos en las operaciones de ADP que deberán resultar del adiestramiento y guía del asesor tales como el desarrollo del archivo maestro, mejoras en la calidad y tiempo requerido en procedimientos rutinarios, derivados estadísticos, etc.

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6. Expected results from specialized assistance to be programmed in the preparation of this Plan.

6. Resultados que se esperan de la asistencia especializada que será programada en la elaboración de este Plan.

B. The Ministry of Finance and Public Credit through the Director General of Taxation in general agree to make full utilization of all assistance herein authorized and to undertake specifically to accomplish the following:

B. El Ministerio de Hacienda y Crédito Público por medio del Director General de Tributación acuerdan hacer uso total de la asistencia aquí autorizada y a encargarse de llevar a cabo específicamente lo siguiente:

1. Develop a medium range (5 year) training plan for all employees.

1. Desarrollar un plan de adiestramiento de mediano plazo (5 años) para todos los empleados.

2. Make available counterpart personnel who will be responsible for maximizing the effectiveness of each advisor's term of service and implementing the jointly agreed upon improvements to be undertaken.

2. Poner a la disposición personal contraparte el cual será responsable de maximizar la efectividad del servicio de cada asesor y de llevar a cabo acuerdos conjuntos sobre mejoras que deberán emprenderse.

3. Within budgetary limits, increase the staff of programmers and systems analysis to at least 7 permanent or contract positions by the close of CY72.

3. Dentro de los límites presupuestarios, aumentar el personal de programadores y analistas de sistemas a por lo menos a 7 permanentes o por contrato para fines del año 1972.

4. Utilize the Ministry's O and M staff to assist in identifying problems and complexities in procedures and simplifying them.

4. Utilizar el personal de Organización y Métodos del Ministerio en la identificación de problemas y procedimientos complicados y en la simplificación de los mismos.

5. Be responsible for coordinating the advisors provided by all donors into a group work-team in which advisors resources are maximized to improve the Directorate's operations.

5. Ser responsable por la coordinación de los asesores de todas las instituciones, en un equipo de trabajo en el cual los recursos de asesoría sean maximizados para mejorar las operaciones de la Dirección.

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6. Participate substantially and approve as his own plan of action the Joint Project Implementation Plan to be developed as part of this Agreement by January 31, 1972.

IV. Responsibilities of the Agency for International Development and the Government of Honduras.

A. The Agency for International Development hereby agrees to provide:

1. Direct Hire

a. The services of a Senior Officer for liaison with respect to administration and coordination of this project agreement.

2. PASA ($55,000)

a. One US Internal Revenue Service technician, on a long-term assignment, to provide priority technical assistance in ADP with secondary assistance in tax audit and general administration.

b. Short-term assistance (up to 6 man-months) in:
--Integrated Management Systems in Tax Administration.
--General Tax Administration including collections, audit and training.

3. PASA or Individual Contracts ($10,000)

a. Short-term assistance in property tax systems.

6. Participar substancialmente y aprobar, como su propio plan de acción, el Plan Conjunto de la Implementación del Proyecto que será desarrollado como parte de este Convenio el 31 de Enero de 1972.

IV. Responsabilidades de la Agencia para el Desarrollo Internacional y el Gobierno de Honduras.

A. La Agencia para el Desarrollo Internacional conviene en proporcionar:

1. Personal Permanente

a. Los servicios de un Oficial como enlace con relación a la administración y coordinación de este Acuerdo de Proyecto.

2. PASA ($55,000)

a. Un técnico del Servicio de Rentas Internas de los Estados Unidos con asignación a largo plazo para suministrar principalmente asistencia técnica en ADP y en segundo lugar asistencia en auditoría tributaria y administración general.

b. Asistencia a corto plazo (hasta 6 hombres/meses) en:
--Manejo de Sistemas Integrados en Administración Tributaria.
--Administración general de impuestos incluyendo recaudación, auditoría y adiestramiento.

3. PASA o Contratos Individuales ($10,000)

a. Asistencia a corto plazo en sistemas de impuestos sobre la propiedad.

b. Short-term assistance in computer center operations (scheduling, control, work flow, etc.)

c. Short-term assistance in specialized areas to be developed in the Joint Project Implementation Plan.

4. Other Costs - $41,100

a. Allowances and Per Diems for advisors $14,000.

b. Printing costs for tax calendar $2,100.

c. In-country training program, including local procurement of student supplies and audio visual equipment $20,000.

d. Participant training for two staff technicians/administrators in FTAS/IN-TAX seminars $5,000.

B. The Government of Honduras hereby agrees to provide:

1. Office space; furnishings equipment, secretarial services, typing, clerical and translating services, supplies, reproduction and printing services, local transportation or domestic air travel for all advisors and employees of the Government of Honduras engaged in activities under this PROAG.

b. Asistencia a corto plazo en centro operaciones de computadoras (programación, control, flujos de trabajo, etc.)

c. Asistencia a corto plazo en areas especializadas a desarrollarse en el Plan Conjunto de la Implementación del Proyecto.

4. Otros Costos - $41,100

a. Concesiones y viáticos para asesores $14,000.

b. Gastos de imprenta para el calendario de impuestos $2,100.

c. Programa de adiestramiento dentro del país, incluyendo obtención de materiales para los estudiantes y equipo audiovisual $20,000.

d. Adiestramiento para dos técnicos/administradores en seminarios de FTAS/EN TRIBUTACION $5,000.

B. El Gobierno de Honduras por este medio conviene en proporcionar lo siguiente:

1. Local para oficina, mobiliario y equipo, servicios secretariales y de mecanografía, servicios de traducción, suministros, servicios de impresión y reproducción, transporte local o aéreo interno para los asesores y los empleados del Gobierno de Honduras que prestan sus servicios bajo este Convenio de Proyecto.

2. Necessary administrative and technical personnel to collaborate in carrying out activities described herein and to participate in special courses and on-the-job training activities conducted locally by the advisors.

2. El personal administrativo y técnico y necesario para colaborar en el desarrollo de las actividades aquí descritas y para participar en los cursos especiales y otras actividades de adiestramiento llevadas a cabo localmente por los asesores.

3. Payment of pre-departure and international travel costs of personnel to be trained in the U.S. or third countries; guaranties that all such personnel are retained in their positions or similar ones for a minimum of one year following their return and consultation with the USAID in any case which appears to merit an exception to this policy.

3. Pago de los gastos de viaje y transporte internacional de personal a ser entrenado en Estados Unidos o en un tercer país; garantizar que todo este personal conservará su empleo o uno similar por el mínimo de un año después de su regreso; consultar con USAID cualquier caso que amerite una excepción a esta regla.

4. Free access of the advisors to offices, personnel records, reports, and related materials of the Government of Honduras for necessary background and current information and data related to and essential to fulfillment of services by the advisors.

4. Libre acceso de los asesores a las oficinas, registros personales, reportes y otros materiales relacionados de el Gobierno de Honduras para obtener los antecedentes necesarios, la información actual y la información relacionada con la realización de los servicios del asesor.

5. The Government of Honduras will designate an official to serve as GOH/USAID liaison for administration and coordination of this project agreement.

5. El Gobierno de Honduras designará ún funcionario que servirá de enlace entre el Gobierno de Honduras y la Agencia para el Desarrollo Internacional (AID) en lo que respecta a la administración y coordinación de este Convenio de Proyecto.

V. General Provisions

A. The Ministry of Finance of the Government of Honduras agrees to give full publicity to this cooperative project through the media of the press, radio, TV or other publicity source deemed advisable;

V. Disposiciones Generales

A. El Ministerio de Hacienda de el Gobierno de Honduras conviene en dar completa publicidad a este proyecto cooperativo a través de la prensa, radio, televisión y cualesquiera otros medios que estime conveniente. Tal publicidad

such publicity will identify the project with the Alliance for Progress.

identificará el Proyecto con la Alianza para el Progreso.

For the Cooperating Government or Agency

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For the Agency for International Development

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B

DISPOSICIONES GENERALES

A. Tal como se usa en este Convenio el término "U.S.A.I.D." se refiere a la Agencia para el Desarrollo Internacional (Agency for International Development) cualquiera de sus dependencias o el organismo que la sucediere. Cuando se haga referencia a "este Convenio de Proyecto", se entenderá el Convenio de Proyecto original, según haya sido modificado por cualesquiera revisiones que hayan entrado en vigor.

B. 1. La U.S.A.I.D. facilitará las cantidades especificadas en la Sección 8 de este Convenio de Proyecto, según se necesitaren para el Proyecto, con el objeto de que se empleen para los fines predeterminados, y en la forma que podrá explicarse, con más detalles en la Sección 5. Además, según podrá especificarse también en la Sección 5, U.S.A.I.D. facilitará, a condición de que haya fondos disponibles y (cuando los procedimientos de la U.S.A.I.D. lo requieren) según se disponga en las Ordenes de Ejecución de Proyectos (PIOs), que la U.S.A.I.D. expediere conforme a sus procedimientos, fondos para (a) sufragar los gastos de proveer servicios técnicos que prestarán los empleados del Gobierno de los Estados Unidos en relación con el proyecto, (b) sufragar parte de los gastos que ocasione, fuera del país cooperador, la especialización, en relación con el proyecto, de personas capacitadas de dicho país y (c) sufragar los gastos adicionales que se especificaran.

STANDARD PROVISIONS

A. As used herein, the term U.S.A.I.D. shall refer to the Agency for International Development, any component agency, and any successor agency. References to "this Project Agreement" shall mean the original Project Agreement as modified by any revisions which have entered into effect.

B. 1. U.S.A.I.D. will make available the amounts specified in Block 8 of this Project Agreement as necessary for the project for use for the designated purposes and as may be further described in Block 5 hereof. In addition, as may be further specified in Block 5 hereof U.S.A.I.D., will, subject to the availability of funds and (where required by U.S.A.I.D. procedures) as provided for in Project Implementation Orders (PIOs) issued by U.S.A.I.D. in accordance with its procedures, make available funds (a) to pay costs of furnishing technical services to be performed by United States Government employees in connection with the project (b) to pay a share of the costs of providing training outside the cooperating country in connection with the project for qualified persons from the cooperating country, and (c) to pay such additional costs as may be specified.

For the Cooperating Government or Agency	For the Agency for International Development
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TITLE:	TITLE:

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2. El Organismo cooperador facilitará las cantidades especificadas en la Sección 9 de este Convenio de Proyecto, según se necesitaren para el proyecto, con el objeto de que se empleen para los fines predeterminados, y en la forma que podría explicarse, con más detalles, en la Sección 5. El Organismo Cooperador facilitará asimismo, o dispondrá que se faciliten, otras aportaciones de bienes, servicios, instalaciones y fondos que se requieren para llevar a cabo el proyecto, según se podrá especificar en la Sección 5, o según convinieren subsiguientemente ambas partes.

C. La U.S.A.I.D. y el Organismo Cooperador podrán conseguir la ayuda de otros organismos públicos y privados para llevar a cabo sus obligaciones respectivas conforme a este Convenio de Proyecto. Ambas partes podrán acordar la aceptación de aportaciones de bienes, servicios, instalaciones y fondos para los fines de este Convenio de Proyecto de otros organismos públicos y privados y podrán acordar que una tercera parte participe en llevar a cabo actividades pertinentes a este Convenio de Proyecto.

D. Todas las contribuciones de la U.S.A.I.D. sujetas a este Convenio de Proyecto se harán en o antes de la fecha de la Contribución Final aquí especificada. Asimismo, todas las contribuciones del Organismo Cooperador sujetas a este convenio de proyecto se harán en o antes de esa misma fecha, salvo en lo que aquí se especificare en contrario, o que las dos partes acordaran subsiguientemente. Se considerará haberse hecho

2. The Cooperating Agency will make available the amounts specified in Block 9 of this Project Agreement, as necessary for the project, for use for the designated purposes and as may further be described in Block 5 hereof. The Cooperating Agency will also make or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the project as may be specified in Block 5 hereof or as may subsequently be agreed upon by the two parties.

C. U.S.A.I.D. and the Cooperating Agency may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Project Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Project Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Project Agreement.

D. All contributions of U.S.A.I.D. pursuant to this Project Agreement shall be made on or before the final contribution date specified herein. Except as otherwise specified herein or subsequently agreed by the two parties, all contributions of the Cooperating Agency pursuant to this Project Agreement shall be made on or before that same date. A contribution of goods or services shall

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una contribución de mercaderías o servicios cuando la parte contribuyente que los ha de proveer o costear haya entregado las mercaderías o hecho rendir los servicios de acuerdo con la práctica comercial.

E. La adquisición de mercadería y la contratación de servicios, que la U.S.A.I.D. ha de costear, total o parcialmente, podrán llevarse a cabo (cuando así lo requieran los procedimientos de la U.S.A.I.D.) sólo de conformidad con PIOs que la U.S.A.I.D. expida conforme a sus procedimientos.

F. A menos que se especificare otra cosa en el PIO aplicable, la adquisición de mercaderías y contratación de servicios, con fondos de la contribución de la U.S.A.I.D. mencionada en la Sección 8 de este Convenio de Proyecto, estarán sujetas a las disposiciones del Reglamento 1 de la U.S.A.I.D.

G. A menos que se especificare otra cosa en el PIO aplicable, el título de todos los bienes que se adquieran con fondos de la U.S.A.I.D., conforme a la Sección 8 (c) de este Convenio de Proyecto corresponderá al Organismo Cooperador o al organismo público o privado que fuere autorizado por el mismo. Esta disposición no es aplicable a los bienes que pudieran usarse en relación con el proyecto, pero no se adquieran con fondos sujetos a dicha Sección 8 (c).

H. Todos los bienes que se suministraren a cualquiera de las partes con fondos de la otra parte, conforme a este Convenio de Proyecto se dedicarán, a menos que la parte que haya aporta-

be considered to have been made when the goods or services, provided or financed by the contributing party, are delivered in accordance with commercial practice.

E. The procurement of commodities and contract services to be financed in whole or in part by U.S. A.I.D. may (where so required by U.S.A.I.D. procedures) be undertaken only pursuant to PIOs issued by U.S.A.I.D. in accordance with its procedures.

F. Unless otherwise specified in the applicable PIO, the procurement of commodities and contract services financed with the U.S. A.I.D. contribution referred to in Block 8 of this Project Agreement shall be subject to the provisions of U.S.A.I.D. Regulation 1.

G. Unless otherwise specified in the applicable PIO, title to all property procured through financing by U.S.A.I.D. pursuant to Block 8 (c) of this Project Agreement shall be in the Cooperating Agency, or such public or private agency as it may authorize. This Provision is inapplicable to any property which may be used in connection with the project but is not financed pursuant to said Block 8(c)

H. Any property furnished to either party through financing by the other party pursuant to this Project Agreement, shall unless otherwise agreed by the party

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do los fondos para la adquisición acordare otra cosa, el proyecto hasta su terminación y después de terminado se usarán para promover los objetivos que se persiguían al llevar a cabo el proyecto. Cada gobierno ofrecerá devolver al otro, o reembolsarlo por los bienes que obtuviere con fondos del otro gobierno conforme a este Convenio de Proyecto, y que no se usaren de conformidad con la cláusula precedente.

which financed the procurement, be devoted to the project until completion of the project, and thereafter shall be used so as to further the objectives sought in carrying out the project. Either party shall offer to return to the other or to reimburse the other for any property which it obtains through financing by the other party pursuant to this Project Agreement which is not used in accordance with the preceding sentence.

I. 1. Si la U.S.A.I.D., y cualquier organización pública o privada que suministre mercaderías, mediante fondos de la U.S.A.I.D. en el país cooperador para sus operaciones conforme a este Convenio sobre Proyecto, está sujeto a leyes, reglamentos o procedimientos administrativos del país cooperador, pasible de derechos de aduana e impuestos de importación sobre mercaderías introducidas en el país cooperador para llevar a cabo este Convenio sobre Proyecto, el Organismo Cooperador pagará dichos derechos e impuestos a menos que un tratado internacional en vigor aplicable, disponga una exención.

I. 1. If U.S.A.I.D. and any public or private organization furnishing commodities through U.S. A.I.D. financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for custom duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Project Agreement, the Cooperating Agency will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

2. En caso que cualquier personal (que no sean ciudadanos y residentes del país cooperador), ya sean empleados del Gobierno de los Estados Unidos o empleados de organizaciones públicas o privadas, o individuos bajo contrato con U.S.A.I.D., el Organismo Cooperador, o cualquier agencia autorizada por el Organismo Cooperador, que se hallen presentes en el país cooperador para prestar servicios que la U.S.A.I.D. haya conve-

2. If any personnel (other than citizens and residents of the cooperating country) whether United States Government employees or employees of public or private organizations under contract with, or individuals under contract with U.S.A.I.D., the cooperative Agency, or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which U.S.A.I.D. has

nido en proporcionar o costear conforme a este Convenio sobre Proyecto, estén sujetos, de conformidad a las leyes, reglamentaciones o procedimientos administrativos del país cooperador, a impuestos a la renta, seguro social con respecto a la renta en virtud de la cual están obligados a pagar impuestos a la renta y seguro social al Gobierno de los Estados Unidos; a impuestos sobre la propiedad cuando se trata de bienes muebles que se tienen para uso propio; y al pago de gravámenes o derechos sobre efectos personales o enseres domésticos importados al país cooperador para uso propio del personal y miembros de su familia (sin incluir aquellos efectos personales o domésticos que pudieran ser vendidos por dicho personal en el país cooperador), el Organismo Cooperador pagará dichos derechos, gravámenes o impuestos a no se que un tratado internacional en vigor aplicable, disponga una exención.

agreed to furnish or finance under this Project Agreement, are, under the laws, regulations or administrative procedures of the cooperating country, liable for income and social security taxes with respect to income upon which they are obligated to pay income or social security taxes to the Government of the United States of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by such personnel in the cooperating country), the Cooperating Agency will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. Todo personal (que no sean ciudadanos y residentes del país cooperador), ya sean empleados del Gobierno de los Estados Unidos o empleados de organizaciones públicas o privadas, o individuos, bajo contrato con U.S.A.I.D., el Organismo Cooperador, o cualquier organismo autorizado por el Organismo Cooperador que se hallen presentes en el país cooperador para prestar servicios que la U.S.A.I.D. haya convenido en proporcionar o costear conforme a este Convenio sobre Proyecto, estará sujeto a la aprobación del Organismo Cooperador y de U.S.A.I.D. y estará bajo la dirección general del Director de la Misión de la U.S. A.I.D. en el país cooperador.

J. Any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with or individuals under contract with U.S.A.I.D., the Cooperating Agency or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which U.S.A.I.D. has agreed to furnish or finance under this Project Agreement shall be subject to the approval of the Cooperating Agency and U.S.A.I.D., and shall be under the general direction of the Director of the U.S.A.I.D.

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K. En caso que alguna mercadería fuera suministrada al Organismo Cooperador o a cualquier organismo público o privado autorizado por el Organismo Cooperador, sobre la base de una concesión mediante fondos de la U.S.A.I.D. conforme a este Convenio sobre Proyecto y en virtud de arreglos que produjeren la acumulación de utilidades al Organismo Cooperador, o a cualquier organismo autorizado, y si el convenio aplicable entre los dos gobiernos mencionados en la primera página de este convenio de proyecto, no estableciera una Cuenta Especial y el depósito en la misma de fondos en la moneda del país, el Organismo Cooperador hará los arreglos necesarios para establecer una Cuenta Especial y depositará en la misma fondos en la moneda del país cooperador en sumas iguales a dichas utilidades, de acuerdo con aquellos términos y condiciones que se acordaren. Los fondos depositados en la Cuenta Especial pueden ser usados únicamente en la forma que acordaren la U.S.A.I.D. y el Organismo Cooperador estipulándose que la parte de los fondos depositados en la Cuenta Especial señalada por la U.S.A.I.D., serán puestos a disposición de U.S.A.I.D. para atender a los requerimientos de los Estados Unidos.

L. El Organismo Cooperador tomará las providencias necesarias a fin de que los fondos que la U.S.A.I.D. o cualquier organismo público o privado introdujere al país cooperador con el objeto de cumplir las obligaciones de la U.S.A.I.D. en virtud del presente, serán convertibles a la moneda del país

Mission to the Cooperating Country.

K. If any commodity is furnished to the Cooperating Agency, or any public or private agency authorized by the Cooperating Agency, on a grant basis through financing by U.S.A.I.D. pursuant to this Project Agreement under arrangements which will result in the accrual of proceeds to the Cooperating Agency or any authorized agency and if the applicable agreement between the two governments referred to on the first page of this project agreement does not provide for the establishment of a Special Account and the deposit therein of currency of the cooperating Agency will make such arrangements as may be necessary to establish a Special Account and to deposit therein currency of the cooperating country in amounts equal to such proceeds in accordance with such terms and conditions as may be agreed upon. Funds in the Special Account may be used only as agreed upon by U.S.A.I.D. and the Cooperating Agency, provided, that such portion of the funds in the Special Account as may be designated by U.S.A.I.D. shall be made available to U.S.A.I.D. to meet the requirements of the United States.

L. The Cooperating Agency will make such arrangements as may be necessary so that funds introduced into the cooperating country by U.S.A.I.D. or any public or private agency for purposes of carrying out obligations of U.S.A.I.D. here under shall be convertible into cur-

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cooperador al tipo de cambio más alto, legalmente permitido en el momento de realizarse la conversión.

rency of the cooperating country at the highest rate which at the time the conversion is made, is not unlawful in the cooperating country.

M. U.S.A.I.D. gastará fondos y realizará operaciones en cumplimiento de este Convenio de Proyecto exclusivamente de acuerdo con las leyes y reglamentos pertinentes del Gobierno de los Estados Unidos.

M. U.S.A.I.D. shall expend funds and carry on operations pursuant to this Project Agreement only in accordance with the applicable laws and regulations of the United States Government.

N. Ambas partes tendrán derecho en todo momento de observar las operaciones que se realicen en virtud de este Convenio de Proyecto. Cada parte tendrá, además, durante el término que dure el proyecto, y tres años después de haberse terminado, el derecho de (1) examinar cualquiera de los bienes adquiridos con recursos financieros de esa parte en virtud de este Convenio de Proyecto, dondequiera que estuvieren ubicados o (2) inspeccionar y controlar cualesquiera documentos y cuentas relativos a los fondos suministrados por ese gobierno o toda propiedad y servicios contractuales costeados con sus fondos conforme a este Convenio de Proyecto, dondequiera se hallen y mantengan tales documentos. Cada parte, al hacer arreglos para disponer de cualquier propiedad adquirida con recursos de la otra parte, conforme a este Convenio de Proyecto, garantizará que los derechos de examen, inspección y control descritos en la cláusula precedente, quedarán reservados al gobierno que haya suministrado los recursos financieros.

N. The two parties shall have the right at any time to observe operations carried out under this Project Agreement. Either party during the term of the Project and three years after the completion of the project, shall further have the right (1) to examine any property procured through financing by that party under this Project Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by that party under this Project Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Project Agreement shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

O. Al terminarse el proyecto, se preparará un Informe de Terminación, que será firmado por los representantes apropiados de la U.S.A.I.D. y del Organismo Cooperador, y se presentará a la U.S.

O. Upon completion of the project, a Completion Report shall be drawn up, signed by appropriate representatives of U.S.A.I.D. and the cooperating agency, and submitted to

PROJECT AGREEMENT BETWEEN AID AND	1. Project/Activity No.	PAGE 8 OF 8 PAGES
	2. Agreement No.	3. ☐ Original or Revision No.
AN AGENCY OF THE GOVERNMENT OF HONDURAS	3. Project/Activity Title	

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A.I.D. y al Organismo Cooperador. El Informe de Terminación incluirá un resumen de las contribuciones efectivamente hechas por la U.S.A.I.D. y por el Organismo Cooperador para el proyecto, y proporcionará datos sobre las actividades realizadas, los objetivos alcanzados y otros datos básicos pertinentes. La U.S.A.I.D. y el Organismo Cooperador conjearán otros datos que necesitaren con el objeto de determinar la naturaleza y alcance de las operaciones realizadas en virtud de este Convenio y para evaluar la eficacia de las mismas.

U.S.A.I.D. and the Cooperating agency. The Completion Report shall include a summary of the actual contributions by both U.S. A.I.D. and the Cooperating Agency to the project, and shall provide a record of the activities carried out, the objectives achieved, and related basic data. U.S.A.I.D. and the Cooperating Agency shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

P. El presente Convenio de Proyecto entrará en vigor en la fecha de su firma. Cualquiera de las partes podrá dar por terminado este Convenio de Proyecto notificando por escrito a la otra parte, con 30 días de anticipación, su propósito de terminarlo. La terminación de este Convenio de Proyecto pondrá fín a cualquier obligación de las dos partes de efectuar contribuciones de conformidad con las Secciones 8 y 9 de este Convenio de Proyecto, excepto por pagos comprometidos para atender obligaciones no cancelables contraídas con terceros antes de la terminación del Convenio de Proyecto. Queda expresamente entendido que las obligaciones estipuladas en el párrafo H referente al uso de los bienes seguirán en vigor después de dicha terminación.

P. The present Agreement shall enter into force when signed. Either party may terminate this Project Agreement by giving the other party 30 days written notice of intention to terminate it. Termination of this Project Agreement shall terminate any obligations of the two parties to make contributions pursuant to Blocks 8 and 9 of this Project Agreement, except for payments which they are committed to make pursuant to non-cancellable commitments entered into with third parties prior to the termination of the Project Agreement. It is expressly understood that the obligations under Paragraph H relating to the use of property shall remain in force after such termination.

For the Cooperating Government or Agency	For the Agency for International Development
SIGNATURE: _____ DATE: _____	SIGNATURE: _____ DATE: _____
TITLE:	TITLE:

AID 1330-1
(6-64)

PRO AG

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND

AN AGENCY OF THE GOVERNMENT OF HONDURAS

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- [ ] PROJECT DESCRIPTION ANNEX A
- [ ] FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
- [x] STANDARD PROVISIONS ANNEX
- [ ] SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

	DATE
[x] GENERAL AGREEMENT FOR TECHNICAL COOPERATION	4/12/61
[ ] ECONOMIC COOPERATION AGREEMENT	
[ ] (other)	

1. PROJECT/ACTIVITY NO. 522-11-790-039.2

PAGE 1 OF 7 PAGES

2. AGREEMENT NO. 522-6-72

3. [ ] ORIGINAL OR REVISION NO. 1

4. PROJECT/ACTIVITY TITLE

PUBLIC ADMINISTRATION (TAX)

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. AID APPROPRIATION SYMBOL 72-1121010

7. AID ALLOTMENT SYMBOL 295-50-522-00-69-21

8. AID FINANCING [ ] DOLLARS [ ] LOCAL CURRENCY	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total	106,100	58,000	58,000	106,100
(b) Contract Services PASA	55,000		30,000	25,000
(b) Contract Services OTHER	10,000	58,000		68,000
(c) Commodities				
(d) Other Costs PASA/PERSONNEL	14,000		11,900	2,100
(d) Other Costs OTHER	27,100		16,100	11,000
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT $1.00=				
(a) Total				
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

10. SPECIAL PROVISIONS *(Use Additional Continuation Sheets, if Necessary)*

See Annex A attached.

11. DATE OF ORIGINAL AGREEMENT November 15, 1971

12. DATE OF THIS REVISION March 31, 1972

13. ESTIMATED FINAL CONTRIBUTION DATE December 31, 1973

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

SIGNATURE: Elio Ynestroza M. DATE:

TITLE: Minister of Finance

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: Edward Marasciulo DATE:

TITLE: USAID/Director

I. Introduction

The purpose of this amendment is to redistribute previously obligated funds to reflect the Government of Honduras' revised request for assistance in CY 72. In line with a multi-donor Government project review, held in Tegucigalpa February 6, 7and 8, 1972, it has been agreed that US bilateral assistance will be provided in coordination with that provided by the United Nations and the OAS. The latter has agreed to provide one full time advisor in tax auditing and policy plus a series of short-term advisors in specialized areas including up to six months of assistance in import valuation procedures. The UN has agreed to maintain one full-time advisor in general tax administration. The USG has been requested to provide one full-time (12 man month) advisor in computer systems, another (12 man months) in administration of the tariff schedule, alcohol taxes and export incentive legislation (Decree 129), plus short-term assistance under an IRS/PASA to follow up previously designed systems improvements in general income tax administration, delinquent accounts controls, master files and other areas.

II. Objective

This amendment will provide for implementation of the agreements of February 6, 7, 8, 1972 as outlined in the Introduction above.

I. Introducción

El propósito de esta enmienda es el de redistribuir los fondos previamente obligados de manera que reflejen la modificada solicitud de asistencia presentada por el Gobierno de Honduras para el año calendario de 1972. De acuerdo con la revisión de proyecto realizada por donantes de varios gobiernos, en Tegucigalpa el 6, 7 y 8 de febrero de 1972, ha sido acordado que la asistencia bilateral de los Estados Unidos será proporcionada en coordinación con lo que suministra las Naciones Unidas y la OEA. Esta última conviene en proveer a tiempo completo, un asesor en auditoría tributaria y política tributaria, además de una serie de asesores a corto plazo, en ramas especializadas que incluyen hasta seis meses de asistencia en los procedimientos arancelarios de importaciones. Las Naciones Unidas han convenido en proveer, a tiempo completo, un asesor en administración general tributaria. Una solicitud ha sido presentada ante el Gobierno de los Estados Unidos a fin de que provee los servicios a tiempo completo (12 hombre/meses), de dos expertos: uno en sistemas de computación y el otro en la administración de programas de tarifas, impuestos sobre alcohol y en la legislación de incentivos para la exportación (Decreto 129), además de asistencia a corto plazo bajo un IRS/PASA, como paso de seguimiento para sistemas de mejoramientos diseñados anteriormente para la administración general de impuestos sobre la renta, controles de cuentas en mora, archivos maestros y otras.

II. Objetivo

Esta enmienda facilitará la implementaci de los acuerdos logrados el 6, 7 y 8 de febrero, según descritos en la Introducci

III. Course of Action

A. As previously agreed, a Joint Project Implementation Plan (JPIP) will be developed. It will, however, be prepared in the course of the calendar year and shall be submitted to the Minister of Finance for his approval by August 31, 1972. The JPIP will reflect the overall project objectives and the role each advisor should fill in assisting the Government of Honduras to meet these objectives.

B. To form and carry out the JPIP, the Ministry agrees to form a regularly consultative council to meet at least once per month under the chairmanship of the Minister or Sub-Secretary of Finance. This council shall include all foreign advisors working within the Ministry and their principal counterparts. Its function will be to review progress and problems related to the project, to assure cross communication among advisors and counterparts, to surface issues requiring top management's attention for policy determinations and decisions, and to avoid delays in implementation of critical reforms.

C. Part of the JPIP will be the comprehensive Ministry training plan. All advisors will be expected to assist in the preparation and execution of the training plan. As indicated in our original agreement, this plan will clearly show priorities for staff development, output targets for each field of training, and will also establish the basis for follow-up evaluations. The plan will cover at least a two year period from mid-1972 through

III. Plan de Acción

A. Según convenio anterior, se elaborará un Plan Conjunto de la Implementación del Proyecto. Este, sin embargo, será preparado en el curso del año calendario y será presentado ante el Ministro de Hacienda y Crédito Público para su aprobación el 31 de agosto de 1972. El Plan reflejará los objetivos generales del proyecto y el papel que cada asesor debe desempeñar para asistir al Gobierno de Honduras a lograr los objetivos señalados.

B. El Ministerio acuerda formar un consejo regular consultivo, el cual se reunirá por lo menos una vez por mes, presidido por el Ministro o el Sub-Secretario de Hacienda. El consejo incluirá a todos los asesores extranjeros que laboran dentro del Ministerio y asimismo sus principales contrapartes. Su función será la de revisar el progreso logrado y los problemas relacionados con el proyecto para asegurar una estrecha comunicación entre los asesores y sus contrapartes, enfocar la atención de los administradores de alto nivel hacia los puntos en disputa que requieren determinaciones sobre la política a seguir y para evitar demoras en la implementación de las reformas críticas.

C. Parte del Plan será el amplio proyecto de adiestramiento del Ministerio. Se espera que todos los asesores brindarán su ayuda en la elaboración y ejecución del mismo. Según se indica en nuestro convenio original, este plan mostrará con toda claridad, las prioridades para el desarrollo del personal, las metas para cada campo del adiestramiento y también sentará las bases para las evaluaciones de seguimiento.

mid-1974.

IV. Responsibilities of the Agency for International Development and the Government of Honduras

A. The Agency for International Development hereby agrees to provide:

1. Direct Hire - Up to 25% of the services of AID Direct Hire advisory time for project liaison.

2. IRS/PASA - $25,000 to finance advisor costs through December 1971, plus up to one month follow-up TDY assistance before June 30, 1972.

3. Contract Advisors - $68,000 to finance two twelve-month advisor contracts.

a. One man year of advisory assistance in computer systems, and

b. One man year for advisory assistance in general customs administration, alcohol taxation, and implementation of export incentives legislation (Decree 129).

4. Other Costs - $13,100

a. Allowances and per diems for advisors:$2,100.

b. In-country training program including local procurement of student supplies and audio visual equipment:$11,100.

B. The Government of Honduras hereby agrees to provide:

El Plan cubrirá un período de por lo menos dos años, a partir de mediados de 1972 hasta mediados de 1974.

IV. Responsabilidades de la Agencia para el Desarrollo Internacional y el Gobierno de Honduras

A. La Agencia para el Desarrollo Internacional, por la presente, conviene en proporcionar lo siguiente:

1. Personal Permanente - Hasta el 25% de los servicios de los asesores permanentes de la A.I.D. destinados a lograr el enlace necesario del proyecto.

2. IRS/PASA - $25,000 para financiar los costos de asesoría hasta fines de diciembre de 1971, además de hasta un mes de TDY (asistencia a corto plazo) antes del 30 de junio de 1972.

3. Asesores por Contrato - $68,000 para financiar dos contratos de doce meses de asesoría.

a. Un hombre/año de asesoría en sistemas de computación y

b. Un hombre/año de asesoría en administración general de aduanas, impuestos sobre alcohol, y la implementación de la legislación de incentivos de exportación, (Decreto 129).

4. Otros Costos - $13,100

a. Concesiones y viáticos para asesores: $2,100.

b. Programa de adiestramiento dentro del país, incluyendo la obtención de materiales para los estudiantes y equipo audiovisual: $11,100.

B. El Gobierno de Honduras,por este medi conviene en proporcionar lo siguiente:

1. Office space; training facilities, furnishings, equipment, secretarial services, typing, clerical and translating services, supplies, reproduction and printing services, local transportation or domestic air travel for all advisors and employees of the Government of Honduras engaged in activities under this project agreement.

2. Necessary administrative and technical personnel including a training coordinator to collaborate in carrying out activities described herein and to participate in special courses and on-the-job training activities conducted locally by the advisors.

3. Payment of any pre-departure and international travel costs of personnel to be trained in the U.S. or third countries; guaranties that all such personnel are retained in their positions or similar ones for a minimum of one year following their return and consultation with the USAID in any case which appears to merit an exception to this policy.

4. Permission through the Chiefs of the respective offices or their designees, orally or in writing, for access to reports, personnel records and other materials of the Government of Honduras related to this Agreement which are essential to the fulfillment of services by the advisors.

5. Management support through the Directors of Tributación and Aduanas as the coordinating committee chaired by the Minister or Sub-Secretary.

1. Local para oficina, facilidades de adiestramiento, mobiliario, equipo, servicios secretariales y de mecanografía, servicios de traducción, suministros, servicios de impresión y reproducción, transporte local o aéreo interno para todos los asesores y los empleados del Gobierno de Honduras que prestan sus servicios bajo este Convenio de Proyecto.

2. El personal administrativo y técnico necesario, incluyendo un coordinador de adiestramiento para colaborar en la realización de las actividades aquí descritas y para participar en los cursos especiales y otras actividades de adiestramiento en el puesto, llevados a cabo localmente por los asesores.

3. Pago de los gastos de viaje y transporte internacional de personal a ser adiestrado en los Estados Unidos o en un tercer país; garantizar que todo este personal conservará su empleo o uno similar por el mínimo de un año después de su regreso; consultar con la USAID cualquier caso que amerite una excepción a esta regla.

4. Permiso verbalmente o por escrito, a través de los Jefes o Encargados de las oficinas respectivas, para el acceso a los informes, registros personales y otros materiales del Gobierno de Hondura relacionados con este Convenio y que se esenciales para el cumplimiento de sus cometidos.

5. Apoyo administrativo por medio de lo Directores de Tributación y Aduanas, en calidad de consejo de coordinación, presidido por el Ministro o el Sub-Secreta

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V. Work Plan

It is agreed that tentatively the JPIP (Section III) will be based on the following general framework of inputs:

AID

1. Direct Hire - project liaison and policy direction c' IRS/PASA and contract advisors.

2. IRS/PASA - assistance in tax audit plus follow-up in general tax administration.

3. Contractor in data processing to assist in: optimizing use of current data processing equipment; improving priorities applications on equipment for revenue production of national data systems; developing training programs for data processing personnel; providing pre-service and on-job training of personnel; preparation of draft decrees, regulations, and resolutions necessary for implementation of these activities.

4. Contractor in customs to advise on: creation of a Department of Valuation; creation of a Customs School to train in-service personnel; adoption of measures to enforce liquor controls; formation of a corps of investigators; enforcement of payments of debts under a revised Entry Procedure; initiation of a plan for establishing Export Incentives; exploration of the possibility of liberating national liquor and cigarettes for export; feasibility for the use of Bonded Warehouses and Duty Free Shops; preparation of draft decrees

V. Plan de Trabajo

Queda convenido que, tentativamente, el Plan Conjunto de la Implementación del Proyecto (Sección III) se basará en el concepto general de la siguiente colaboración:

AID

1. Personal Permanente - los servicios de enlace y de dirección para asesores del IRS/PASA y los asesores bajo contrato.

2. IRS/PASA - asistencia en auditoría tributaria y en administración general.

3. Un contratista en el campo de procesamiento de datos para asesorar en: el uso óptimo del actual equipo de procesamiento de datos; mejorar la aplicación de las prioridades para equipos procesando programas productores de recaudaciones; planea la introducción de sistemas nacionales de datos; proporcionar adiestramiento de personal previo al servicio y en el puesto; la preparación de los borradores de los decretos, reglamentos y resoluciones necesarios para implementar estas actividades.

4. Un contratista en el campo de aduanas para asesorar en: la creación de un Departamento de Valoración; la creación de una Escuela de Aduanas a fin de capacitar al personal en el puesto; la adopción de medidas para exigir el cumplimiento de los controles sobre el liquor; la formación de un cuerpo de investigadores; la imposición de medidas que exijen el pago de deudas bajo un Procedimiento de Entrada revisado; la iniciación de un plan para establecer los Incentivos para la Exportación; la investigación de la posibilidad de exonerar de impuestos al licor y a los cigarillos nacionales destinados a la exportación; la factibilidad de usar Bodegas Fiscales y Tiendas Libres; la preparación de los borradores

or resolutions necessary for implementation of these activities.

UN

Full time advisor in general tax administration.

OAS

1. Full time advisor in tax auditing and tax reform.

2. As needed advisors in ad-valorem taxation and tax policy.

3. Part time advisor in customs valuation procedures.

4. As needed training in above areas through in-country seminars and foreign scholarships.

GOH (See Section IV B)

1. Office space, training facilities, and logistic support for the advisors and training activities.

2. Administrative and technical personnel plus a training coordinator for participation in advisory programs.

3. Financing of pre-departure and travel costs of personnel to be trained outside Honduras.

4. Availability of files and all background material for use of advisors in these programs.

5. Establishment of the coordination committee chaired by the Minister or Sub-Secretary of Finance.

para los decretos o resoluciones necesarios para implementar estas actividades.

ONU

Un asesor a tiempo completo en administración general tributaria.

OEA

1. Un asesor a tiempo completo en auditoría y reforma tributaria.

2. Asesores en los métodos de tributación ad valorem y en la política tributaria, según la necesidad.

3. Un asesor a tiempo parcial en procedimientos de valoración arancelaria.

4. Capacitación, según la necesidad, en los campos arriba mencionados mediante la presentación de seminarios dentro del país y becas extranjeras.

GOBIERNO DE HONDURAS (Ver la Sección IV B)

1. Local para oficina, facilidades para el adiestramiento del personal, apoyo logístico para los asesores y las actividades de capacitación.

2. Personal administrativo y técnico además de un coordinador en adiestramiento para participar en los programas de asesoría.

3. Pago de los gastos de viaje y transporte internacional de personal a ser adiestrado fuera de Honduras.

4. Disponibilidad de archivos y otros materiales de antecedentes que puedan ser de utilidad para los asesores involucrados en estos programas.

5. Establecimiento del consejo coordinador presidido por el Ministro o el Sub-Secretario de Hacienda y Crédito Público.

AID 1330-1 (5-68) PROAG CONTINUATION SHEET ANNEX B	PROJECT AGREEMENT BETWEEN AID AND AN AGENCY OF THE GOVERNMENT OF HONDURAS	1. Project/Activity No. 2. Agreement No. 3. Project/Activity Title	PAGE 1 OF 6 PAGES 3. [ ] Original or Revision No. ____

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DISPOSICIONES GENERALES

A. Tal como se usa en este Convenio, el término "U.S.A.I.D." se refiere a la Agencia para el Desarrollo Internacional (Agency for International Development) cualquiera de sus dependencias o el organismo que la sucediere. Cuando se haga referencia a "este Convenio de Proyecto", se entenderá el Convenio de Proyecto original, según haya sido modificado por cualesquiera revisiones que hayan entrado en vigor.

B. 1. La U.S.A.I.D. facilitará las cantidades especificadas en la Sección 8 de este Convenio de Proyecto, según se necesitaren para el Proyecto, con el objeto de que se empleen para los fines predeterminados, y en la forma que podrá explicarse, con más detalles en la Sección 5. Además, según podrá especificarse también en la Sección 5, U.S.A.I.D. facilitará, a condición de que haya fondos disponibles y (cuando los procedimientos de la U.S.A.I.D. lo requieran) según se disponga en las Órdenes de Ejecución de Proyectos (PIOs), que la U.S.A.I.D. expida de conformidad a sus procedimientos, fondos para (a) sufragar los gastos de proveer servicios técnicos que prestarán los empleados del Gobierno de los Estados Unidos en relación con el proyecto, (b) sufragar parte de los gastos que ocasione, fuera del país cooperador, la especialización, en relación con el proyecto, de personas capacitadas de dicho país y (c) sufragar los gastos adicionales que se especifiquen.

STANDARD PROVISIONS

A. As used herein, the term U.S.A.I.D. shall refer to the Agency for International Development, any component agency, and any successor agency. References to "this Project Agreement" shall mean the original Project Agreement as modified by any revisions which have entered into effect.

B. 1. U.S.A.I.D. will make available the amounts specified in Block 8 of this Project Agreement as necessary for the project for use for the designated purposes and as may be further described in Block 5 hereof. In addition, as may be further specified in Block 5 hereof, U.S.A.I.D., will, subject to the availability of funds and (where required by U.S.A.I.D. procedures) as provided for in Project Implementation Orders (PIOs) issued by U.S.A.I.D. in accordance with its procedures, make available funds (a) to pay costs of furnishing technical services to be performed by United States Government employees in connection with the project (b) to pay a share of the costs of providing training outside the cooperating country in connection with the project for qualified persons from the cooperating country, and (c) to pay such additional costs as may be specified.

SIGNATURE _____ DATE _____	SIGNATURE _____ DATE _____

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2. El Organismo Cooperador facilitará las cantidades especificadas en la Sección 9 de este Convenio de Proyecto, según se necesitaren para el proyecto, con el objeto de que se empleen para los fines predeterminados, y en la forma que podría explicarse, con más detalles, en la Sección 5. El Organismo Cooperador facilitará asimismo, o dispondré que se faciliten, otras aportaciones de bienes, servicios, instalaciones y fondos que se requieren para llevar a cabo el proyecto, según se podrá especificar en la Sección 5, o según convinieren subsiguientemente ambas partes.

C. La U.S.A.I.D. y el Organismo Cooperador podrán conseguir la ayuda de otros organismos públicos y privados para llevar a cabo sus obligaciones respectivas conforme a este Convenio de Proyecto. Ambas partes podrán acordar la aceptación de aportaciones de bienes, servicios, instalaciones y fondos para los fines de este Convenio de Proyecto de otros organismos públicos y privados y podrán acordar que una tercera parte participe en llevar a cabo actividades pertinentes a este Convenio de Proyecto.

D. Todas las contribuciones de la U.S.A.I.D. sujetas a este Convenio de proyecto se harán en o antes de la fecha de la Contribución Final aquí especificada. Asimismo, todas las contribuciones del Organismo Cooperador sujetas a este convenio de proyecto se harán en o antes de esa misma fecha, salvo en lo que aquí se especificare en contrario, o que las dos partes acordaren subsiguientemente. Se considerará haberse hecho

2. The Cooperating Agency will make available the amounts specified in Block 9 of this Project Agreement, as necessary for the project, for use for the designated purposes and as may further be described in Block 5 hereof. The Cooperating Agency will also make or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the project as may be specified in Block 5 hereof or as may subsequently be agreed upon by the two parties.

C. U.S.A.I.D. and the Cooperating Agency may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Project Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Project Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Project Agreement.

D. All contributions of U.S.A.I.D. pursuant to this Project Agreement shall be made on or before the final contribution date specified herein. Except as otherwise specified herein or subsequently agreed by the two parties, all contributions of the Cooperating Agency pursuant to this Project Agreement shall be made on or before that same date. A contribution of goods or services shall

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una contribución de mercaderías o servicios cuando la parte contribuyente que los ha de proveer o costear haya entregado las mercaderías o hecho rendir los servicios de acuerdo con la práctica comercial.

E. La adquisición de mercadería y la contratación de servicios, que la U.S.A.I.D. ha de costear, total o parcialmente, podrán llevarse a cabo (cuando así lo requieran los procedimientos de la U.S.A.I.D.) sólo de conformidad con PIOs que la U.S. A.I.D. expida conforme a sus procedimientos.

F. A menos que se especificare otra cosa en el PIO aplicable, la adquisición de mercaderías y contratación de servicios, con fondos de la contribución de la U.S.A.I.D. mencionada en la Sección 8 de este Convenio de Proyecto, estarán sujetas a las disposiciones del Reglamento 1 de la U.S.A.I.D.

G. A menos que se especificare otra cosa en el PIO aplicable, el título de todos los bienes que se adquieran con fondos de la U.S.A.I.D., conforme a la Sección 8 (c) de este Convenio de Proyecto corresponderá al Organismo Cooperador o al organismo público o privado que fuere autorizado por el mismo. Esta disposición no es aplicable a los bienes que pudieran usarse en relación con el proyecto, pero no se adquieran con fondos sujetos a dicha Sección 8 (c).

H. Todos los bienes que se suministraren a cualquiera de las partes con fondos de la otra parte, conforme a este Convenio de Proyecto se dedicarán, a menos que la parte que haya aporte-

be considered to have been made when the goods or services, provided or financed by the contributing party, are delivered in accordance with commercial practice.

E. The procurement of commodities and contract services to be financed in whole or in part by U.S. A.I.D. may (where so required by U.S.A.I.D. procedures) be undertaken only pursuant to PIOs issued by U.S.A.I.D. in accordance with its procedures.

F. Unless otherwise specified in the applicable PIO, the procurement of commodities and contract services financed with the U.S. A.I.D. contribution referred to in Block 8 of this Project Agreement shall be subject to the provisions of U.S.A.I.D. Regulation 1.

G. Unless otherwise specified in the applicable PIO, title to all property procured through financing by U.S.A.I.D. pursuant to Block 8 (c) of this Project Agreement shall be in the Cooperating Agency, or such public or private agency as it may authorize. This Provision is inapplicable to any property which may be used in connection with the project but is not financed pursuant to said Block 8(c).

H. Any property furnished to either party through financing by the other party pursuant to this Project Agreement shall, unless otherwise agreed by the party

For the Cooperating Government or Agency	For the Agency for International Development
SIGNATURE: _____ DATE: _____	SIGNATURE: _____ DATE: _____
TITLE:	TITLE:

do los fondos para la adquisición acordare otra cosa, el proyecto hasta su terminación y después de terminado se usarán para promover los objetivos que se perseguían al llevar a cabo el proyecto. Cada gobierno ofrecerá devolver al otro, o reembolsarlo por los bienes que obtuviere con fondos del otro gobierno conforme a este Convenio de Proyecto, y que no se usaren de conformidad con la cláusula precedente.

I. 1. Si la U.S.A.I.D., y cualquier organización pública o privada que suministre mercaderías, mediante fondos de la U.S.A.I.D. en el país cooperador para sus operaciones conforme a este Convenio sobre Proyecto, está sujeto a leyes, reglamentos o procedimientos administrativos del país cooperador, pasible de derechos de aduana e impuestos de importación sobre mercaderías introducidas en el país cooperador para llevar a cabo este Convenio sobre Proyecto, el Organismo Cooperador pagará dichos derechos e impuestos a menos que un tratado internacional en vigor aplicable, disponga una exención.

2. En caso que cualquier personal (que no sean ciudadanos y residentes del país cooperador), ya sean empleados del Gobierno de los Estados Unidos o empleados de organizaciones públicas o privadas, o individuos bajo contrato con U.S.A.I.D., el Organismo Cooperador, o cualquier agencia autorizada por el Organismo Cooperador, que se hallen presentes en el país cooperador para prestar servicios que la U.S.A.I.D. haya conve-

which financed the procurement, be devoted to the project until completion of the project, and thereafter shall be used so as to further the objectives sought in carrying out the project. Either party shall offer to return to the other or to reimburse the other for any property which it obtains through financing by the other party pursuant to this Project Agreement which is not used in accordance with the preceding sentence.

I. 1. If U.S.A.I.D. and any public or private organization furnishing commodities through U.S.A.I.D. financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for custom duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Project Agreement, the Cooperating Agency will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

2. If any personnel (other than citizens and residents of the cooperating country) whether United States Government employees or employees of public or private organizations under contract with, or individuals under contract with U.S.A.I.D., the cooperating Agency, or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which U.S.A.I.D. has

nido en proporcionar o costear conforme a este Convenio sobre Proyecto, están sujetos, de conformidad a las leyes, reglamentaciones o procedimientos administrativos del país cooperador, a impuestos a la renta, seguro social con respecto a la renta en virtud de la cual están obligados a pagar impuestos a la renta y seguro social al Gobierno de los Estados Unidos; a impuestos sobre la propiedad cuando se trata de bienes muebles que se tienen para uso propio; y al pago de gravámenes o derechos sobre efectos personales o enseres domésticos importados al país cooperador para uso propio del personal y miembros de su familia (sin incluir aquellos efectos personales o domésticos que pudieran ser vendidos por dicho personal en el país cooperador), el Organismo Cooperador pagará dichos derechos, gravámenes o impuestos a no ser que un tratado internacional en vigor aplicable, disponga una exención.

J. Todo personal (que no sean ciudadanos y residentes del país cooperador), ya sean empleados del Gobierno de los Estados Unidos o empleados de organizaciones públicas o privadas, o individuos, bajo contrato con U.S.A.I.D., el Organismo Cooperador, o cualquier organismo autorizado por el Organismo Cooperador que se hallen presentes en el país cooperador para prestar servicios que la U.S.A.I.D. haya convenido en proporcionar o costear conforme a este Convenio sobre Proyecto, estará sujeto a la aprobación del Organismo Cooperador y de U.S.A.I.D. y estará bajo la dirección general del Director de la Misión de la U.S.A.I.D. en el país cooperador.

agreed to furnish or finance under this Project Agreement, are, under the laws, regulations or administrative procedures of the cooperating country, liable for income and social security taxes with respect to income upon which they are obligated to pay income or social security taxes to the Government of the United States of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by such personnel in the cooperating country), the Cooperating Agency will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. Any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with or individuals under contract with U.S.A.I.D., the Cooperating Agency or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which U.S.A.I.D. has agreed to furnish or finance under this Project Agreement shall be subject to the approval of the Cooperating Agency and U.S.A.I.D., and shall be under the general direction of the Director of the U.S.A.I.D.

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K. En caso que alguna mercadería fuera suministrada al Organismo Cooperador o a cualquier organismo público o privado autorizado por el Orgsuismo Cooperador, sobre la base de una concesión mediante fondos de la U.S.A.I.D. conforme a este Convenio sobre Proyecto y en virtud de arreglos que produjeren la acumulación de utilidades al Organismo Cooperador, o a cualquier organismo autorizado, y si el convenio aplicable entre los dos gobiernos mencionados en la primer página de este convenio de proyecto, no estableciera una Cuenta Especial y el depósito en la misma de fondos en la moneda del país, el Organismo Cooperador hará los arreglos necesarios para establecer una Cuenta Especial y depositará en la misma fondos en la moneda del país cooperador en sumas iguales a dichas utilidades, de acuerdo con aquellos términos y condiciones que se acordaren. Los fondos depositados en la Cuenta Especial pueden ser usados únicamente en la forma que acordaren la U.S.A.I.D. y el Organismo Cooperador estipulándose que la parte de los fondos depositados en la Cuenta Especial señalada por la U.S.A.I.D., serán puestos a disposición de U.S.A.I.D. para atender a los requerimientos de los Estados Unidos.

Mission to the Cooperating Country.

K. If any commodity is furnished to the Cooperating Agency, or any public or private agency authorized by the Cooperating Agency, on a grant basis through financing by U.S.A.I.D. pursuant to this Project Agreement under arrangements which will result in the accrual of proceeds to the Cooperating Agency or any authorized agency and if the applicable agreement between the two governments referred to on the first page of this project agreement does not provide for the establishment of a Special Account and the deposit therein of currency of the cooperating Agency will make such arrangements as may be necessary to establish a Special Account and to deposit therein currency of the cooperating country in amounts equal to such proceeds in accordance with such terms and conditions as may be agreed upon. Funds in the Special Account may be used only as agreed upon by U.S.A.I.D. and the Cooperating Agency, provided, that such portion of the funds in the Special Account as may be designated by U.S.A.I.D. shall be made available to U.S.A.I.D. to meet the requirements of the United States.

L. El Organismo Cooperador tomará las providencias necesarias a fin de que los fondos que la U.S.A.I.D. o cualquier organismo público o privado introdujere al país cooperador con el objeto de cumplir las obligaciones de la U.S.A.I.D.en virtud del presente, serán convertibles a la moneda del país

L. The Cooperating Agency will make such arrangements as may be necessary so that funds introduced into the cooperating country by U.S.A.I.D. or any public or private agency for purposes of carrying out obligations of U.S.A.I.D. hereunder shall be convertible into cur-

cooperador al tipo de cambio más alto, legalmente permitido en el momento de realizarse la conversión.

M. U.S.A.I.D. gastará fondos y realizará operaciones en cumplimiento de este Convenio de Proyecto exclusivamente de acuerdo con las leyes y reglamentos pertinentes del Gobierno de los Estados Unidos.

N. Ambas partes tendrán derecho en todo momento de observar las operaciones que se realicen en virtud de este Convenio de Proyecto. Cada parte tendrá, además, durante el término que dure el proyecto, y tres años después de haberse terminado, el derecho de (1) examinar cualquiera de los bienes adquiridos con recursos financieros de esa parte en virtud de este Convenio de Proyecto, dondequiera que estuvieren ubicados o (2) inspeccionar y controlar cualesquiera documentos y cuentas relativos a los fondos suministrados por ese gobierno o toda propiedad y servicios contractuales costeados con sus fondos conforme a este Convenio de Proyecto, dondequiera se hallen y mantengan tales documentos. Cada parte, al hacer arreglos para disponer de cualquier propiedad adquirida con recursos de la otra parte, conforme a este Convenio de Proyecto, garantizará que los derechos de examen, inspección y control descritos en la cláusula precedente, quedarán reservados al gobierno que haya suministrado los recursos financieros.

O. Al terminarse el proyecto, se preparará un Informe de Terminación, que será firmado por los representantes apropiados de la U.S.A.I.D. y del Organismo Cooperador, y se presentará a la U.S.

rency of the cooperating country at the highest rate which at the time the conversion is made, is not unlawful in the cooperating country.

M. U.S.A.I.D. shall expend funds and carry on operations pursuant to this Project Agreement only in accordance with the applicable laws and regulations of the United States Government.

N. The two parties shall have the right at any time to observe operations carried out under this Project Agreement. Either party during the term of the Project and three years after the completion of the project, shall further have the right (1) to examine any property procured through financing by that party under this Project Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by that party under this Project Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Project Agreement shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

O. Upon completion of the project, a Completion Report shall be drawn up, signed by appropriate representatives of U.S.A.I.D. and the cooperating agency, and submitted to

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A.I.D. y el Organismo Cooperador. El Informe de Terminación incluirá un resumen de las contribuciones efectivamente hechas por la U.S.A.I.D. y por el Organismo Cooperador para el proyecto, y proporcionará datos sobre las actividades realizadas, los objetivos alcanzados y otros datos básicos pertinentes. La U.S.A.I.D. y el Organismo Cooperador canjearán otros datos que necesitaren con el objeto de determinar la naturaleza y alcance de las operaciones realizadas en virtud de este Convenio y para evaluar la eficacia de las mismas.

U.S.A.I.D. and the Cooperating Agency. The Completion Report shall include a summary of the actual contributions by both U.S. A.I.D. and the Cooperating Agency to the project, and shall provide a record of the activities carried out, the objectives achieved, and related basic data. U.S.A.I.D. and the Cooperating Agency shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

P. El presente Convenio de Proyecto entrará en vigor en la fecha de su firma. Cualquiera de las partes podrá dar por terminado este Convenio de Proyecto notificando por escrito a la otra parte, con 30 días de anticipación, su propósito de terminarlo. La terminación de este Convenio de Proyecto pondrá fin a cualquier obligación de las dos partes de efectuar contribuciones de conformidad con las Secciones 8 y 9 de este Convenio de Proyecto, excepto por pagos comprometidos para atender obligaciones no cancelables contraídas con terceros antes de la terminación del Convenio de Proyecto. Queda expresamente entendido que las obligaciones estipuladas en el párrafo H referente al uso de los bienes seguirán en vigor después de dicha terminación.

P. The present Agreement shall enter into force when signed. Either party may terminate this Project Agreement by giving the other party 30 days written notice of intention to terminate it. Termination of this Project Agreement shall terminate any obligations of the two parties to make contributions pursuant to Blocks 8 and 9 of this Project Agreement, except for payments which they are committed to make pursuant to non-cancellable commitments entered into with third parties prior to the termination of the Project Agreement. It is expressly understood that the obligations under Paragraph H relating to the use of property shall remain in force after such termination.

For the Cooperating Government or Agency

SIGNATURE: _____ DATE: _____
TITLE:

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE:

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AID 1330-1 (6-64)

PRO AG

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
MINISTRY OF FINANCE AND PUBLIC CREDIT

AN AGENCY OF THE GOVERNMENT OF HONDURAS

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- [x] PROJECT DESCRIPTION ANNEX A
- [ ] FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
- [ ] STANDARD PROVISIONS ANNEX
- [ ] SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

- [ ] GENERAL AGREEMENT FOR TECHNICAL COOPERATION — DATE 4/12/61
- [ ] ECONOMIC COOPERATION AGREEMENT — DATE
- [ ] (other) — DATE

1. PROJECT/ACTIVITY NO. 522-11-790-039.2
2. PAGE 1 OF 1 PAGES
3. AGREEMENT NO. 522-6-72
4. [ ] ORIGINAL [x] REVISION NO. 1
5. PROJECT/ACTIVITY TITLE: PUBLIC ADMINISTRATION (TAX)

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6. PROJECT DESCRIPTION AND EXPLANATION: (See Annex A attached)

7. AID APPROPRIATION SYMBOL: 72-1131010
8. AID ALLOTMENT SYMBOL: 395-50-522-00-69-43

9. AID FINANCING [ ] DOLLARS [ ] LOCAL CURRENCY	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total	106,100			106,100
(b) Contract Services PASA	22,000 63,500			22,000 63,500
(c) Commodities PASA/Personnel	2,100			2,100
(d) Other Costs PASA/Personnel Other	2,100 18,500			2,100 18,500
10. COOPERATING AGENCY CONTRIBUTION - DOLLAR EQUIVALENT $1.00=				
(a) Total				
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

Extend final contribution date to December 31, 1974. All other terms and conditions remain unchanged.

Extender la fecha final de contribución al 31 de diciembre de 1974. Los demás términos y condiciones permanecen sin cambio alguno.

11. DATE OF ORIGINAL AGREEMENT	12. DATE OF THIS REVISION	13. ESTIMATED FINAL CONTRIBUTION DATE
December 15, 1971	December 7, 1973	December 31, 1974

14. FOR THE COOPERATING GOVERNMENT OR AGENCY	15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT
SIGNATURE: Manuel Acosta Bonilla	SIGNATURE: Edward Marasciulo
TITLE: Minister of Finance and Public Credit	TITLE: Director, USAID/Honduras

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AID 1330-1 (5-70)

PRO 62

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND MINISTRY OF FINANCE AND PUBLIC CREDIT

AN AGENCY OF THE GOVERNMENT OF HONDURAS

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

[X] PROJECT DESCRIPTION ANNEX A [ ] FOREIGN CURRENCY STANDARD PROVISIONS ANNEX

[X] STANDARD PROVISIONS ANNEX [ ] SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and complemented:

[X] GENERAL AGREEMENT FOR TECHNICAL COOPERATION	DATE 4/12/61
[ ] ECONOMIC COOPERATION AGREEMENT	DATE
[ ] (other)	DATE

1. PROJECT/ACTIVITY NO. 522-11-790-039.2

PAGE 1 OF 7 PAGES

2. AGREEMENT NO. 522-8-73

3. [X] ORIGINAL OR [ ] REVISION NO.

4. PROJECT/ACTIVITY TITLE

ADMINISTRACION PUBLICA (IMPUESTOS)

PUBLIC ADMINISTRATION (TAX)

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. AID APPROPRIATION SYMBOL 72-1131010

7. AID ALLOTMENT SYMBOL 395-50-522-00-69-31

8. AID FINANCING [X] DOLLARS [ ] LOCAL CURRENCY	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total		35,000		35,000
(b) Contract Services PASA		3,500		3,500
OTHER		13,500		13,500
(c) Commodities				
(d) Other Costs PASA/PERSONNEL		2,000		2,000
Participants		3,000		3,000
Other		13,000		13,000
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT $1.00= L. 2.00				
(a) Total		8,400		8,400
(b) Technical and other Services		6,000		6,000
(c) Commodities				
(d) Other Costs		2,400		2,400

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, if Necessary)

Participant funding to finance PIO/P 522-039.2-1-30087

11. DATE OF ORIGINAL AGREEMENT	12. DATE OF THIS REVISION	13. ESTIMATED FINAL CONTRIBUTION DATE
January 29, 1973	January 29, 1972	June 30, 1974

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

SIGNATURE: MANUEL ACOSTA BONILLA DATE:

TITLE: Minister of Finance and Public Credit

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: EDWARD MARASCIULO DATE:

TITLE: Director USAID/Honduras

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AID 1020-1 (7-66)

CONTINUATION SHEET

FORM SYMBOL: PRO AG ANNEX A

DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

TITLE OF FORM: PROJECT AGREEMENT

☐ Worksheet ☒ Issuance

1. Cooperating Country: HONDURAS

2a. Code No.: 522-8-73

2b. Effective Date

2c. ☒ Original ☐ Amendment No.

3. Project/Activity No. and Title: Public Administration (Tax) 522-11-790-039.2

Indicate block number. Use this form to complete the information required in any block of a PIO or PA/PIL form.

I. Introduction

This Agreement will continue assistance requested by the Ministry of Finance and Public Credit in a multi-donor project review held in February 1972. In this review USAID/Honduras agreed to provide full time assistance of a Customs Advisor; short term assistance under an IRS/PASA to follow up previously designed systems improvements in income tax administration; and finance some costs of training of Ministry personnel.

I. Introducción

Este Convenio continuará con la asistencia solicitada por el Ministerio de Hacienda y Crédito Público de acuerdo con la revisión de proyecto realizada por varios donadores en febrero de 1972. En esta revisión la USAID/Honduras ha convenido en proveer a tiempo completo un Asesor en Aduanas, asistencia a corto plazo bajo un IRS/PASA como paso de seguimiento de las mejoras diseñadas anteriormente en los sistemas para la administración de impuestos sobre la renta, y para financiar algunos gastos de adiestramiento proporcionado al personal del Ministerio.

II. Objective

This Agreement will obligate funds necessary to continue advisory assistance in customs and income tax administration, plus finance training costs as outlined below.

II. Objetivo

Este Convenio comprometerá los fondos necesarios para continuar con la asesoría técnica en aduanas y en la administración de impuestos sobre la renta, además de financiar los gastos de adiestramiento abajo descritos.

III. Course of Action

A. A project Implementation Plan (PIP) will be prepared by advisors working under this Agreement by February 1, 1973 and in coordination with Ministry of Finance personnel. The Plan will outline steps to be taken and target dates for implementing the following activities:

III. Plan de Acción

A. Un Plan de la Implementación del proyecto (PIP) será elaborado el 1 de febrero, 1973 por los asesores que estén bajo este Convenio, en colaboración con el personal del Ministerio de Hacienda. El Plan indicará los pasos a seguir y las fechas para la implementación de las siguientes actividades.

Customs

1. Valuation: Collection of statistics on foreign values to implement and maintain a correct level of duty values for increasing ranges of imported goods; investigation of values at trader's premises.

Aduanas

1. Valoración: Recopilación de datos estadísticos sobre los valores extranjeros para implementar y mantener un nivel correcto de valores aduaneros, mediante una investigación de valores en las oficinas de importadores.

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DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

TITLE OF FORM

PROJECT AGREEMENT

Verification [X] Incentive

PAGE 3 OF 9 PAGES

1. Cooperating Country: HONDURAS

2a. Code No.: 522-8-73

2b. Effective Date

2c. [X] Original OR Amendment No.

3. Project/Activity No. and Title: Public Administration (Tax) 522-11-790-039.2

Use this form to complete any information required in any block of a PAD or PA/PIL form.

2. Investigation: Monitor development of Investigating Branch reporting directly to the Customs Director General, particularly in the field of liquor control, equipping and providing adequate budget for the Branch.

3. Export Incentives: Monitor development of either duty drawback system or Plan Vallejo to provide fiscal incentives for export; develop income tax modifications for export incentives; development of bonded warehouses to stimulate duty free export of goods manufactured in Honduras; liberation plan for nationally produced liquor and cigarettes to encourage their export.

4. Contraband Control: Development of increased and more effective measures.

5. Customs School: Building on training of approximately 100 employees accomplished during the first 12 months of advisory assistance, in the areas of general customs practices, valuation, liquor control and investigation procedures; develop high level specialized courses for 30 employees in those areas plus economic integration, narcotic control, and export incentives.

IRS/PASA

1. Follow up of systems improvements in general income tax administration, management information system, delinquent accounts controls, and master files.

2. Investigación: Supervisar el desarrollo del Departamento de Investigación que depende directamente del Director General de Aduanas, especialmente en el campo del control de licor, adquisición de equipo y proveer un presupuesto adecuado para dicho Departamento.

3. Incentivos para la Exportación: Supervisar el desarrollo del sistema de devolución de impuestos o del Plan Vallejo a fin de proveer incentivos fiscales para la exportación, mejorar las modificaciones del impuesto sobre la renta de los incentivos para la exportación, mejorar los almacenes fiscales para estimular la exportación libre de impuestos de los artículos fabricados en Honduras, lograr la exoneración de todos los impuestos al licor y a los cigarrillos nacionales destinados a la exportación.

4. Control del Contrabando: Aumentar las medidas contra el contrabando y hacerlas más efectivas.

5. Escuela de Aduanas: A base de la capacitación de aproximadamente 100 empleados durante el primer año de la asesoría técnica, continuar con el adiestramiento en las áreas de procedimientos aduaneros en general, valoración, control de licor y procedimientos de investigación; establecer cursos especializados de alto nivel para 30 empleados en dichas áreas, además de integración económica, control de narcóticos e incentivos para la exportación.

IRS/PASA

1. Seguimiento de las mejoras en los sistemas para la administración general de impuestos sobre la renta, sistema informativo de administración, controles de cuentas en mora y registros

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generales de contribuyentes.

Data Processing

1. Improvement of priority computer applications especially in revenue producing programs.

2. Improvement of Min/Fin data processing services in the areas of planning, programming and production of data requirements.

3. Design and implementation of in-country training programs for data processing based on a five year projection of personnel needs and including a personnel selection program.

4. Design and implementation of a plan for consolidating GOH computer resources.

Procesamiento de Datos

1. Mejorar las aplicaciones de prioridad para las computadoras, especialmente en los programas productores de ingresos.

2. Mejorar los servicios de procesamiento de datos del Ministerio de Hacienda en las áreas de planificación, programación y producción de datos requeridos.

3. Diseñar e implementar programas de adiestramiento dentro del país para el procesamiento de datos, basándose en una proyección de cinco años según las necesidades del personal, e incluyendo un programa de selección de personal.

4. Diseñar e implementar un proyecto para consolidar los recursos de computación del Gobierno de Honduras.

Training

1. A comprehensive Ministry training plan to show priorities of staff development, number of personnel to be trained, course materials to be covered, and projected dates of training courses. This plan will be a continuation of the overall training strategy developed by the Ministry in accord with Agreement 522-6-72, Revision No. 1 of March, 31, 1972.

B. The Ministry will continue operations of its Advisors Council chaired by the Minister or Sub-Secretary of Finance and Public Credit. The council will meet at least once per month to review progress and problems related to this project, assure cross communication among advisors and Ministry counterparts,

Adiestramiento

1. Un amplio proyecto de adiestramiento por parte del Ministerio para mostrar las prioridades del desarrollo del personal, el número de personal que recibirá adiestramiento, cantidad de material a usarse y las fechas de los cursos. Este proyecto será una continuación de toda la estrategia de adiestramiento llevado a cabo por el Ministerio según el Convenio No. 522-6-72, Revisión No. 1 del 31 de marzo de 1972.

B. El Ministerio continuará con el funcionamiento del Consejo de Asesores presidido por el Ministro o por el Sub-Secretario de Hacienda y Crédito Público. El consejo se reunirá por lo menos una vez al mes para revisar el progreso logrado y los problemas relacionados con el proyecto para asegurar una estrecha comunicación entre los asesores y los

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and agree on policy determinations for implementation of advisor recommendations.

IV. Responsibilities of the Agency for International Development and the Government of Honduras.

A. The Agency for International Development, hereby agrees to provide:

1. Direct Hire - Services of USAID/Honduras Direct Hire staff for project monitoring and liaison.

2. IRS/PASA - $3,500 to finance short term advisory assistance in income tax administration.

3. Contract Advisors - $13,500 to finance 6 months of advisory assistance in general customs administration, alcohol taxation, and implementation of export incentives legislation (Decree 129).

4. Other Costs - $18,000

a. Allowances and per diems for advisors: $2,000.

b. For training program, printing and reproduction costs, plus miscellaneous, other direct costs as approved by the Chief, Institutional Development Division: $16,000.00.

B. The Government of Honduras hereby agrees to provide:

contrapartes del Ministerio, y para convenir en las determinaciones sobre política para la implementación de las recomendaciones del asesor.

IV. Responsabilidades de la Agencia para el Desarrollo Internacional y el Gobierno de Honduras.

A. La Agencia para el Desarrollo Internacional, por la presente conviene en proporcionar lo siguiente:

1. Personal Permanente - Los servicios del personal permanente de la USAID/Honduras para lograr el enlace y supervisión del proyecto.

2. IRS/PASA - $3,500 para financiar la asesoría técnica a corto plazo en la administración de impuestos sobre la renta.

3. Asesores por Contrato - $13,500 para financiar 6 meses de asesoría técnica en administración general de aduanas, impuestos sobre alcohol y la implementación de la legislación de incentivos para exportación (Decreto 129).

4. Otros Costos - $18,000

a. Apoyo logístico local y viáticos para asesores: $2,000.

b. Para el programa de adiestramiento, gastos de impresión y de reproducción, además de misceláneos, otros costos directos, aprobados por el Jefe de la División de Desarrollo Institucional: $16,000.00

B. El Gobierno de Honduras, por este medio conviene en proporcionar lo siguiente:

1. Office space, furnishings, office equipment, secretarial services, translating services, supplies, reproduction and printing services, and a training facility for the use of advisors engaged in activities under this PROAG;

2. Necessary administrative and technical personnel including a training coordinator to collaborate in carrying out activities described herein, to participate in special courses and on-job training activities conducted locally, plus all necessary logistic support for Government of Honduras employees engaged in activities under this PROAG;

3. Management support of the project through the Directors General of Taxation and Customs who shall be members of the Advisors Council as described in Section III, paragraph B;

4. Payment of any pre-departure and international travel costs of personnel to be trained in the U.S. or third countries; guaranties that all such personnel are retained in their positions or similar ones for a minimum of one year following their return and consultation with the USAID in any case which appears to merit an exception to this policy, in case it should subsequently be agreed that such training is appropriate.

1. Local para oficina, mobiliario, equipo para oficina, servicios secretariales, servicios de traducción, suministros, servicios de impresión y reproducción, y un edificio de adiestramiento para el uso de los asesores que prestan sus servicios bajo este Convenio de Proyecto;

2. El personal administrativo y técnico necesario, incluyendo un coordinador de adiestramiento para colaborar en la realización de las actividades aquí descritas y para participar en los cursos especiales y otras actividades de adiestramiento en el puesto, llevadas a cabo localmente, además de todo el apoyo logístico necesario para los empleados del Gobierno de Honduras que prestan sus servicios bajo este Convenio de Proyecto;

3. Apoyo administrativo por medio de los Directores Generales de Tributación y Aduanas quienes serán los miembros del Consejo de Asesores, según se describe en la Sección III, párrafo B;

4. Pago de los gastos de viaje y transporte internacional de personal a ser entrenado en Estados Unidos o en un tercer país; garantizar que todo este personal conservará su empleo o uno similar por el mínimo de un año después de su regreso; consultar con USAID cualquier caso que amerite una excepción a esta regla; en caso de que posteriormente se acuerde que dicho adiestramiento es apropriado.

V. Advance of Funds

Under this Agreement, USAID may establish a rotating fund through an advance of up to $5,000 to the Ministry of Finance. The fund may be used to finance Other Cost expenditures as

V. Adelanto de Fondos

Bajo este Convenio, la USAID puede establecer un fondo rotativo a través de un adelanto de fondos que ascienda hasta la cantidad de $5,000 a favor del Ministerio de Hacienda y Crédito

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AID 1330-1 (7-62)

CONTINUATION SHEET

FORM SYMBOL

PPC AG ANNEX A

DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

TITLE OF FORM

PROJECT AGREEMENT

☐ Worksheet ☒ Issuance

1. Cooperating Country
HONDURAS

2a. Code No.
522-8-73

2.b. Effective Date

2.c. ☒ Original OR Amendment No.

3. Project/Activity No. and Title
Public Administration (Tax)
522-11-790-039.2

Indicate block numbers.

Use this form to complete the information required in any block of a PIO or PA/PR form.

outlined in Section IV, paragraph A.4b.

Público. Este fondo puede ser usado para financiar gastos de Otros Costos, según se describe en la Sección IV, párrafo A.4b.

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PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
MINISTRY OF FINANCE AND PUBLIC CREDIT

AN AGENCY OF THE GOVERNMENT OF HONDURAS

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

[X] PROJECT DESCRIPTION ANNEX A [ ] FOREIGN CURRENCY PROVISIONS ANNEX
[ ] STANDARD PROVISIONS ANNEX [ ] SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

[X] GENERAL AGREEMENT FOR TECHNICAL COOPERATION — DATE 4/12/61
[ ] ECONOMIC COOPERATION AGREEMENT — DATE
[ ] (other) — DATE

1. PROJECT/ACTIVITY NO. 522-11-790-039.2
PAGE 1 OF 1 PAGES
2. AGREEMENT NO. 522-8-73
3. [ ] ORIGINAL OR REVISION NO. 3
4. PROJECT/ACTIVITY TITLE
PUBLIC ADMINISTRATION (TAX)
5. PROJECT DESCRIPTION AND EXPLANATION
(See Annex A attached)
6. AID APPROPRIATION SYMBOL 72-1131010
7. AID ALLOTMENT SYMBOL 395-50-522-00-69-43

8. AID FINANCING [ ] DOLLARS [ ] LOCAL CURRENCY	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total	35,000	15,553	15,553	35,000
(b) Contract Services PASA	1,447 13,500	15,553		1,447 29,053
(c) Commodities Participants	3,500			3,500
(d) Other Costs PASA	1,000 15,553		15,553	1,000
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT OF COST				
(a) Total	8,880			8,880
(b) Technical and other Services	6,000			6,000
(c) Commodities				
(d) Other Costs	2,880			2,880

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, If Necessary)

Reallocate funds to finance 4½ additional months service of the Customs Advisor; approximately 3½ months service of the Data Processing Advisor; and extend Final Contribution Date to 12/31/74.
Reasignar fondos para financiar: 4 meses y medio adicionales de servicios del asesor de aduanas; aproximadamente 3 meses y medio de servicios del Asesor de Procesamiento de Datos, y extender la fecha final de contribución al 31 de diciembre de 1974.

11. DATE OF ORIGINAL AGREEMENT: January 29, 1973
12. DATE OF THIS REVISION: November 23, 1973
13. ESTIMATED FINAL CONTRIBUTION DATE: December 31, 1974

14. FOR THE COOPERATING GOVERNMENT OR AGENCY
SIGNATURE: Manuel Acosta Bonilla
TITLE: Minister of Finance and Public Credit

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT
SIGNATURE: Edward Marasciulo
TITLE: Director, USAID/H

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Section III.A., Data Processing, of the original Agreement, is amended to provide for initial advisory services in data processing as follows:

1. Assist Government of Honduras information users in the modular design of their data processing applications performed at the Ministry of Finance Information Center with special emphasis on those modules with revenue generating effects;

2. Assist various Government of Honduras agencies in the design and implementation of a National Registry System utilizing unique identifiers for individuals, property, and vehicles;

3. Assist the technical personnel of the Information Center in design of systems and the programming for automatic data processing of projects for Government of Honduras data users at the Center;

4. Assist in consolidating the recently established Ministry of Finance Information Center organization with emphasis on applying operating procedures on a project basis;

5. Assist Ministry of Finance in selection of a new equipment configuration based on Ministry decisions regarding public sector data processing services;

Sección III.A., Procesamiento de Datos, del Convenio original, es enmendado para proporcionar los servicios iniciales de asesoría en el procesamiento de datos, como sigue:

1. Asesorar a los usuarios de información del Gobierno de Honduras en el diseño modular de sus aplicaciones de procesamiento de datos ejecutadas en el Centro de Informática, con especial énfasis en aquellos módulos con efecto generador de ingresos.

2. Asesorar a las distintas instituciones del Gobierno de Honduras en el diseño y ejecución de un Sistema de Registro General, utilizando identificadores únicos para registrar personas, propiedad y vehículos;

3. Asesorar al personal técnico del Centro de Informática en el diseño de sistemas y la programación para el procesamiento automático de los proyectos para los distintos usuarios del Gobierno de Honduras del Centro;

4. Asesorar en la consolidación de la organización recién establecida en el Centro de Informática, en especial en lo referente a la aplicación de los procedimientos de operación según proyectos;

5. Asesorar al Ministerio de Hacienda en la selección de una nueva configuración de equipos según las decisiones del Ministerio referentes a los servicios de procesamiento automático de datos para el sector público;

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6. Assist Information Center personnel in applying special techniques to increase operating efficiency of the computer installation;

6. Asesoramiento al personal técnico del Departamento de Operaciones del Centro de Informática en la aplicación de técnicas especiales con el fin de incrementar la eficiencia operativa de la instalación del computador;

7. Provide on-job and classroom training for technical personnel in advanced programming techniques, modular systems design, operational planning for equipment, and evaluation of processing costs on a project basis;

7. Proporcionar adiestramiento en el trabajo y dictar clases en la aplicación de técnicas avanzadas de programación, diseño modular de sistemas, planificación operacional de equipos y evaluación de costos de procesamiento según proyectos;

8. Coordinate and assist with data processing operations and training efforts for projects in National Data Systems, National Cadaster, and San Pedro Sula Cadaster, as required;

8. Coordinar y asesorar las operaciones de procesamiento de datos y los esfuerzos de adiestramiento en los proyectos de Sistema Nacional de Datos, Catastro Nacional y el Catastro de San Pedro Sula, conforme se requiera;

9. Special duties as USAID and/or the Government of Honduras may require.

9. Tareas especiales según sean requeridas por la USAID y/o el Gobierno de Honduras.

PD-AAB-027-B1

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OPTIONAL FORM NO. 10

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Harold Moss, Director, FTAS

DATE: July 29, 1969

FROM : John J. Whelan, Tax Team Leader, Honduras

SUBJECT: Semi-Annual Report

Attached is progress report for the period ended June 30, 1969, prepared by ADP Advisor Robertson and myself. It consists of fifteen (15) pages which are numbered to correspond to the annual work plan.

Distribution:
FTAS - 2; Mr. L. Rouse - 1; Pub. Adm. - 1;
Program - 1; Director - 1; ROCAP - 1.

IMPACT ANNEX F

COUNTRY: Honduras | ANNUAL WORK PLAN FOR YEAR: 1969 | PROGRESS REPORT FOR PERIOD ENDED: June 30, 1969 | PAGE NUMBER: 1 OF 10

PROGRAM AREA: Audit

NUMBER: PROGRAM (a)	OBJECTIVE (a)	PROJECT (a)	YEAR (a)	SPECIFIC OBJECTIVE PROJECTS (b)	PRIORITY (c)	MAN DAYS (d)	START TARGET DATE (e)	SCHEDULED DATES: START (f)	SCHEDULED DATES: FINISH (g)	STATUS (h)	ACHIEVEMENTS OR PROBLEMS (i)
A	1	4	67	Establish an effective Office Audit Unit and develop a long-range audit program	A	3	1/68	1/68	6/69	Complete	An Office Audit Unit was previously established, and in the 1969 Annual Workplan a specific number of returns scheduled for examination were designated as the responsibility of Office Audit. The objectives have been accomplished in substance so, in view of the abolishment in June of the Audit Advisor position, we are considering the project complete.
A	1	6	69	Study and make recommendations on installation of a Service Unit	B	5	7/69	7/69	12/69	-	
A	II	8	67	Develop program for improving enforcement of Withholding Taxes	A	10	11/68	7/69	12/69	-	
A	II	9	68	Assist in preparation of 1969 Annual Audit workplan	A	4	10/68	10/68	2/69	Complete	In January, working in conjunction with the new Planning Division, we completed the Audit Workplan, designed to provide a balanced selection of returns for examination and coverage in all types of tax. Available data shows a considerable increase in the number of examinations and deficiencies, attesting to the value of the plan.

IMPACT ANNEX F

COUNTRY: Honduras | ANNUAL WORK PLAN FOR YEAR: 1969 | PROGRESS REPORT FOR PERIOD ENDED: June 30, 1969 | PAGE NUMBER: 1A OF 10

PROGRAM AREA: Audit

NUMBER: PROGRAM (a)	OBJECTIVE (a)	PROJECT (a)	YEAR (a)	SPECIFIC OBJECTIVE PROJECTS (b)	PRIORITY (c)	MAN DAYS (d)	START TARGET DATE (e)	SCHEDULED DATES START (f)	SCHEDULED DATES FINISH (g)	STATUS (h)	ACHIEVEMENTS OR PROBLEMS (i)
A	III	7	68	Assist in establishing a training program for first-line supervisors	A	20	2/69	2/69	6/69	In process	This project will be kept open for any assistance we can give in presenting the course. Target date to the opening was April 21, but a number of delays were encountered, the last two being the sickness of the Audit Advisor, and his departure in June. The Director General subsequently agreed to appoint a Training officer to hold this course, and to establish, a full-time training program for the entire Directorate. The first man selected for the position suddenly resigned to take a better-paying job in industry, and locating a second will delay the opening of the course still further.
A	IV	5	66	Evaluate and Improve auditors reports	A	10	5/69	5/69	5/69	Closed	Time for this project ran out when the Audit Advisor became ill; and since he will not be replaced we are closing it out.

IMPACT Form F

IMPACT ANNEX F

COUNTRY: Honduras

ANNUAL WORK PLAN FOR YEAR: 1969

PROGRESS REPORT FOR PERIOD ENDED: June 30, 1969

PROGRAM AREA: Collections

NUMBER: PROGRAM (a)	OBJECTIVE (a)	PROJECT (a)	YEAR (a)	SPECIFIC OBJECTIVE PROJECTS (b)	PRIORITY (c)	MAN DAYS (d)	START TARGET DATE (e)	SCHEDULED DATES START (f)	SCHEDULED DATES FINISH (g)	STATUS (h)	ACHIEVEMENTS OR PROBLEMS (i)
C	1	1	68	Review progress of Delinquent Returns Program	A	30	4/68	4/68	6/69	Deferred	The program was reviewed during Caso's TDY. He prepared a number of recommendations which were furnished the Director General, and were later assigned to ADP Advisor Robertson for follow up. The recommendations are being implemented to some extent; however, Robertson concludes this project needs a full-time advisor. Final decision on continuing the project will be withheld pending arrival of the new team leader.
C	II	1	69	Review Delinquent Accounts Program	B	5	7/69	7/69	12/69	-	
C	III	1	69	Give Training Course to Delinquent Accounts and Returns Investigators	A	15	1/69	1/69	2/69	Complete	The course was completed in February as a result of Caso's TDY. It was an all-day course of two weeks duration attended by all the investigators on the rolls.

IMPACT ANNEX F

COUNTRY: Honduras

ANNUAL WORK PLAN FOR YEAR: 1969

PROGRESS REPORT FOR PERIOD ENDED: June 30, 1969

PROGRAM AREA: Processing

NUMBER: PROGRAM (a)	OBJECTIVE (a)	PROJECT (a)	YEAR (a)	SPECIFIC OBJECTIVE PROJECTS (b)	PRIORITY (c)	MAN DAYS (d)	START TARGET DATE (e)	SCHEDULED DATES START (f)	SCHEDULED DATES FINISH (g)	STATUS (h)	ACHIEVEMENTS OR PROBLEMS (i)
D	I	4	69	Establish Master File	A	32	6/68	6/68	6/70	In Process	This is an all-encompassing project that includes such areas as diverse as Registration Numbers and data file content. We have made system studies and hardware recommendations, drafted potential laws and planned a basic master file. Basically, all of our efforts, one way or another, fit into this area because through all of the other pieces, this big picture emerges. We have succeeded in impressing upon GOH the need for a unique registration number in order to have a base from which to construct a workable master file. An administrative decision was made to assign numbers to the taxpayers, and we drafted a law to give force and effect to this decision. The draft was furnished the Director General with a recommendation that it be assigned to his legal advisor for research and editing.
D	I	6	68	Develop flexibility for new work and initiate new projects	A	15	9/68	9/68	6/70	In Process	This project includes machine utilization and work planning. We have been able to initiate a number of new projects and programs within these projects and fit them all into the available time. Significantly, in conjunction with the following project, the new jobs have not increased computer usage time appreciably. This speaks well for the lessons learned in connection with programming efficiency and the integrated smoothness of the operating runs. This, too, is an on-going project and will continue to be important; more so as time goes on and the available time on the machine becomes increasingly critical.

IMPACT ANNEX F

COUNTRY: Honduras

ANNUAL WORK PLAN FOR YEAR: 1969

PROGRESS REPORT FOR PERIOD ENDED: June 30, 1969

PAGE NUMBER: 3A OF 10

PROGRAM AREA: Processing

NUMBER (a) PROGRAM	OBJECTIVE	PROJECT	YEAR	SPECIFIC OBJECTIVE PROJECTS (b)	PRIORITY (c)	MAN DAYS (d)	START TARGET DATE (e)	SCHEDULED DATES START (f)	SCHEDULED DATES FINISH (g)	STATUS (h)	ACHIEVEMENTS OR PROBLEMS (i)
D	I	7	68	Assist in revision of old projects and the review of internal operating efficiency of the programs	A	1	10/68	10/68	1/69	Complete	All of the existing operating programs were reviewed and changes made where necessary to make the programs run more smoothly and efficiently. Many of the programs were "core bound" but with the addition of 4K in June, 1968 and 4K more (making a total of 12K) in April, 1969, the programs could be expanded and be made more comprehensive in their coverage and processing.
D	I	8	68	Establish batch controls and batch processing	A	6	10/68	9/69	2/70	-	
D	I	9	68	Develop scheduling and planning for both manual and machine processing	A	1	10/68	10/68	3/69	Complete	We have compiled data from previous years, where available, and used it as a guide for scheduling the processing for the current year. With this type of work, coordination with Planning officials is desirable so that projects they propose can be planned for and assimilated more readily. A year-long calendar was developed showing work to be done, where the input was from and the due date, where the output went and when it was due, etc. This gave us a base from which we could plan for the necessary inclusion of new work into the structure of the known work.

IMPACT ANNEX F

COUNTRY: Honduras

ANNUAL WORK PLAN FOR YEAR: 1969

PROGRESS REPORT FOR PERIOD ENDED: June 30, 1969

PAGE NUMBER: 4 OF 10

PROGRAM AREA: Processing

NUMBER: PROGRAM (a)	OBJECTIVE (a)	PROJECT (a)	YEAR (a)	SPECIFIC OBJECTIVE PROJECTS (b)	PRIORITY (c)	MAN DAYS (d)	START TARGET DATE (e)	SCHEDULED DATES: START (f)	SCHEDULED DATES: FINISH (g)	STATUS (h)	ACHIEVEMENTS OR PROBLEMS (i)
D	I	10	68	Implement procedures for work measurement and quality control for Codification and Transcription	A	3	10/68	10/68	6/69	Complete	Meetings were held with the Chief, Data Processing, and the section heads of both Coding and Transcription. Goals were determined and it was decided what would be the best way of achieving these goals. Forms were designed, put into use, and the results observed over a period of time. During this period both the quality and quantity of production increased, even during the pressures of the filing season.
D	I	11	68	Establish planned and detailed testing procedures	A	10	12/68	12/68	8/69	In Process	Meetings and discussions have been held to determine what is needed in this area and then how best to achieve it. This project, however, has not received an enthusiastic response, apparently due to the type of processing used here. The input for one run or program is not necessarily dependent upon the output of another. Therefore there is no feeling of interdependency and each run can be independently tested. With the advent of the IBM System 360/20 which is on order, perhaps this project will take on more importance.

IMPACT ANNEX F

COUNTRY: Honduras

ANNUAL WORK PLAN FOR YEAR: 1969

PROGRESS REPORT FOR PERIOD ENDED: June 30, 1969

PAGE NUMBER: 4A OF 10

PROGRAM AREA: Processing

NUMBER: PROGRAM (a)	OBJECTIVE (a)	PROJECT (a)	YEAR (a)	SPECIFIC OBJECTIVE PROJECTS (b)	PRIORITY (c)	MAN DAYS (d)	START TARGET DATE (e)	SCHEDULED DATES START (f)	SCHEDULED DATES FINISH (g)	STATUS (h)	ACHIEVEMENTS OR PROBLEMS (i)
D	I	12	68	Develop activity controls for analysts and programmers	A	6	1/69	1/69	6/69	Complete	This is a basic need and was not being utilized when ADP Advisor Robertson arrived here. In some of his early discussions, this was brought to the attention of the Data Processing Chief who recognized the necessity for these controls. A form was designed and put into use and has proved to be effective in the control of the activities for programmers and analysts. The main thing here is exposure and experience and these forms are being used and monitored regularly so that target dates and completion dates are realistic and within the capabilities of the individual concerned.
D	I	13	68	Improve math verification procedure	A	4	2/69	2/69	7/69	In Process	This project experienced some delays during this calendar year when our analyst quit and went to work in another area of GOH. After a couple of months a new analyst was hired but he was a former programmer and inexperienced as an analyst. This caused further delay. Now he is beginning to develop so this project should begin to move again. All of the work done by the previous analyst was eschewed by the new one in favor of using his own methods, so all in all this project has suffered and was not completed by the due date.

IMPACT Form F

IMPACT ANNEX F

COUNTRY: Honduras

ANNUAL WORK PLAN FOR YEAR: 1969

PROGRESS REPORT FOR PERIOD ENDED: June 30, 1969

PROGRAM AREA: Processing

NUMBER: PROGRAM (a)	OBJECTIVE (a)	PROJECT (a)	YEAR (a)	SPECIFIC OBJECTIVE PROJECTS (b)	PRIORITY (c)	MAN DAYS (d)	START TARGET DATE (e)	SCHEDULED DATES START (f)	SCHEDULED DATES FINISH (g)	STATUS (h)	ACHIEVEMENTS OR PROBLEMS (i)
D	I	14	68	Promote training of personnel for reserve pool	A	4	2/69	2/69	7/69		IBM Honduras has given the aptitude test to all in Taxation who were interested and those who scored well enough on the test took a basic course in 1440 Autocoder. We now have five people in ADP alone who have taken this course and would be available in case of an emergency. We were able to dip into our reserve back in May when we had to replace one of our programmers who quit. This was well received from two standpoints - continuity and promotion from within.
D	I	15	68	Initiate error resolution and its procedures	A	12	4/69	4/69	10/69	In Process	This project is in the early stages of development but has suffered some of the same problems as D-I-13 in that the new analyst started working without previous analyst experience and had to learn Taxes and Systems Analysis before he could become effective. He is developing and becoming more confident and competent. In the meantime, Tributación has ordered an IBM System 360/20DC so this will have a direct effect on the evolution of this project.
D	I	17	68	Improve prompt identification of delinquents and initiate quarterly account print out	B	8	7/69	7/69	12/69		
D	I	18	68	Develop and automate "Exención con Solicitud" procedure	B	8	7/69	8/69	12/69		
D	I	19	68	Initiate internal program controls	B	6	9/69	9/69	1/70		

IMPACT ANNEX F

COUNTRY: Honduras | ANNUAL WORK PLAN FOR YEAR: 1969 | PROGRESS REPORT FOR PERIOD ENDED: June 30, 1969 | PAGE NUMBER: 5 of 10

PROGRAM AREA: Processing

NUMBER: PROGRAM (a)	OBJECTIVE (a)	PROJECT (a)	YEAR (a)	SPECIFIC OBJECTIVE PROJECTS (b)	PRIORITY (c)	MAN DAYS (d)	START TARGET DATE (e)	SCHEDULED DATES START (f)	SCHEDULED DATES FINISH (g)	STATUS (h)	ACHIEVEMENTS OR PROBLEMS (i)
D	II	3	68	Review Procedure for Processing returns and other Tax Documents including indexing and storage problems	A	3	11/68	5/68	6/69	Complete	As mentioned in the previous report, the returns processing phase of this is incorporated in current ADP projects. Survey of the Indexing and Storage problems was completed in June. Observations and recommendations were prepared and were furnished to the Chief of the Processing Department, who is responsible for the returns files. The recommendations relate principally to the physical facilities and will be followed up under Project K-III-2-69, which pertains to that subject.
D	III	1	68	Review Tax Forms and assist in modification program	B	10	11/68	7/68	12/69	Deferred	Deferred pending decision on new Electronic Equipment. It should be mentioned, however, that the new regulation covering the reorganization of the Directorate specifies that the O & M Department is responsible for reviewing the forms in use and for designing new ones wherever necessary, "giving priority to those related to tax declarations".
D	III	2	68	Review Revenue Accounting Procedures, including development of proper coordination with delinquent accounts unit	A	20	5/68	4/69	12/69	In Process	Three recommendations submitted previously relating to Accounting and Delinquent Account matters were studied by Planning Division officials, who report that the changes are now included in their proposals for tax law reforms. These proposals are be delivered to the Congress at the first opportunity. We had recommended (1) provision for simultaneous filing and paying; (2) write-off of uncollectible accounts; and (3) clear delineation of (Collection) authority between the Central Bank and the Tax Directorate.

IMPACT ANNEX F

COUNTRY: Honduras

ANNUAL WORK PLAN FOR YEAR: 1969

PROGRESS REPORT FOR PERIOD ENDED: June 30, 1969

PROGRAM AREA: Codification of Tax Laws

NUMBER: PROGRAM (a)	OBJECTIVE (a)	PROJECT (a)	YEAR (a)	SPECIFIC OBJECTIVE PROJECTS (b)	PRIORITY (c)	MAN DAYS (d)	START TARGET DATE (e)	SCHEDULED DATES START (f)	SCHEDULED DATES FINISH (g)	STATUS (h)	ACHIEVEMENTS OR PROBLEMS (i)
II	1	1	68	Review administrative aspects of tax laws (in coordination with OAS project which involves substantive provisions)	A	10	10/68	10/68	12/69	In Process	No action on this project. OAS involvement during the period has been principally with O & M matters rather than legislation.

IMPACT ANNEX F

COUNTRY: Honduras | ANNUAL WORK PLAN FOR YEAR: 1969 | PROGRESS REPORT FOR PERIOD ENDED: June 30, 1969 | PAGE NUMBER: 7 OF 10

PROGRAM AREA: Public Information

NUMBER: PROGRAM	OBJECTIVE	PROJECT	YEAR	SPECIFIC OBJECTIVE PROJECTS	PRIORITY	MAN DAYS	START TARGET DATE	SCHEDULED DATES: START	SCHEDULED DATES: FINISH	STATUS	ACHIEVEMENTS OR PROBLEMS
(a)				(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
I	1	1	68	Review Public Information procedures and programs, and develop changes wherever voluntary compliance can be improved	A	20	8/68	8/68	6/69	In Process	A new Public Information Chief was appointed in March. We have worked with her to the extent possible since she had no background in Public Information. Nevertheless, press articles originating with her are very good, and she displays considerable enthusiasm for the work. The appointment, however, is only an interim one and the pay of the position is still too low ($175.00 per month) to guarantee a qualified person will accept the job. In a recommendation to the Minister of Economy and Finance regarding the CY 1970 budget we included a request that the position be established at a considerable higher rate.
I	1	2	69	Implement improvements to T/P Assistance and Education Program	A	15	5/69	5/69	12/69	In Process	In conjunction with Caso's TDY the Delinquent Returns Unit assumed field responsibility for the T/P Ed. and Assistance program. The Public Information Chief subsequently moved her offices adjacent to the unit and began preparing and Education and Assistance plan calling for utilization of Delinquent Returns Investigators on these assignments. Considerable material, including the Philippine Islands system, has been furnished to aid in development of the plan.

IMPACT ANNEX F

COUNTRY: Honduras

ANNUAL WORK PLAN FOR YEAR: 1969

PROGRESS REPORT FOR PERIOD ENDED: June 30, 1969

PROGRAM AREA: Statistics

NUMBER: PROGRAM (a)	OBJECTIVE (a)	PROJECT (a)	YEAR (a)	SPECIFIC OBJECTIVE PROJECTS (b)	PRIORITY (c)	MAN DAYS (d)	START TARGET DATE (e)	SCHEDULED DATES START (f)	SCHEDULED DATES FINISH (g)	STATUS (h)	ACHIEVEMENTS OR PROBLEMS (i)
J	1	1	69	Develop improved Management Information System	A	10	1/69	1/69	6/69	In Process	We have not been able to work enough with the Statistical Section to attain the improvements that should be made in the reporting system. It is principally a matter of time, however, since the new regulations define responsibility for the reporting requirements very well. We will extend the completion date to the end of the year.

IMPACT ANNEX F

COUNTRY: Honduras | ANNUAL WORK PLAN FOR YEAR: 1969 | PROGRESS REPORT FOR PERIOD ENDED: June 30, 1969 | PAGE NUMBER: 9 OF 10

PROGRAM AREA: General Administration

NUMBER: PROGRAM (a)	OBJECTIVE (a)	PROJECT (a)	YEAR (a)	SPECIFIC OBJECTIVE PROJECTS (b)	PRIORITY (c)	MAN DAYS (d)	START TARGET DATE (e)	SCHEDULED DATES: START (f)	SCHEDULED DATES: FINISH (g)	STATUS (h)	ACHIEVEMENTS OR PROBLEMS (i)
K	II	1	68	Assist in development of improved personnel policies and practices	A	10	9/68	9/68	12/69	In Process	The new Civil Service Law provides for improved personnel policies and practices, but considerable pay and classification problems remain within the Directorate of Taxation. Reference our December 31 report, where we mentioned the forming of a committee to consider these, the auditors have been granted a pay raise and a recommendation has been made that funds be provided in the 1970 budget for increasing the pay of Delinquent Returns investigators.
K	II	2	69	Assist in development of Training Function	A	8	1/69	1/69	6/69	Complete	In the past six months, and prior, Jess Hernandez worked closely with the Chief of the new administration Division, which has responsibility for the training function. In addition, the Director General has agreed to appoint a Training Director, to spend full time on training matters under the immediate direction of the Administration Division Chief. Immediate plans are to enroll 150 technical personnel in the RTAC Fundamental Accounting Course, and to hold the Supervisors course initiated by Mr. Hernandez. A news article, detailing training plans of the Tax Directorate for the current six-month period, recently appeared in "La Prensa", one of the two principal newspapers of Honduras.

IMPACT ANNEX F

COUNTRY: Honduras | ANNUAL WORK PLAN FOR YEAR: 1969 | PROGRESS REPORT FOR PERIOD ENDED: June 30, 1969 | PAGE NUMBER: 9A OF 10

PROGRAM AREA: General Administration

NUMBER: PROGRAM (a)	OBJECTIVE	PROJECT	YEAR	SPECIFIC OBJECTIVE PROJECTS (b)	PRIORITY (c)	MAN DAYS (d)	START TARGET DATE (e)	SCHEDULED DATES START (f)	SCHEDULED DATES FINISH (g)	STATUS (h)	ACHIEVEMENTS OR PROBLEMS (i)
K	III	2	69	Assist in space and equipment survery	B	15	6/69	6/69	12/69	In Process	A number of space additions have been made in Tegucigalpa during the period, contributing to a better layout of the available space; and the office as a whole is attaining a well-ordered look. Some of the changes followed the space plan prepared by O & M specialist Prichard; others were dictated by changing situations. The Audit Office in San Pedro Sula has been improved along lines suggested by Prichard and Jess Hernandez, and as the result of the TDY of Eugene Caso, additional space was obtained in La Ceiba for housing the Auditors and Delinquent Returns investigator.

IMPACT ANNEX F

COUNTRY: Honduras | ANNUAL WORK PLAN FOR YEAR: 1969 | PROGRESS REPORT FOR PERIOD ENDED: June 30, 1969 | PAGE NUMBER: 10 OF 10

PROGRAM AREA: General Management

NUMBER: PROGRAM	OBJECTIVE	PROJECT	YEAR	SPECIFIC OBJECTIVE PROJECTS	PRIORITY	MAN DAYS	START TARGET DATE	SCHEDULED DATES: START	SCHEDULED DATES: FINISH	STATUS	ACHIEVEMENTS OR PROBLEMS
(a)				(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
L	I	1	67	Assist in implementation of Reorganization	A	20	6/68	6/68	12/69	In Process	This project involves a coordinated effort with the OAS Mission to bring the reorganization plan to a completion. One phase was to implement the reorganization decree with a regulation which created specific staff positions, Divisions and Departments, and authorized the Directorate itself to determine the sectional and unit structure. Preparation of this regulation began last year, by O & M expert Prichard on TDY, following passage of the enabling legislation. It was completed by the OAS Mission, which has been spearheading the reorganization project since Prichard's departure, and was signed by the President, effective January 1 of this year. A problem has been that the year 1969 (CY) budget did not provide funding for the new positions. This has been partially offset by supplementary budgetary allocations, and we recently included in a recommendation to the Minister (submitted through the AID Mission) that the funds necessary to conform the organization to the regulation, be provided for in the 1970 budget.
L	IV	1	67	Assist in forming Internal Inspection Unit	A	10	2/68	2/68	12/69	In Process	As previously reported, the Internal Security aspect of inspection is provided for in the new Civil Service Law, a law which should soon be implemented. A separate Internal Audit Unit was not included in the new organizational plan but it is planned for 1970. Recommendation has been made to the Ministry to budget 1970 funds for a Chief Internal Auditor to take charge of internal auditing, now an O & M responsibility.

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IMPROVEMENT IN TAX ADMINISTRATION AND REFORM OF REAL PROPERTY AND LAND TAX

The tax Directorate of the GOH became interested in U. S. help as early as 1963 when the GOH requested assistance from the USAID in conducting a survey of the Direct Tax Office. The survey confirmed that the GOH was truly interested in tax administration reform and that the services of outside specialists were needed to clear up a number of difficult problems. For one thing, a serious structural - or organizational - deficiency existed in which the Direct taxes were under one head, and the Indirect (internal) taxes under the jurisdiction of a sister agency which was also responsible for import and export duties.

Furthermore, a general sales tax law was passed in 1963 (to take effect January 1, 1964) and responsibility for administering this tax (an indirect tax) was given the Direct Tax Office. Another serious problem was a "bogged-down" audit function. Efforts were being made to examine every return filed with the result that the inventory of cases was large and unmanageable, the cases themselves were getting older and older, and the audit program was getting farther and farther behind. And, of course, there was the overriding problem of the low level of compliance with the filing requirement of the income tax laws; one return being filed for each seventy inhabitants and over half of these being "non-taxable".

In any event, the "golpe" of late 1963 interfered with the GOH request for long-term help. The request was actually not received until 1965 at which time an Audit Advisor was requested. He arrived in March 1966 to start on the problems of the Audit program. In January 1967 another Audit Advisor was added, and the audit operation is now in reasonably good shape. In 1965, the tax deficiencies discovered as a result of audit totaled only $ 725,000 compared with $ 1,518,000 in 1968; and there have been many internal improvements such as the addition of an orderly program for selecting returns; and for controlling the time and work of the auditors.

There has not been a corresponding increase in the number of returns filed, but we have recently given the GOH short-term help in the delinquent returns area, and we are trying to improve the processing machinery so that the delinquents can be more readily identified. From 1967 to 1968 the number of sales and income tax returns filed increased nine per cent but the number which were "taxable" increased only 4%. There is a tremendous "public information" job left to be done to raise the level of compliance. We are attempting to sell the GOH on this fact (and in the meantime furnish whatever technical assistance we can in this particular speciality).

The faulty organization mentioned above was largely corrected by a Reorganization Decree, effective January 1 of this year. The budget for 1969, however, has not provided for all the personnel changes decreed,

and a measure of confusion has resulted from this problem plus the length of time the reorganization has been in the making. The final result, however, will be good because the new organization is quite sound. Practically all internal revenue taxes are now under one head, and under this head there are separate divisions for Operations, for Planning, and for Administration (the "house keeping" function).

Internal revenues increased from $ 26,463,000 in 1965 to $ 42,629,000 in 1968. Within these total figures, income tax receipts increased from $ 8,314,222 to $ 19,570,000 (of which $ 6,500,000 was paid by the Fruit Companies); and sales taxes increased from $ 3,475,000 to $ 4,652,000.

Since enactment of the sales tax law in 1963 no revenue measures of any consequence were passed by the Congress except for the "Consumers" Tax and the "Stabilization" Tax (both provided for in the San Jose Protocol). The former went into effect September 12, netting $ 724,000 during the balance of 1968. The Stabilization tax (which is a customs duty) went into effect this year and it is estimated the return in 1969 will be $ 2,700,000.

As was mentioned, the first long-term help given Honduras in Internal Revenue Administration was in March 1966 when the original team leader (an audit specialist) arrived. In January, 1967, with the

arrival of another audit specialist, the team increased to two; then in September, the original audit advisor (who served also as team leader) was replaced by a Generalist. In April 1968, an ADP Advisor was added increasing the team to three; however, the reamining audit advisor position will be abolished June 30, reducing the team once more to two men.

In addition to the Internal Revenue project, a Customs project was in process but was phased out in the latter part of CY 1968. Real Property taxation in Honduras, unlike other Latin countries, is a Municipal rather than a Central Government tax. There has been very little progress in the property tax field during the past few years. There is a Municipal Real Property tax on the books but the rate established (1-1/2 mills) is so low, the exemptions so numerous and the provisions for enforcing collection so conspicuously missing that it is little more than a gesture. Total collections over the last six years have varied from $ 300,000 to $ 533,000 per year. From 1/3 to 1/2 of the total is collected in the Central District. The $ 533,000 collected in 1966 breaks down to twenty-three cents capita (total population) vs. an average of $ 126.00 per capita in the U.S.A. the same year.

However, there have been indications in recent months that the Government may be waking up to the need for a reform of the property tax laws. One such indication was a request, in early 1968, for the services of an A.I.D. Property Tax specialist. Since his arrival seven

months ago, the Central District has been instrumental in the drafting of a genuine in-rem real property tax bill. This is ready for presentation to the Congress when that body convenes later this month. The bill, as drafted, woudl tax all urban (non-rural) real estate at a 5-mill rate. Municipalities would administer the tax, as at present. As a companion piece to this measure, a bill to tax all rural lands at a rate of 10 mills is presently being drafted. The rural land tax will be earmarked for use of the Agrarian Reform Institute and will be largely administered by that agency. This tax, if enacted, will replace the confiscatory Idle Lands Tax which has been on the books for seven years but which has been impossible to administer.

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INCOME TAX COLLECTIONS

1963-1968

(Business and Individuals)
(In Lempiras)

YEAR	BANANA Co.	OTHER	TOTAL	% OF "OTHER" TO TOTAL
1963	288.3	11,010.7	11,299.0	97.4
1964	468.9	11,731.3	12,200.2	96.2
1965	630.5	16,092.0	16,722.5	96.2
1966	6,727.1	20,239.3	26,966.4	75.1
1967	12,293.0	21,609.4	33,902.4	63.7
1968	13,612.1	26,527.0	39,139.1	67.1

NOTES:

1. IRS/PASA Team started full operations in March 1966.

2. This table shows that although the Banana Companies have contributed an increasingly greater proportion of the income tax revenue, collections from other companies and individuals have also shown a substantial increase since technical assistance began in this area.

SOURCE: Ministry of Economy and Finance

Directorate of the Budget

RETURNS FILED

	1967	1968	%	6/30/68	6/30/69	%
Total Returns Filed	36.302	53.850	9.8	38.221	42.259	10.6
Income Tax	34.438	37.812	9.8 1/	36.618	40.500	10.6
Sales	1.064	1.237	16.3	1.237	1,382	11.7
Property	800	7,313 2/	1.6	366	377	3.0

1/ Percentages on a comparative basis, eliminating those figures in 1968 not available in 1967.

2// Includes 6.500 returns in 1968 not included in 1967.

AUDIT AND COLLECTION ACTIVITY

	1967	1968	%	6/30/68	6/30/69	%
Returns Audited	6.324	4.834	(24.9)	2.108	5.419	15.7
Revenue in Thousands $US	1.779	2.014	12.5	748	903	20.7
Delinquent Accts, closed	4.693	4.920	4.8	2.521	(3)	
Revenue in Thousands $US	268	376	43.0	189	324	71.4

3/ No Statistics available.

Jesse Lee
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4p

PD-AAB-027-F1

January 30, 1970

Mr. Harold Moss, Director, FTAS
Internal Revenue Service Bldg. Rm. 1407
1111 Constitution Ave. N.W.
Washington, D.C. 20224

Dear Harold:

We have finally firmed up with Ministry and AID officials what the tax program will need in the way of short-term advisors for FY 1970. The Pro-Ag signed by the Minister contains funding for nine man months of short-term technical services, i.e. three short-term advisors for three months each. The budget in addition to salaries includes international travel and the required amount of per diem. Accordingly we hope that three short-term advisors can be found to work in the following areas.

SALES TAX

An expert in sales taxes to conduct a training course on sales tax audit techniques; and, to survey the present processing procedures, taxpayer controls and collection practices to identify weaknesses and to make appropriate recommendations and provide written guidelines for their improvement.

In June 1966 Proffessor John F. Due conducted a study of the Honduran sales tax law. At that time he recommended training the auditors in sales tax audit techniques and also offered to look into the possibility of getting an expert in this area from the state of California to conduct a training course. Nothing ever materialized on this, however correspondence in our files indicate that at one

time a Mr. Martin Vasquez on the staff of the California State Board of Equalization was being considered for the assignment.

By way of background the Honduran sales tax system is basically a single stage tax paid by the consumer. Commercial and Industrial businesses with gross sales of 60,000 lempiras and over are responsible for collecting the tax from the consumer and from small enterprises whose gross sales are under 60,000 lempiras. Small industry and small commercial firms with gross sales of 12,000 lempiras or more but less than 60,000 are required to pay the sales tax on the value added to the product or item being retailed. Businesses with gross sales under 12,000 are not required to collect or to pay sales tax but do pay sales taxes to their suppliers.

Collections have increased from this source every year since 1964 but at a declining rate. In 1964 sales tax represented 10.67 percent of total tax revenues but in 1968 this relationship dropped to 7.48 percent. There are 1000 large and 1050 small taxpayers of record. The large taxpayers pay 90% of the revenue from this source.

One final reason for giving Honduras assistance in sales taxes is that in desperation they are considering a lottery to improve administration.

COLLECTION

An advisor with OCF and field collection experience to survey current delinquent account and delinquent returns procedures. Review the recommendations made in this area by two short-term collection advisors with a view towards updating them and assist in carrying out full implementation which has not been achieved to date. Conduct training of personnel engaged in field collection work and of key personnel in OCF operations.

Because of my background I will be able to give this advisor a considerable amount of support.

AUDIT

An Audit Advisor to assist in the implementation of an audit classification program, to review the projects left in progress to train key people in audit techniques and assist in developing guidelines for preparing a manual on audit techniques to be used for training purposes.

In this area our plan had been to provide the necessary training through the mobile audit team. However the change in emphasis to collection for this Fiscal Year has ruled that out. The other development is that management feels that FTAS can be of most help to Honduras by continuing its work in the audit area and has therefore indicated that the long term advisor scheduled to replace Robertson be an audit advisor. The Director feels that much progress has been made in audit such as developing a manual for, and training of field audit group supervisors. However, due to attrition many of his best auditors have left and since no manual is available on audit techniques the effectiveness of the audit department has been substantially impaired. The long term advisor's goal would be to train audit personnel and develop a manual on audit techniques so that the training would thereafter be institutionalized.

Since we need an audit advisor on both a short-term and a long term basis perhaps they could be one and the same. If the prospective long term advisor came on TDY he could provide the necessary short-term assistance and also get to see the prospects for a long term assignment. It would help him and would also provide more continuity to the program.

Now you have the picture on the TDY's and the long-term replacement for Robertson. I realize that the delay in getting the Pro-Ag and PIO/T

has cut into the much needed lead time but I hope that in spite of the handicap that FTAS can come through with the technical advisory support Honduras needs.

With kind regards,

Conrado E. Longoria

cc: Mr. Jesse Lee, Chief PAD
Mr. El. Clark

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UNITED STATES GOVERNMENT

Memorandum

TO : Conrado E. Longoria, Team Leader

DATE: February 13, 1970

FROM : Donald M. Robertson, ADP Advisor

SUBJECT: Comments on ADP Seminar (Bogotá 1/24-31/70)

The ADP Seminar (although I prefer to think of it as a symposium) was, in my opinion, a qualified success. I say qualified because while there were many topics of specific interest to Honduras, i.e., "The Feasibility Study"; "Identification of Taxpayers"; "Conversion to Third Generation Computers", there were other topics that were of no immediate interest to Honduras because of the stage of development our data processing is in, i.e., "Alternatives to Keypunch" relating to OCR equipment; "Internal Organization of the ADP Function and Work Planning, Scheduling and Production Control" which dealt primarily with the history and extensive organization of ADP within the Internal Revenue Service of the United States.

Honduras is in an untenable position as far as ADP is concerned. Only two of the people in ADP have ever seen another computer configuration and so the progress of the Department was limited to what could be imagined by the various people responsible for its progress. So, a year and a half ago, Sr. Chavarría spent a month in Bogotá for the purpose of familiarizing himself with another configuration and just what it is capable of doing. The other person is Sr. Barrillas who came to us without analysis or tax processing experience from a job as a programmer for United Fruit Co. So there you have the sum total of outside experience for ADP personnel. Therefore, when this Seminar was proposed, GOH had an immediate interest in participating. At the Seminar the reaction of the participant (Chavarría) and the observor (Barrillas) was one of open-minded interest and they attended every session except one. Their enthusiasm and interest was shown by the questions and comments made by both of them during the sessions as well as with me during breaks and recesses. It is difficult to assess at this time what Honduras gained by attending the Seminar. This can best be done at a

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later date when what was learned has been put into practice. I am of the opinion that much cross-pollination took place during the sessions held in Bogotá. All of the comments and discussions were not of the "blue sky and apple pie" variety but rather they were filled with frank self-appraisals of problems, progress and plans. It is this type of interchange that gives a Seminar its best foundation so if this type format is continued then I believe other seminars to be in order. But I also believe that future seminars should be of a "stratified" nature with two related topics being discussed at the same time or, perhaps, the same topic being discussed in two nearby locations at the same time but at two different levels. In this way, countries at different levels of development could choose the session they felt would benefit them most. It would be more difficult to coordinate and control a meeting of this type but I believe it would be directly and immediately beneficial to more people.

As for da Silva's comments, I will answer them this way:

1. The recommendation that ADP Advisors for Central America be regional rather than permanently based in one country.

If he's talking about 2 or 3 advisors for the 5 Central American countries, then I would consider it favorably. If he's talking about one advisor, then I cannot agree. If each country were given equal time by the advisor then, during a two year tour, each country would receive about 4 months of his time. This makes him little more than a permanent short-term advisor. In my opinion, this type of advisor is largely ineffective because of the time it takes to become familiar with the practices and problems of a specific country and the lack of follow-up action that is necessary to get a suggested project or procedure off the ground. Also, some of these 4 months would have to be devoted to Administrative-type duties.

2. The comment that Seminars should be more in depth about a specific theme rather than superficial about many themes.

Da Silva has a good point here but again I feel it is a question of levels. What one country would want to explore in depth would be contained in another country's long range plan. The burden of the discussion would fall on the better developed countries and the level would have to be aimed at the country of least development. Further, I feel it would be difficult to justify the expense of a conference that would only cover 2 or 3 topics in a week.

3. The belief that Central America should have its own seminar and should regionalize tax administration beginning with a regional master file.

First, a question. Would da Silva believe the same thing if it were applied to South America? A proper analogy, I think. However, without knowing more about the relative data processing activities of the 5 Central American republics, it would be very difficult to give a complete answer to da Silva's comment. When I first came to Honduras, I had visions that for tax processing, all of Central America could eventually be tied into one large-scale computer in a central location (with Honduras being the most central) on a time sharing basis. This is indeed possible but I question whether it would be feasible in light of the recent hostilities between Honduras and El Salvador, although there is the distinct possibility that technological cooperation could transcend political bickering. If it did come to pass, it would be as the result of a tremendous long-term coordination effort in establishing a model that would be basic for all countries that they could use as a foundation for the unique areas found in the separate countries.

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Jesse Lee 2p. 42

PD-AAB-027-A1

November 2, 1970

Mr. Walter G. Stoneman
Director USAID/H

Dear Mr. Stoneman:

During the program review held October 13th the suggestion was made that the Tax Team prepare a letter setting forth our estimates for GOH input in terms of personnel requirements to support the new ADP configuration and to adequately utilize the services of a full time systems analyst advisor. The letter would provide a basis for USAID to set minimum ADP staffing requirements as a condition precedent to continuing technical assistance in that area.

I agree that the GOH should be required to hire the additional systems analysts and programmers if it is to make adequate use of technical assistance being provided; moreover, it would ensure that the GOH is getting their money's worth from the new configuration by expanding its applications. As Marion Coburn has pointed out, maximum utilization cannot be accomplished with the present staffing.

At the same time I think it worthwhile repeating my caveat so that we will not leave ourselves open to criticizm. And that is, that previous AID sponsored hardware feasibility studies have not clearly defined the concomittant need for additional programmers and systems analysts. The GOH could claim that it was relying heavily on the studies made and fault AID for the oversight. It is interesting to note that all of the studies we have come across seem to overlook the additional staffing needs.

Ever since the program review we have been wrestling with the problem and feel that we are getting good response from the Director General, Efraín Suazo. Attached is a copy of a letter to him bringing the staffing problem to his attention. The staffing plan as proposed by Marion Coburn, Systems Analyst, to which the director has verbally agreed is as follows:

1970 - Contract five part-time programmers for the months of November and December, 1970. If necessary the contracts could be extended into 1971.
1971 - Increase the technical staff from one analyst and two programmers to two analysts and five programmers.
1972 - Increase the number of programmers from five to a total of eight.

Since our last meeting with the Director, he has made available 5,000 lempiras to hire the part-time programmers. The IBM company submitted a list of available programmers in Tegucigalpa. Some have already been interviewed and at least one is scheduled to begin working the first week in November. In addition the director has placed help wanted ads in the local newspapers.

Concerning permanent staffing the director has agreed include the additional positions in his next budget request. Should the request be denied, the director said he would probably follow our recommendation to transfer to the ADP Department, positions from other departments within the directorate. This, of course, is subject to civil service approval. Quite frankly he holds very little hope for additional positions for 1971. Advance calculations establish a budget deficit for 1971 of approximately 13.5 million lempiras. Latest estimates are that the revenue projections from the banana industry will be down seven million. To that is added the 6.5 million lempiras cost for the teacher and federal employee retirement plans which was not included in the 1971 budget.

With this bleak financial picture, I am wondering how much we should push for GOH cash inputs as conditions precedent to continued technical assistance.

At the program review we asked if it would be possible for AID to provide some commodity support for the tax administration program. We mentioned that the DGT could use a decollator in its ADP project. AID could give the DGT a tremendous boost in modern processing by supplying it with a decollator which costs about $5,500. This piece of equipment would permit the preparation of printouts more rapidly and would release many man hours for more vital work.

Please let us know if funds could be made available for this purpose.

With kind regards,

Conrado E. Longoria

CEL/erb
Encl.

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

5220039 - (43)

UNITED STATES GOVERNMENT

Memorandum PD-AAB-027-B1

TO : Jesse Lee, Chief PAD

DATE: 31 December 1970

FROM : Conrado E. Longoria, Sr. Tax Advisor CL

SUBJECT: Annual Leave

I have several days of annual leave to use or lose, so Mary has talked me into taking a week off to visit the Bay Islands. We will be leaving January 2 and will return to work on Monday January 11, 1971. Marion Coburn will be on board to cover and carry on team activities.

You still have my request for additional funding to bring Torres back for an additional 60 days. Hope that this can be ironed out soon so that we can start hounding FTAS and the District Office of IRS to make Torres available .

On participant training, we would like to amend the PIO/P on the Basic Instructor Seminar whihh has been cancelled. The amendment is to change the Seminar from Basic Instructor to Training Management. The latter course is for seven weeks instead of five and therefore requires additional funding of $200.00. We have received advance copies of a draft airgram describing the course and feel that it offers a lot for Honduras whose training program is just getting off the ground. Suazo plans to send Pedro Ponce Larios to this seminar, he is the same candidate that we had nominated for the Basic I structor Seminar. Suazo has also made plans to transfer Ponce Larious to Tegucigalpa where he can take a more active part in the training program.

Done 1/5/71 Jesse

We finally got the PROP out and you probably already have a copy of it in your in basket. Mehen decided not to change anything else so your beautiful rewrite on the history of the program was for naught. I still the PRO=AG which must be redone to reflect what we put into the PROP. Needless to say the PIP must also be redone for the umpteenth time.

Hope you and Margo had a very pleasant Holiday Season, Just being away from PROPs and PIPs is a good tonic.

5010-108

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

5220039-(44)

FY 72 CD file 5p 44

PDAAB 027 C1

Mr. Harlan Hobgood

October 22, 1971

F. Marion Coburn, Acting Team Leader

Distrito Central Project

This is to briefly put into writing what I reported orally to Mr. Willet regarding the subject project. My study covered the administration of tax revenues and data processing.

Status of Administration of Revenues

I interviewed the controller of taxes, Mr. Virgilio Sánchez, on 4 occasions. He was very frank in his critique and gave me 100% cooperation. Basically, the current laws have been in existence since 1927, when they were passed by the Central Government. In 1958, Decreto No. 34 was passed which was supposedly a new law but actually was a copy of the original word for word, comma for comma, according to my informant. The existing law provides little, if any, power of enforcement.

Problems:

1.- The tax bases are not up to date, ommitting many new types of vehicles, constructions and professions and including various which no longer exist.

2.- Tax rates are extremely low, some are so low that processing cost must exceed the gross revenues.

3.- There is no clear line of authority for enforcement provided

by the law, especially in those taxes requiring both local and federal licensing.

Example 1.- The Distrito Central cannot restrict, for failure to pay taxes, the usage of autos in their streets because they have no authority to arrest the drivers.

Example 2.- The Distrito Central inspectors cannot force taxpayers to pay the taxes they assess, nor can they seize properties.

4.- Apparently, either by custom or due to the law, they do not assess taxes retroactively.

5.- There are many errors in the registration of vehicles, controlled by Transit, which create havoc in the records of the Distrito Central. The taxpayer also has to visit 4 offices in order to register his car, but he may evade local taxes by registering outside of the Distrito Central.

Recommendations:

1.- Establish a Coordinating Committee with power to:

a) Enlist the assistance of the other governmental agencies in enforcement procedures under the existing laws. This will change the enforcement from passive to active.

b) Provide a joint inter-agency office for registration of vehicles so owners can pay federal and local taxes and receive plates immediately.

c. This committee will use the laws now in force.

2.- Establish Tax Law Committee which will recommend: a) Restructure of the tax bases, b) Revision and modernization of tax rates, c) An adequate penalty system, d) Provisions for power of seisure and sale, e) Permit reimbureement of other governmental agencies for use of their enforcement officers.

Status of Data Processing

I interviewed the Chief of ADP, Mr. Mario Pérez Estrada whom I knew from when he recently worked as a contract programmer for the DGT. Though there are other ADP employees, he apparently is the only person with ability. They have a rented IBM 360/20 computer card system. I did not check their systems documentation because I was advised before hand that very little exists.

Problems

1.- There is no analysis and programming group for systems design, implementation and maintenance.

2.- There apparently is little or no coordination between ADP and the other departments.

3.- The computer is used approximatly 20% of the available time, and under currant staffing it will never be utilized adequately.

4.- While Pérez is writing programs, he cannot design systems, and ~~in~~ the computer is not operating. When he is acting as computer operator he cannot design systems or write programs.

Recommendations

1.- Create a new Division - Planning and Programming, which will eventually consist of:

				Estimated monthly cost
a)	Division Chief	1	Lps.	1000.00
b)	Systems Analysts	2	"	800.00
c)	Programmers	6	"	3000.00

2.- Select and Train Analysis and Programming Personnel
Set up selection and training program to bring technicians on board as projects are phased in.

3.- Plan systems improvements
Prepare a Time Schedule of improvements showing dates for each phase of each system to be improved, such as:

a) Systems Study
b) Systems Design
c) Program Specifications
d) Programming
e) Systems Testing
f) Conversion

4.- Cancel computer rental contract

a) Rent computer by hour from one of many agencies at a cost of 20% of contract

b) Use 80% rental saving for financing new division

5.- Technical Advisors Recommended

a) 1 City Planner
b) 1 ADP System Analyst

6.- Commodity Support Recommended

a) 2 Executive size desks

b) 6 Medium size desks

c) 1 Secretary Desk

d) 2 4 Drawer legal filing cabinets

e) 10 Keypunch card file cabinets

f) 1 Long carriage typewriter

PD-AAB-027-D1

JESSG LEE 5RR0059- 45

QUARTERLY STATISTICAL REPORT

FOR QUARTER ENDED Sep. 30 19 69

MONETARY UNIT	COUNTRY	
Lempira	Honduras	Report dollar amounts in Thousands of U.S. dollars

INSTRUCTIONS AND NOTES

General — Please complete as much of this form as you can, regardless of the reliability of the data. Then, in "Comments", note those items in which the data is extremely unreliable. (Add additional sheets if necessary)

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(3) Convert into U.S. dollars applicable exchange rate. Specify rate used for current quarter.

(Continue on bottom of reverse)

Functional Area and Item	PREVIOUS YEAR This Quarter (3)	PREVIOUS YEAR Cumulative (1)	CURRENT YEAR (2) This Quarter (3)	CURRENT YEAR (2) Cumulative (1)	Cumulative Percent Increase or (Decrease)
AUDIT					
No. of Returns Examined and Closed	1.607	3.328	1.293	3.801	14.2
Income and Profit	1.281	2.701	979	3.004	11.2
Sales	209	347	239	502	44.7 (d)
Property and Transfers	91	245	70	236	(4.0)
Excise and Others	26	35	5	59	-
Additional Tax and Penalty	$ 756.0	$ 1.491.0	$ 609.4	$ 1.496.2	-
Income and Profit	$ 420.2	$ 947.9	$ 393.5	$ 1.007.3	6.3
Sales	$ 52.1	$ 92.2	$ 32.3	$ 129.9	41.0
Property and Transfers	$ 45.3	$ 107.5	$ 31.0	$ 86.3	(19.7)
Excise and Others	$ 238.4	$ 343.4	$ 152.6	$ 272.7	(20.6)
No. of Auditors (4)	99		(b) 55.0		
Income and Profit			40.6		
Sales			7.4		
Property and Transfers			3.2		
Excise and Others			3.8		
APPEALS					
Cases Received	36	308	95	222	28.0
Cases Closed	66	233	54	127	45.5
Inventory - Cases on Hand		76		191	151.3
Amount of Tax		$ 22		$ (a)	
DELINQUENT RETURNS					
Contacts Made	25	25 (c)	516	972	(c)
No. of Returns Secured (Total)	11	333	184	471	41.4
Income and Profit	11	305	134	400	31.1
Sales	-0-	-0-	50	67	-
Property and Transfers	-0-	-0-	-0-	-0-	-
Excise and Others	-0-	28	-0-	4	(85.7)
Amount of Tax and Penalty (Total)	-0-	6	12.4	24.7	311.7 (c)
Income and Profit	$ -0-	$ 4	$ 2.3	$ 11.4	185.0 (c)
Sales	$ -0-	$ -0-	$ 10.1	$ 12.9	-
Property and Transfers	$ -0-	$ -0-	$ -0-	$ -0-	
Excise and Others	$ -0-	$ 2	$ -0-	$ .4	(80.0)
DELINQUENT ACCOUNTS					
Cases Closed	977	3.498	1.274	3.868	10.6
Amount of Tax and Penalty	$ 96	$ 284.6	$ 138.3	$ 429.0 (f)	50.7 (f)
No. of Revenue Officers (4)		21	5		(76.2) (e)

Functional Area and Item	PREVIOUS YEAR		CURRENT YEAR (2)		Cumulative Percent Increase or (Decrease)
	This Quarter (3)	Cumulative (1)	This Quarter (3)	Cumulative (1)	
T/P RELATIONS					
Taxpayers Assisted	2.500	4,847	200.00	200.00	-
Public Appear. (Radio, TV, Speaking, etc.)	-0-	-0-	-	-	-
Persons completing T/P Ed. Courses	-0-	150	-	-	-
INTELLIGENCE					
Cases Received					
Cases Closed - Prosecution					
- No Prosecution					
Amount of Tax and Penalties	$	$	$	$	
No. of Special Agents (4)					
IN-SERVICE TRAINING					
Total Man-Months of Trainees	-	32.8	-	43.6	33.0
No. of Employees Trained (Total)	-	103	-	66	
Instructor	-	-0-	-		
Technical	-	103		66	
Supervisory and Management	-	-0-	-		
Clerical and Other	-	-0-	-		
	-	5		3	
No. of Training Courses Completed					
GENERAL					
Total Tax Revenue	$ 5,867.5	$ 32.270.3	$ 5.777.3	$36,585.7	13.4
Income and Profit	$ 1.170.4	$ 18.625.0	$ 1.119.4	$20.226.2	8.6
Sales	$ 1.114.8	$ 3.565.7	$ 966.7	$ 3.397.5	(4.7)
Customs	$	$	$	$	
Property and Transfers	$ 241.5	$ 639.8	$ 169.3	$ 491.7	(23.1)
Excise and Others	$ 3,340.8	$ 9.439.8	$ 3.521.9	$12.470.3	32.1
Returns Filed - Total	(a)	38.221	2.725	57.434	-
- Taxable	(a)	17.349	2.560	36.901	-
- Nontaxable	(a)	20.872	165	20.533	-
Income and Profit (5)	(a)	36.618	494	47.513	29.6
Sales (5)	(a)	1.237	33	2.166	75.1
Property and Transfers (5)	(a)	366	1.492	5.815	-
Excise and Other (5)	(a)	(a)	1.250	4.222	-
Total Employees in Tax Agency(ies) (6)					
Total Financial Obligations Incurred by Tax Agency(ies) (6)					
Conversion Rate to $1.00 U.S.					

COMMENTS: *(Use additional sheets if necessary)*

(a) Information not available.

(b) Total Auditor strength is 115, however only 48% of time was used on direct audits, remainder is overhead, details out and other audit functions.

(c) Incomplete data for 1968.

(d) 1969 includes consumer's tax that became effective the latter part of 1968.

(e) 1969 shows actual strength of section. Unable to validate 1968 figure.

(f) Section reports as production all late payments made by taxpayers whether or not contacted by Section. Yield is therefore overstated.

Instructions and Notes – Continued

(4) State number active at end of quarter. Do not cumulate.

(5) Total returns filed only.

(6) Complete only in report for quarter ending December, but include data for entire calendar year. "Financial Obligations Incurred" means the annual cost incurred by the tax agencies for personnel compensation and benefits, travel, materials and supplies, etc.

JESSE LEE

QUARTERLY STATISTICAL REPORT

FOR QUARTER ENDED Dec. 31, 19 69

MONETARY UNIT: Lempira

COUNTRY: Honduras

Report dollar amounts in Thousands of U.S. dollars

INSTRUCTIONS AND NOTES

General — Please complete as much of this form as you can, regardless of the reliability of the data. Then, in "Comments", note those items in which the data is extremely unreliable. (Add additional sheets if necessary)

(1) Explain any prior period adjustments included in cumulative sub-columns.

(2) Explain briefly in "Comments" the causes of any significant trends (increases or decreases) in the data, in terms of what actions the host country is or is not taking.

(3) Convert into U.S. dollars applicable exchange rate. Specify rate used for current quarter.

(Continue on bottom of reverse)

Functional Area and Item	PREVIOUS YEAR		CURRENT YEAR (2)		Cumulative Percent Increase or (Decrease)
	This Quarter (3)	Cumulative (1)	This Quarter (3)	Cumulative (1)	
AUDIT					
No. of Returns Examined and Closed	1,456	4,784	1,380	5,181	8.30
Income and Profit	1,239	3,940	1,119	4,123	4.64
Sales	87	434	119	621	43.09 (d)
Property and Transfers	89	334	126	362	8.38
Excise and Others	41	76	16	75	(0.13)
Additional Tax and Penalty	$ 517.6	$ 2,008.6	$ 1,142.4	$ 2,638.6	31.36
Income and Profit	$ 313.9	$ 1,261.8	$ 898.5	$ 1,905.8	51.04
Sales	$ 20.3	$ 112.5	$ 49.7	$ 179.6	59.64
Property and Transfers	$ 34.9	$ 142.4	$ 48.9	$ 135.2	(5.06)
Excise and Others	$ 148.5	$ 491.9	$ 145.3	$ 418.0	(15.02)
No. of Auditors (4)		96	53.2(b)		
Income and Profit			40.4		
Sales			5.6		
Property and Transfers			4.6		
Excise and Others			2.6		
APPEALS					
Cases Received	97	405	134	356	(12.0)
Cases Closed	63	296	116	243	(18.0)
Inventory - Cases on Hand		110		163	48.2
Amount of Tax		$ 16		$ 728.4	-
DELINQUENT RETURNS					
Contacts Made	89	114 (c)	2,031	3,003	-
No. of Returns Secured (Total)	68	401	1,305	1,776	343.0
Income and Profit	61	366	1,254	1,654	352.0
Sales	1	1	50	117	-
Property and Transfers	-	-	-		
Excise and Others	6	34	1	5	-
Amount of Tax and Penalty (Total)	4	10	30.8	55.5	-
Income and Profit	$ 4	$ 8	$ 22.8	$ 34.2	
Sales	$	$ (a)	$ 8.0	$ 20.9	-
Property and Transfers	$ -0-	$ -	$	$	
Excise and Others	$	$ 2	$ -0-	$ .4	
DELINQUENT ACCOUNTS					
Cases Closed	1,422	4,920	2,716	6,584	33.8
Amount of Tax and Penalty	$ 91.0	$ 376.0	$ 206.5	$ 635.5	69.0 (f)
No. of Revenue Officers (4)	21		5		(76.2) (e)

Functional Area and Item	PREVIOUS YEAR		CURRENT YEAR (2)		Cumulative Percent Increase or (Decrease)
	This Quarter (3)	Cumulative (1)	This Quarter (3)	Cumulative (1)	
T/P RELATIONS					
Taxpayers Assisted	~~2,500~~	~~4,847~~	~~300.00~~		
Public Appear. (Radio, TV, Speaking, etc.)					
Persons completing T/P Ed. Courses					
INTELLIGENCE					
Cases Received					
Cases Closed - Prosecution					
- No Prosecution					
Amount of Tax and Penalties	$	$	$	$	
No. of Special Agents (4)					
IN-SERVICE TRAINING					
Total Man-Months of Trainees					
No. of Employees Trained (Total)					
Instructor					
Technical					
Supervisory and Management					
Clerical and Other					
No. of Training Courses Completed					
GENERAL					
Total Tax Revenue	$	$	$	$	
Income and Profit	$	$	$	$	
Sales	$	$	$	$	
Customs	$	$	$	$	
Property and Transfers	$	$	$	$	
Excise and Others	$	$	$	$	
Returns Filed - Total					
- Taxable					
- Nontaxable					
Income and Profit (5)					
Sales (5)					
Property and Transfers (5)					
Excise and Other (5)					
Total Employees in Tax Agency(ies) (6)					
Total Financial Obligations Incurred					
by Tax Agency(ies) (6)					
Conversion Rate to $1.00 U.S.					

COMMENTS: *(Use additional sheets if necessary)*

Instructions and Notes – Continued

(4) State number active at end of quarter. Do not cumulate.
(5) Total returns filed only.
(6) Complete only in report for quarter ending December, but include data for entire calendar year. "Financial Obligations Incurred" means the annual cost incurred by the tax agencies for personnel compensation and benefits, travel, materials and supplies, etc.

Dec. 31, 1969

Functional Area and Item	PREVIOUS YEAR		CURRENT YEAR (2)		Cumulative Percent Increase or (Decrease)
	This Quarter (3)	Cumulative (1)	This Quarter (3)	Cumulative (1)	
T/P RELATIONS					
Taxpayers Assisted	-0-	4,847	100	300	-
Public Appear. (Radio, TV, Speaking, etc.)	-0-	-	-	-	
Persons completing T/P Ed. Courses	-0-	150	-	-	-
INTELLIGENCE					
Cases Received					
Cases Closed - Prosecution					
- No Prosecution					
Amount of Tax and Penalties	$	$	$	$	
No. of Special Agents (4)					
IN-SERVICE TRAINING					
Total Man-Months of Trainees	-	32.8		44.7	36.3
No. of Employees Trained (Total)	-	103		80	
Instructor	-	-			
Technical	-	103		80	
Supervisory and Management	-	-			
Clerical and Other	-	-			
No. of Training Courses Completed		5		4	
GENERAL					
Total Tax Revenue	$ 6,549.8	$38,820.0	$7,115.0	$43,700.7	12.6
Income and Profit	$ 944.6	$19,569.6	$1,215.5	$21,441.7	9.6
Sales	$ 1,104.1	$ 4,669.8	$1,131.5	$ 4,529.0	(3.0)
Customs	$	$	$	$	
Property and Transfers	$ 181.7	$ 821.5	$ 171.4	$ 663.1	(19.0)
Excise and Others	$ 4,319.4	$13,759.1	$4,596.6	$17,066.9	24.0
Returns Filed - Total	(a)	53,850	3,518	63,234	17.4
- Taxable	"	31,720	3,168	42,351	33.5
- Nontaxable	"	22,130	350	20,883	(5.7)
Income and Profit (5)	"	37,812	640	48,153	27.3
Sales (5)	"	1,237	68	2,234	81
Property and Transfers (5)	"	7,313	1,828	7,643	4.5
Excise and Other (5)	"	7,488	982	5,204	(30.5) (g)
Total Employees in Tax Agency(ies) (6)		271		315	16.0
Total Financial Obligations Incurred by Tax Agency(ies) (6)		880.9		927.2	5.3
Conversion Rate to $1.00 U.S.					

COMMENTS: *(Use additional sheets if necessary)*

(a) Information not available.

(b) Total Auditor strength is 115, however only 48% of time was used on direct audits, remainder is overhead, details out and other audit functions.

(c) Incomplete data for 1968.

(d) 1969 includes consumer's tax that became effective the latter part of 1968.

(e) 1969 shows actual strength of section. Unable to validate 1968 figure.

(f) Section reports as production all late payments made by taxpayers whether or not contacted by Section. Yield is therefore overstated.

(g) 1968 figure includes one time floor stock returns.

Instructions and Notes – Continued

(4) State number active at end of quarter. Do not cumulate.

(5) Total returns filed only.

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QUARTERLY STATISTICAL REPORT

MONETARY UNIT	COUNTRY	FOR QUARTER ENDED 19
		Report dollar amounts in Thousands of U.S. dollars

INSTRUCTIONS AND NOTES

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(3) Convert into U.S. dollars applicable exchange rate. Specify rate used for current quarter.

(Continue on bottom of reverse)

Functional Area and Item	PREVIOUS YEAR		CURRENT YEAR (2)		Cumulative Percent Increase or (Decrease)
	This Quarter (3)	Cumulative (1)	This Quarter (3)	Cumulative (1)	
AUDIT					
No. of Returns Examined and Closed					
Income and Profit					
Sales					
Property and Transfers					
Excise and Others					
Additional Tax and Penalty	$	$	$	$	
Income and Profit	$	$	$	$	
Sales	$	$	$	$	
Property and Transfers	$	$	$	$	
Excise and Others	$	$	$	$	
No. of Auditors (4)					
Income and Profit					
Sales					
Property and Transfers					
Excise and Others					
APPEALS					
Cases Received					
Cases Closed					
Inventory - Cases on Hand					
Amount of Tax		$		$	
DELINQUENT RETURNS					
Contacts Made					
No. of Returns Secured (Total)					
Income and Profit					
Sales					
Property and Transfers					
Excise and Others					
Amount of Tax and Penalty (Total)					
Income and Profit	$	$	$	$	
Sales	$	$	$	$	
Property and Transfers	$	$	$	$	
Excise and Others	$	$	$	$	
DELINQUENT ACCOUNTS					
Cases Closed					
Amount of Tax and Penalty	$	$	$	$	
No. of Revenue Officers (4)					

File Tax Admin.

QUARTERLY STATISTICAL REPORT

FOR QUARTER ENDED DEC. 1970

MONETARY UNIT: Lempira

COUNTRY: Honduras

Report dollar amounts in Thousands of U.S. dollars

INSTRUCTIONS AND NOTES

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(3) Convert into U.S. dollars applicable exchange rate. Specify rate used for current quarter.

(Continue on bottom of reverse)

Functional Area and Item	PREVIOUS YEAR		CURRENT YEAR (2)		Cumulative Percent Increase or (Decrease)
	This Quarter (3)	Cumulative (1)	This Quarter (3)	Cumulative (1)	
AUDIT					
No. of Returns Examined and Closed	1,380	5,181	1,513	6,134	18.4
Income and Profit	1,119	4,123	990	4,366	5.9
Sales	119	621	381	1,168	88.0
Property and Transfers	126	362	92	432	19.3
Excise and Others	16	75	50	168	124.0
Additional Tax and Penalty	$1,142.4	$ 2,638.6	$ 869.5	$ 3,830.4	45.2
Income and Profit	$ 898.5	$ 1,905.8	$ 640.1	$ 3,069.2	61.0
Sales	$ 49.7	$ 179.6	$ 122.7	$ 374.7	108.6
Property and Transfers	$ 48.9	$ 135.2	$ 50.7	$ 169.1	25.0
Excise and Others	$ 145.3	$ 418.0	$ 56.0	$ 217.4	(48.0)
No. of Auditors (4)	53.2		115		
Income and Profit	40.4		(d) 45.7		
Sales	5.6		(d) 14.0		
Property and Transfers	4.6		(d) 4.3		
Excise and Others	2.6		(d) 3.3		
APPEALS					
Cases Received	134	256	244	847	138.0
Cases Closed	116	243	202	691	184.4
Inventory - Cases on Hand		163		319	95.7
Amount of Tax		$ 728.4		$ (a)	
DELINQUENT RETURNS					
Contacts Made	2,031	3,003	1,154	3,302	10.0
No. of Returns Secur[illegible] (Total)	1,305	1,776	467	2,346	32.1
Income and Profit	1,254	1,654	431	2,038	23.2
Sales	50	117	35	287	145.0
Property and Transfers					
Excise and Others	1	5	1	21	
Amount of Tax and Penalty (Total)	30.8	55.5	38.7	$ 150.2	170.6
Income and Profit	$ 22.8	$ 34.2	$ 33.1	$ 96.0	180.7
Sales	$ 8.0	$ 20.9	$ 5.6	$ 52.2	149.7
Property and Transfers	$	$	$	$	
Excise and Others	$	$ .4	$	$ 2.0	
DELINQUENT ACCOUNTS					
Cases Closed	2,716	6,584	3,711	9,195	39.7
Amount of Tax and Penalty	$ 206.5	$ 635.5	$ 243.8	$ 679.9	7.0
No. of Revenue Officers (4)	5		3		

QUARTER END DEC. 1970

Functional Area and Item	PREVIOUS YEAR		CURRENT YEAR (2)		Cumulative Percent Increase or (Decrease)
	This Quarter (3)	Cumulative (1)	This Quarter (3)	Cumulative (1)	
T/P RELATIONS					
Taxpayers Assisted	100	300	(b) 174	(b) 345	15.0
Public Appear. (Radio, TV, Speaking, etc.)					
Persons completing T/P Ed. Courses			(e) 749	749	
INTELLIGENCE					
Cases Received					
Cases Closed - Prosecution					
- No Prosecution					
Amount of Tax and Penalties	$	$	$	$	
No. of Special Agents (4)					
IN-SERVICE TRAINING					
Total Man-Months of Trainees		44.7	3.4	34.2	(33.5)
No. of Employees Trained (Total)		80	11	110	37.5
Instructor					
Technical		80	11	98	22.5
Supervisory and Management				14	
Clerical and Other					
No. of Training Courses Completed		4	11	13	
GENERAL					
Total Tax Revenue (c)	$ 6,662.0	$ 43,776.7	$ 7,948.2	$ 48,081.8	10.0
Income and Profit (c)	$ 982.5	$ 21,441.6	$ 988.5	$ 21,037.0	(1.9)
Sales (c)	$ 1,597.5	$ 6,498.6	$ 1,350.5	$ 7,007.9	7.8
Customs (c)	$	$	$	$	
Property and Transfers (c)	$ 135.7	$ 666.1	$ 154.4	$ 693.1	4.0
Excise and Others	$ 3,946.3	$ 15,170.4	$ 5,454.8	$ 19,343.8	27.4
Returns Filed - Total	3,518	63,234	4,037	60,946	(3.6)
- Taxable	3,168	42,351	3,951	(f) 35,284	(16.7)
- Nontaxable	350	20,883	86	(f) 25,662	(22.9)
Income and Profit (5)	640	48,153	470	44,567	(7.5)
Sales (5)	68	2,234	26	2,503	12.0
Property and Transfers (5)	1,828	7,643	1,951	8,198	7.3
Excise and Other (5)	982	5,204	1,590	5,678	9.1
Total Employees in Tax Agency(ies) (6)		315		315	
Total Financial Obligations Incurred by Tax Agency(ies) (6)		$ 927.2		$ 944.3	
Conversion Rate to $1.00 U.S.					

COMMENTS: *(Use additional sheets if necessary)*

a) Statistics not available
b) Number of hours spent on T/P/A. Number T/P's assisted not available
c) Previous year quarter & cumulative figures adjusted
d) Number of auditors on direct operations, balance charged to indirect & details out.
e) This represents 76 hours of seminars to student at commercial school in major cities.
f) Accurate statistics on taxable and non-taxable not available.

Instructions and Notes – Continued

(4) State number active at end of quarter. Do not cumulate.
(5) Total returns filed only.
(6) Complete only in report for quarter ending December, but include data for entire calendar year. "Financial Obligations Incurred" means the annual cost incurred by the tax agencies for personnel compensation and benefits, travel, materials and supplies, etc.

File Tax Admin

QUARTERLY STATISTICAL REPORT

FOR QUARTER ENDED: March 31, 1971

MONETARY UNIT: LEMPIRA

COUNTRY: HONDURAS

Report dollar amounts in Thousands of U.S. dollars

INSTRUCTIONS AND NOTES

General — Please complete as much of this form as you can, regardless of the reliability of the data. Then, in "Comments", note those items in which the data is extremely unreliable. (Add additional sheets if necessary)

(1) Explain any prior period adjustments included in cumulative sub-columns.

(2) Explain briefly in "Comments" the causes of any significant trends (increases or decreases) in the data, in terms of what actions the host country is or is not taking.

(3) Convert into U.S. dollars applicable exchange rate. Specify rate used for current quarter.

(Continue on bottom of reverse)

Functional Area and Item	PREVIOUS YEAR		CURRENT YEAR (2)		Cumulative Percent Increase or (Decrease)
	This Quarter (3)	Cumulative (1)	This Quarter (3)	Cumulative (1)	
AUDIT					
No. of Returns Examined and Closed	1215	1215	965	965	(20.6) (g)
Income and Profit	883	883	619	619	(29.9)
Sales	174	174	252	252	44.8
Property and Transfers	108	108	50	50	(53.7)
Excise and Others	50	50	44	44	(12.0)
Additional Tax and Penalty	$ 810.4	$ 810.4	$ 879.2	$ 879.2	8.5
Income and Profit	$ 630.5	$ 630.5	$ 484.7	$ 484.7	(23.1)
Sales	$ 71.3	$ 71.3	$ 139.8	$ 139.8	96.1
Property and Transfers	$ 47.6	$ 47.6	$ 29.2	$ 29.2	(38.7)
Excise and Others	$ 61.0	$ 61.0	$ 225.5	$ 225.5	270.0
No. of Auditors (4)	111		115		3.6
Income and Profit	43.8		32.4		(26.9)
Sales	9.1		8.1		(11.0)
Property and Transfers	4.9		2.3		(53.1)
Excise and Others	2.8		5.1		82.1
APPEALS					
Cases Received	187	187	145	145	(22.5)
Cases Closed	201	201	152	152	(24.4)
Inventory - Cases on Hand		149		388	160.4
Amount of Tax		$ (a)		$ 2,003,038	–
DELINQUENT RETURNS					
Contacts Made	761	761	673	673	(11.6)
No. of Returns Secured (Total)	598	598	185	185	(69.1)
Income and Profit	519	519	153	153	(70.5)
Sales	73	73	7	7	(90.4)
Property and Transfers	–	–	–	–	–
Excisn and Others	6	6	25	25	316.7
Amount of Tax and Penalty (Total)	18.8	18.8	5.3	5.3	(71.8)
Income and Profit	$ 8.0	$ 8.0	$ 2.9	$ 2.9	(63.7)
Sales	$ 9.5	$ 9.5	$ 1.0	$ 1.0	(89.5)
Property and Transfers	$ –	$ –	$ –	$ –	–
Excise and Others	$ 1.3	$ 1.3	$ 1.4	$ 1.4	7.7
DELINQUENT ACCOUNTS					
Cases Closed	1857	1857	1329	1329	(28.6)
Amount of Tax and Penalty	$ 126.1	$ 126.1	$ 159.0	$ 159.0	26.1
No. of Revenue Officers (4)	3	3	2	2	(33.3)

3/31/71

Functional Area and Item	PREVIOUS YEAR This Quarter (3)	PREVIOUS YEAR Cumulative (1)	CURRENT YEAR (2) This Quarter (3)	CURRENT YEAR (2) Cumulative (1)	Cumulative Percent Increase or (Decrease)
T/P RELATIONS					
Taxpayers Assisted	(c)131	131	(c) 105	105	(19.8)
Public Appear. (Radio, TV, Speaking, etc.)	(a)		4	4	-
Persons completing T/P Ed. Courses					
INTELLIGENCE					
Cases Received No Action					
Cases Closed - Prosecution					
- No Prosecution					
Amount of Tax and Penalties	$	$	$	$	
No. of Special Agents (4)					
IN-SERVICE TRAINING					
Total Man-Months of Trainees	3.5	3.5	5.0	5.0	42.9
No. of Employees Trained (Total)	1	1	93	93	-
Instructor	-	-	-	-	-
Technical	2	2	1.7	1.7	(15.0)
Supervisory and Management	1	1	3.3	3.3	230.0
Clerical and Other	-	-	-	-	-
No. of Training Courses Completed	3	3	(d) 1	1	(66.7)
GENERAL					
Total Tax Revenue	$ 7.263.8	$ 7.263.8	$ 9,274.9	$ 9,274.9	27.7
Income and Profit	$ 1.036.5	$ 1.036.5	$ 2.092.4	$ 2.092.4	101.9 (f)
Sales	$ 1.872.7	$ 1.872.7	$ 1.615.5	$ 1.615.5	(13.7) (e)
Customs	$ -	$ -	$ -	$ -	-
Property and Transfers	$ 174.8	$ 174.8	$ 232.1	$ 232.1	32.8
Excise and Others	$ 4,179.8	$ 4.179.8	$ 5.334.9	$ 5.334.9	27.6
Returns Filed - Total	37,101	37,101	37,979	37,979	2.4
- Taxable	18,600	18,600	(b) 20,907	20,907	12.4
- Nontaxable	18,501	18,501	(b) 17,072	17,072	(7.7)
Income and Profit (5)	32,180	32,180	31,493	31,493	(2.1)
Sales (5)	1,896	1,896	3,490	3,490	84.1
Property and Transfers (5)	1,776	1,776	1,979	1,979	11.4
Excise and Other (5)	1,249	1,249	425	425	(66.0)
Total Employees in Tax Agency(ies) (6)					
Total Financial Obligations Incurred by Tax Agency(ies) (6)					
Conversion Rate to $1.00 U.S.	2:1		2:1		

COMMENTS: *(Use additional sheets if necessary)*

(a) No statistics available
(b) Estimated, exact data not available
(c) Hours spent on T/P/A
(d) Continuous weekly Audit seminars not included as course
(e) The decrease in collection is due to the repealing of the consumer's tax which was included in sales tax of previous years. True sales tax increase 5.4%
(f) The major portion of this increase is due to the collections resulting from the early payment of taxes by several large taxpayers.
(g) Auditors spent considerable time in renewing inventories affected by the GOH drop out from the Commun. Market. This affected their production.

Instructions and Notes – Continued

(4) State number active at end of quarter. Do not cumulate.
(5) Total returns filed only.
(6) Complete only in report for quarter ending December, but include data for entire calendar year. "Financial Obligations Incurred" means the annual cost incurred by the tax agencies for personnel compensation and benefits, travel, materials and supplies, etc.

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PRO AG

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
THE MINISTRY OF ECONOMY AND FINANCE
AN AGENCY OF THE GOVERNMENT OF HONDURAS

The [illegible] hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in (a) [illegible] attached hereto, as checked below:

[X] PROJECT DESCRIPTION ANNEX A
[X] STANDARD PROVISIONS ANNEX
[ ] FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
[ ] SPECIAL LOAN PROVISIONS ANNEX

1. PROJECT/ACTIVITY NO. 522-11-790-039.4
2. AGREEMENT NO. 522-9-70
PAGE 1 OF 9 PAGES
3. (a) ORIGINAL OR REVISION NO.
4. PROJECT/ACTIVITY TITLE
PUBLIC ADMINISTRATION
(Organization and Methods)

5. The following [illegible] is hereby entered into this [illegible] modified or supplemented:

[X] GENERAL AGREEMENT FOR TECHNICAL COOPERATION — DATE 4/12/61
[ ] ECONOMIC COOPERATION AGREEMENT — DATE
[ ] (other) — DATE

6. PROJECT DESCRIPTION AND EXPLANATION
(See Annex A attached)

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7. AID FINANCING [ ] DOLLARS [ ] LOCAL CURRENCY
8. AID APPROPRIATION SYMBOL 72-1101010
9. AID ALLOTMENT SYMBOL 095-50-522-00-69-01

	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total				
(b) Contract Services		60,000		60,000
(c) Commodities		60,000		60,000
(d) Other Costs				
10. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT (Loans)				
(a) Total				
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

10. SPECIAL PROVISIONS (Including Additional Contributions, if any, by Parties)

11. DATE OF ORIGINAL AGREEMENT January 23, 1970
12. DATE OF THIS REVISION
13. ESTIMATED FINAL CONTRIBUTION DATE December 13, 1970

FOR THE GOVERNING COUNTERPART OF AGENCY
Manuel Acosta B.
Minister of Economy & Finance
DATE

FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT
SIGNATURE R. G. Stoneman
TITLE Director USAID/Honduras
DATE

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	PROJECT AGREEMENT (Between the The Ministry of Economy & Finance An agency of the Government of Honduras	1. Project Agreement No. 522-11-790-029.4 2. Agreement No. 522-9-70 3. Project/Activity Title PUBLIC ADMINISTRATION (Organization & Methods)	 4. [X] Original or Revision No.

I. INTRODUCTION

Pursuant to the General Agreement for Economic, Technical and Related Assistance signed between the Government of Honduras and the Government of the United States of America, in accordance with the Inter-American Program for Economic and Social Development established by the Act of Bogotá and the Conference of Punta del Este, and with the Declaration of Central America signed in San José, and in recognition of the importance of achieving an improve administrative capacity in the public sector, this Project Agreement is entered into by and between the Ministry of Economy & Finance an agency of the Government of Honduras, and the Agency for International development, an agency of the Government of the United States of America.

II. OBJECTIVE

The Government of Honduras and the Agency for International Development (AID), enter into this Agreement for the purpose of improving the organization, management, methods and procedures of the Executive Branch of the Government of Honduras. This overall objective is the same as that in PROAG No. 522-13-68, dated June 18, 1968 but certain key areas of technical assistance have been spelled out in greater detail in Annex A, paragraph IV B 2 and IV B 3 below.

III. PLAN OF ACTION

The organization, management, methods and procedures of the Executive Branch of the Government of Honduras are to be improved through the following activities:

I. INTRODUCCION

De conformidad con el Acuerdo General para Cooperación Técnica, Económica y Otra Asistencia firmado entre el Gobierno de Honduras y el de los Estados Unidos de América, y de acuerdo con el Programa Interamericano para el Desarrollo Económico y Social establecido por el Acta de Bogotá y la Conferencia de Punta del Este y con la Declaración de Centro América firmada en San José, y en reconocimiento de la importancia de lograr un adelanto en la capacidad administrativa del sector público, se celebra el presente convenio de proyecto entre el Ministerio de Economía y Hacienda, una dependencia del Gobierno de Honduras, y la Agencia para el Desarrollo Internacional, una dependencia del Gobierno de los Estados Unidos de Norte América.

II. OBJETIVO

El Gobierno de Honduras y la Agencia para el Desarrollo Internacional (AID) celebran el presente convenio con el propósito de mejorar la organización, administración, métodos y procedimientos del Poder Ejecutivo del Gobierno de Honduras. Este objetivo en su totalidad es el mismo especificado en el Acuerdo No. 522-13-68 de fecha 18 de Junio, 1968 pero ciertas áreas claves de la asistencia técnica se han especificado en mayor detalle en el Anexo A, párrafo IV B 2 y IV B 3 .

III. PLAN DE ACCION

La organización, administración, métodos y procedimientos del Poder Ejecutivo del Gobierno de Honduras serán mejorados por medio de las siguientes actividades:

For the Cooperating Government or Agency	For the Agency for International Development
SIGNATURE: _____ DATE: _____ TITLE:	SIGNATURE: _____ DATE: _____ TITLE:

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PROJECT AGREEMENT BETWEEN AID AND The Ministry of Economy & Finance AN AGENCY OF THE GOVERNMENT OF HONDURAS	1. Project/Activity No. 522-11-790-039.4	PAGE 1 OF 2 PAGES
	2. Agreement No. 522-9-70	2 Original or Revision No.
	3. Project/Activity Title PUBLIC ADMINISTRATION (Organization & Methods)	

A. Organization & Methods Office

An Organization and Methods Office has been established in the Ministry of Finance under PROAG # 522-13-68 and PIO/T 522-039.4-3-80101 dated June 18, 1968. This office has been fully staffed and trained but lacks adequate leadership in carrying out specific studies. It is now intended to provide this leadership with outside technicians who will train the technicians of the office in how to plan, develop and implement a specific project and how to obtain the full cooperation of the officials of the Government organization involved.

B. Organization & Methods Personnel.

The Organization and Methods Office will be reorganized to define more specifically the duties of each one of the staff and to assign one of the staff as a Team Leader for the Office as a whole. The Head of the Office will participate actively in determining key areas for suitable study as he will be a member (Chairman) of the proposed Management Advisory Committee. (See paragraph IV A 1 below).

C. Studies and Recommendations

The Organization & Methods Office will conduct studies of various aspects of the organization and operation of the Executive Branch of the Government of Honduras, utilizing organizational analysis, operational audits, general management surveys, procedural analysis and development, systems and methods

A. Oficina de Organización y Métodos.

Se ha establecido una Oficina de Organización y Métodos bajo el Acuerdo de Proyecto # 522-13-68 y el PIO/T 522-039.4-3-80101 de fecha 18 de Junio de 1968. El personal de esta oficina está completo y adiestrado pero carece de la dirección adecuada para llevar a cabo estudios específicos. Se intentará ahora proporcionar esta dirección por medio de técnicos extranjeros que adiestrarán a los técnicos de esta oficina en el planeamiento, desarrollo e implementación de proyectos específicos y en como obtener toda la cooperación de los Jefes de la organización gubernamental relacionada.

B. Personal de la Oficina de Organización y Métodos.

Se reorganizará la Oficina de Organización y Métodos para definir especificamente las obligaciones de cada uno de los miembros del personal y designar a uno de los técnicos como Jefe de Grupo de la oficina. El jefe de la oficina participará activamente en la determinación de las áreas claves para estudio, ya que será un miembro (Presidente) del Comité Asesor en Administración (Vease párrafo IV A 1).

C. Estudio y Recomendaciones

La oficina de Organización y Métodos llevará a cabo estudios de los varios aspectos de la organización y operación del Poder Ejecutivo del Gobierno de Honduras. Para este fin se llevarán a cabo análisis de organización; ajuste de operaciones; encuestas de administración en general; análisis de sistemas y métodos; medición del

For the Cooperating Government or Agency	For the Agency for International Development
SIGNATURE: _____ DATE: _____	SIGNATURE: _____ DATE: _____
TITLE:	TITLE:

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analysis, work measurement simplification and reporting, forms design, operation manuals and other management tools and techniques.

D. Government Of Honduras Management Committee

A Government of Honduras Management Advisory Committee will be formed composed of representatives of the Government of Honduras, USAID and other international organizations to identify organization and management problems that hinder economic and social development and to consider recommendations developed by the Organization and Methods office to solve them.

E. Prior to January 30, 1970, a detailed Project Implementation Plan (PIP) will be prepared jointly by AID and the Ministry of Economy and Finance. The plan will include a schedule of actions to be taken by the parties to this agreement with target dates and figures, and must be approved in writing by the parties to this agreement. It may be revised at any time by mutual agreement. In the event that the parties are unable to comply with provisions of the plan, this project activity shall be revoked or modified through an appropriate amendment. Such revocation may also be effected unilaterally by either party, pursuant to Paragraph P of the Standard Provisions (Annex B).

F. A Project Appraisal Report (PAR) will be prepared by March 15,

trabajo, su simplificación e información; diseño de formatos; manuales de operación y otros instrumentos y técnicas de administración.

D. Comité de Administración del Gobierno de Honduras.

Se formará un Comité Asesor de Administración del Gobierno de Honduras el cual estará integrado por representantes del Gobierno de Honduras, USAID y otras organizaciones internacionales a fin de identificar los problemas de carácter administrativo y de organización que obstaculizan el desarrollo económico y social y para considerar las recomendaciones formuladas por la oficina de Organización y Métodos, referentes a la solución de estos problemas.

E. El AID y el Gobierno de Honduras, por medio del Ministerio de Economía y Hacienda elaborarán un plan detallado para el desarrollo de este proyecto antes del 30 de Enero de 1970. El plan incluirá un programa de actividades con fechas de realización y cifras, el que deberá ser aprobado por escrito por las entidades participantes. Podrá ser revisado en cualquier tiempo y de común acuerdo. En el caso de que las partes no puedan cumplir con las disposiciones del plan este Convenio de Proyecto será revocado o modificado por medio de una enmienda apropiada. Esta revocación puede ser hecha también por cualquiera de las partes, de conformidad con el párrafo P de las Disposiciones Generales (Annex B).

F. Este proyecto será preparado el 15 de Marzo de 1970 por el personal de la

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1970 by personnel of AID and the Cooperating Honduran entity in order that prompt corrective action may be taken to prevent major problems and delays. Results of these comprehensive evaluations will be reported to the concerned officials of the Honduran Government, through the Director of USAID/H, together with requests of any changes in the project which may be advisable.

G. Training

Training in the U.S. or third countries will be given to selected Government of Honduras officials to increase their managerial and administrative competence.

IV. RESPONSIBILITIES OF THE GOH AND OF A.I.D.

A. The Government of Honduras hereby agrees:

1. To create a Management Advisory Committee composed of Honduran Government officials and representatives from USAID and other international agencies to advise and collaborate with the office of Organization and Methods. The Chairman of this Committee shall be the Chief of the Office of Organization and Methods in the Ministry

Misión AID y las entidades participantes de Honduras, a fín de dictar medidas correctivas inmediatas y así evitar mayores problemas y demoras. Los resultados de estas evaluaciones se harán del conocimiento de los funcionarios respectivos del Gobierno de Honduras por medio del Director de la Misión de AID, incluyendo en las mismas los cambios que sean convenientes.

G. Adiestramiento

Se proporcionará adiestramiento en los Estados Unidos o en un tercer país a los funcionarios del Gobierno de Honduras previamente seleccionados, a fín de aumentar sus conocimientos administrativos.

IV. RESPONSABILIDADES DEL GOH Y DE LA A.I.D.

A. El Gobierno de Honduras por este medio conviene llevar a cabo lo siguiente:

1. Crear un Comité Asesor de Administración integrado por oficiales del Gobierno de Honduras, representantes de USAID y de otras organizaciones internacionales a fín de asesorar y colaborar con la Oficina de Organización y Métodos.
El Presidente de este Comité será el Jefe de la Oficina de Organización y Métodos en el Ministerio de Economía

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of Economy and Finance. The members of this Committee will be appointed within 60 days from the date of this agreement and the USAID shall be notified in writing by the GOH to that effect.

2. To cooperate in the identification of management problems for study and analysis by the Organization and Methods office and in the implementation of approved solutions as effectively as possible.

3. To finance pre-departure and international travel costs of personnel to be trained by AID in the U.S. or third countries; make every reasonable effort to guarantee that all such personnel are retained in their positions or similar ones for a minimum of one year following their return; and consult with the USAID in any case which appears to merit an exception to this policy.

4. To provide office space, furnishings, equipment, secretarial and translation services, reproduction andprinting services as required by consultants.

5. To provide all necessary Honduran administrative and technical personnel to collaborate with the consultants in fulfilling services described herein, and participate in on-the-job training activities conducted locally by the consultants.

y Hacienda. Los miembros de este Comité serán nombrados dentro de un plazo de 60 días a partir de la fecha de este Convenio y el Gobierno se lo notificará por escrito a la USAID.

2. Cooperar en la identificación de problemas administrativos para su estudio y análisis por la oficina de Organización y Métodos, así como también cooperar en que las soluciones aprobadas sean llevadas a la práctica tan efectivamente como sea posible.

3. Financiar los gastos relacionados con el viaje internacional del personal que asista a programas de adiestramiento auspiciados por AID en los Estados Unidos o en un tercer país. Asegurarse y garantizar hasta donde sea posible, que este personal sea reintegrado a sus puestos anteriores o similares por un periodo mínimo de un año a partir de su regreso, consultanto a la A.I.D. en aquellos casos que ameriten una excepción.

4. Proporcionar espacio para oficina, mobiliario, equipo, servicios de impresión y reproducción según sean requeridos por los consultores.

5. Proporcionar todo el personal hondureño técnico y administrativo necesario para colaborar con los consultores en la realización de los servicios aquí descritos y participar en actividades de adiestramiento dentro de la empresa conducidos localmente por los consultores.

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AID 1010-1 (10-65) PROAG CONTINUATION SHEET A	PROJECT AGREEMENT BETWEEN AID AND The Ministry of Economy & Finance AS AGENCY OF THE GOVERNMENT OF HONDURAS	1. Project/Activity No. 522-11-790-030.4	PAGE 1 OF 11 PAGES
		2. Agreement No. 522-9-70	3. [1] Original or Revision No. ____
		5. Project/Activity Title: PUBLIC ADMINISTRATION (Organization & Methods)	

6. To provide, insofar as regulations permit, free access of consultants to offices and personnel of the Government of Honduras, records, reports and related materials of the GOH for necessary background and current information essential to fulfillment of services.

7. To designate in writing an appropriate official of the GOH to serve as liaison for the administration and coordination of this project.

B. The Agency for International Development hereby agrees:

1. To finance the cost of 24-man-months of service of Organization and Methods advisors of recognized experience and competence in administrative organization and management ($60,000). A.I.D. will consider financing additional organization and methods services in connection with major reorganization or government-wide managerial problems as requested by the Government of Honduras.

2. To finance the cost of up to a total of 24 man-months of specialized advisors who will be available on short-notice to assist and advise the GOH in

6. Proporcionar, hasta donde lo permita el reglamento, libre acceso de los consultores a las oficinas y personal del Gobierno de Honduras, los archivos, informes y material relacionado para referencia e información de actualidad necesarios para poder realizar a cabalidad los servicios consultivos contratados.

7. Designar a un funcionario apropiado del Gobierno de Honduras para actuar como oficial de enlace en la administración y coordinación de este proyecto.

B. La Agencia para el Desarrollo Internacional por este medio conviene llevar a cabo lo siguiente:

1. Financiar el costo de los servicios del personal que labora en la oficina de Organización y Métodos por un periodo de 24-meses-hombre. Este personal deberá poseer una vasta experiencia y ser de capacidad reconocida en la organización y métodos administrativos ($60,000). La A.I.D. tomará en consideración el financiamiento adicional de los servicios de organización y métodos cuando éstos estan relacionados con reorganizaciones mayores o problemas administrativos del gobierno en general siempre y cuando estos servicios sean solicitados por el Gobierno de Honduras.

2. Financiar el costo hasta por un total de 24 meses-hombre de asesores especializados quienes estarán disponibles mediante aviso a corto plazo para ayudar y asesorar el Gobierno

For the Cooperating Government or Agency	For the Agency for International Development
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specialized aspects of developing, implementing and administering government plans and programs. Funds for these services are obligated hereunder ($60,000). Under an open end contract with a management consultant firm, task orders will be issued for each type of specialized service requested by the GOH. It is planned that these services will include but will not necessarily be limited to:

a) advisory services and supervising implementation of a centralized electronic data center for the Government of Honduras in the Ministry of Economy & Finance

b) Assistance in establishing an automatic system for recording, registering and controlling emigration and immigration, etc. in the Department of Immigration of the GOH.

c) Assistance to the Ministry of Public Health in establishing sound administrative practices in warehousing, procurement of medicines and equipment and inventory control.

d) Assistance to the newly created Forestry Division in the Ministry of Natural Resources (PULPAPEL) in establishing administrative, accounting and personnel procedures; warehousing and maintenance and inventory control.

de Honduras en los aspectos especializados del desarrollo, materialización y administración de los planos y programas del Gobierno. Los fondos para cubrir estos servicios se obligan en este convenio ($60,000). Bajo un contrato con una firma consultora en administración se emitirán órdenes de trabajo para cada tipo de servicio especializado que el Gobierno de Honduras solicite. Estos servicios incluirán pero no estarán necesariamente limitados a:

a) servicios de asesoría y supervisión para el funcionamiento de un centro electrónico de datos para el Gobierno de Honduras centralizado en el Ministerio de Economía y Hacienda.

b) Asistencia en el establecimiento de un sistema automático para grabar, registrar y controlar la emigración e inmigración; registro de extranjeros, etc., en el Departamento de Migración del Gobierno de Honduras.

c) Asistencia al Ministerio de Salud Pública en el establecimiento de sistemas administrativos prácticos de almacenaje, obtención de medicinas y equipo y control de inventario.

d) Asistencia a la División de Silvicultura recientemente creada en el Ministerio de Recursos Naturales (PULPAPEL), en el establecimiento de procedimientos administrativos, contables y de personal; almacenamiento, mantenimiento y control de inventario.

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MINUTE OF AGREEMENT BETWEEN AND The Ministry of Economy & Finance, AGENCY OF THE GOVERNMENT OF HONDURAS	1. Project/Activity No. 522-11-790-039.4	PAGE 2 OF 2 PAGES
	2. Agreement No. 522-9-70	3. [X] Original or Revision No.
	4. Project/Activity Title PUBLIC ADMINISTRATION (Organization & Methods)	

3. To arrange for and finance the training of selected Honduran officials in specialized aspects of administrative and managerial work. Funds for this training will be obligated by subsequent amendment of this document upon submission of names of qualified candidates and acceptance of candidates of A.I.D.

V. General Provisions

A. The Secretary General of the Superior Council of Economic Planning will coordinate this project with other related projects of GOH and, therefore, will be kept informed of the progress of the project through reports which he may request from the parties to this agreement.

B. The Standard Provisions Annex, attached, is hereby made a part of this agreement.

3. Llevar a cabo los arreglos y financiar el adiestramiento de los funcionarios hondureños seleccionados para realizar estudios en campos especializados de la administración. Los fondos necesarios para llevar a cabo este adiestramiento serán obligados por medio de enmiendas subsiguientes tan pronto como los candidatos seleccionados por el Gobierno hayan sido aceptados por la A.I.D.

V. Disposiciones Generales

A. El Secretario General del Consejo Superior de Planificación Económica coordinará este proyecto juntamente con otros proyectos del Gobierno de Honduras y además, se mantendrá informado del progreso del proyecto por medio de informes los que puede solicitar a las partes que intervienen en este convenio.

B. El anexo de Disposiciones Generales adjunto, se convierte por este medio, en parte de este convenio.

For the Cooperating Government or Agency	For the Agency for International Development
SIGNATURE: _____ DATE: _____	SIGNATURE: _____ DATE: _____
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PROJECT AGREEMENT

BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND THE MINISTRY OF ECONOMY AND FINANCE

AN AGENCY OF THE GOVERNMENT OF HONDURAS

PRC AG

PUB. ADM.

PROG.

CONT.

JAO

DEV. DIV.

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in the annexes attached hereto, as checked below:

[X] PROJECT DESCRIPTION ANNEX A [ ] FOREIGN CURRENCY STANDARD PROVISIONS ANNEX

[X] STANDARD PROVISIONS ANNEX [ ] SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments as modified and supplemented:

[X] GENERAL AGREEMENT FOR TECHNICAL COOPERATION	DATE 4/12/61
[ ] ECONOMIC COOPERATION AGREEMENT	DATE
[ ] (other)	DATE

1. PROJECT/ACTIVITY NO. 522-11-790-039.4

2. AGREEMENT NO. 522-3-71

3. [ ] ORIGINAL OR REVISION NO. 1

4. PROJECT/ACTIVITY TITLE

PUBLIC ADMINISTRATION (Organization and Methods)

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. AID APPROPRIATION SYMBOL 72-1111010

7. AID ALLOTMENT SYMBOL 195-50-522-00-69-11

8. AID FINANCING [X] DOLLARS [ ] LOCAL CURRENCY

	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total	14,510	125,490		140,000
(b) Contract Services	12,000	39,600		51,600
(c) Commodities				
(d) Other Costs: Participant Trng.	2,510 *	85,890		88,400
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT $1.00=				
(a) Total				
(b) Technical and other services				
(c) Commodities				
(d) Other Costs				

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets If Necessary)

* Previously obligated under PIO/P 10011, 10014 & 10027.

11. DATE OF ORIGINAL AGREEMENT	12. DATE OF THIS REVISION	13. ESTIMATED FINAL CONTRIBUTION DATE
September 18, 1970	January 21, 1971	December 31, 1972

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

SIGNATURE: Manuel Acosta-B.

TITLE: Minister of Economy & Finances

DATE:

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: Walter G. Stoneman

TITLE: Director USAID

DATE:

5. Project/Activity Number and Title 522-11-790-039.4

PUBLIC ADMINISTRATION
(Organization & Methods)

I. INTRODUCTION

Pursuant to the General Agreement for Economic, Technical and Related Assistance signed between the Government of Honduras and the Government of the United States of America, in accordance with the Inter-American Program for Economic and Social Development established by the Act of Bogotá and the Conference of Punta del Este, and with the Declaration of Central America signed in San José, and in recognition of the importance of achieving an improve administrative capacity in the public sector, this Project Agreement is entered into by and between the Ministry of Economy and Finance of Honduras, and the Agency for International Development, an Agency of the Government of the United States of America.

II. OBJECTIVE

The Government of Honduras and the Agency for International Development (AID), enter into this Agreement for the purpose of improving the organization, management, methods and procedures of the Executive Branch of the Government of Honduras, especially in those areas where bottlenecks in administration of GOH development projects prevent the rapid and efficient execution of such projects. This overall objective is the same as that in PROAG No. 522-13-68 dated June 18, 1958 as amended, except that certain key areas are spelled out in greater detail in succeeding paragraphs.

I. INTRODUCCION

De conformidad con el Acuerdo General para Cooperación Técnica, Económica y otra asistencia firmado entre el Gobierno de Honduras y el de los Estados Unidos de América, y de acuerdo con el Programa Interamericano para el Desarrollo Económico y Social establecido por el Acta de Bogotá y la Conferencia de Punta del Este y con la Declaración de Centro América firmada en San José, y en reconocimiento de la importancia de lograr un adelanto en la capacidad administrativa del sector público, se celebra el presente convenio de proyecto entre el Ministerio de Economía y Hacienda, una dependencia del Gobierno de Honduras, y la Agencia para el Desarrollo Internacional, una dependencia del Gobierno de los Estados Unidos de Norte América.

II. OBJETIVO

El Gobierno de Honduras y la Agencia Internacional para el Desarrollo (AID) celebran el presente Convenio con el propósito de mejorar la organización, manejo, métodos y procedimientos del Poder Ejecutivo del Gobierno de Honduras, especialmente en las areas donde obstáculos, en la administración de los proyectos en desarrollo del Gobierno de Honduras, impidan la rápida y eficiente ejecución de dichos proyectos. Este objetivo es el mismo del PROAG No. 522-13-68 enmendado el 18 de junio de 1958, con la excepción de que ciertas areas claves han sido más detalladas en los párrafos siguientes.

III. PLAN OF ACTION

The organization, management, methods and procedures of the Executive Branch of the Government of Honduras are to be improved through the following activities.

A. The Ministry of Economy and Finance will select and appoint as a liaison officer with the USAID, a top ranking official of the Ministry through which all GOH requests for management advisory assistance will be cleared. This official shall analyze such requests from other Ministries and consult with the USAID Public Administration Advisor as to the priority of such requests and other technical aspects of the assistance being requested. The request, after being properly analyzed and an agreement reached with the liaison officer as to its overall contribution to the GOH effort of development will then be submitted in writing by the Ministry of Finance to the Director USAID for possible approval and appropriate financing.

B. Prior to February 28, 1971, a preliminary Project Implementation Plan shall be prepared by the GOH Liaison Officer and the USAID Public Administration Advisor. The plan shall include a schedule of actions to be taken by the parties to this agreement with target dates and figures, and must be approved in writing by the parties to this agreement. It may be revised at any time by mutual agreement. In the event that the parties are unable to comply with the provisions of the plan, this project activity shall be revoked or modified through an appropriate amendment to this agreement.

III. PLAN DE ACCION

La organización, manejo, métodos y procedimientos en el Poder Ejecutivo del Gobierno de Honduras seran mejorados por medio de las siguientes actividades.

A. El Ministerio de Economía y Hacienda y la USAID asignará un intermediario, a un alto funcionario del Ministerio por medio del cual todas las solicitudes para asistencia administrativa seran aprobadas. Este intermediario analizará las solicitudes de los demás Ministerios y consultará con el Asesor de Administración Pública de la USAID la prioridad de dichas solicitudes y otros aspectos técnicos de la asistencia, solicitada. La solicitud después de haber sido analizada y llegado a un acuerdo con el oficial de enlace con respecto a la contribución del Gobierno de Honduras en su esfuerzo para el desarrollo, deberá someterse por escrito al Ministerio de Economía y Hacienda, al Director de la USAID para la posible aprobación y financiamiento apropiado.

B. Antes del 28 de febrero de 1971, un plan preliminar de implementación de proyecto deberá ser preparado por el intermediario de GOH y el Asesor de Administración Pública de USAID. El plan incluirá las acciones que serán tomadas por ambas partes en este Convenio con objetivos y cifras y deberá ser aprobada por escrito por ambas partes en este Convenio; el cual podrá ser enmendado en cualquier momento previo acuerdo de ambas partes. En caso que las partes no esten de acuerdo con las disposiciones

C. A Project Appraisal Report (PAR) will be prepared by June 30, 1971 by personnel of AID and the cooperating Honduran entity (Ministry of Economy & Finance) in order that prompt corrective action can be taken to avoid major problems and delays in the execution of the approved project activities. Results of this appraisal shall be reported to the concerned officials of the Government of Honduras, through the Director of the USAID/H, together with requests for any changes in the project or project activities that may be advisable.

D. Training

Training in the United States, third countries and in-country shall be given to selected Government of Honduras Officials in order to increase their managerial and administrative competence.

IV. RESPONSIBILITIES OF THE GOH AND OF A.I.D.

A. The Government of Honduras hereby agrees:

1. To appoint a top ranking official of the Ministry of Economy & Finance to serve as liaison officer with the USAID Public Administration Advisor; these two officers will meet regularly (at least every two weeks) to discuss the progress of the sub-projects then in progress and the need, if any, to attack

del plan, esta actividad de proyecto será pospuesta o modificada por medio de una enmienda apropiada a este Convenio.

C. Un Reporte de Apreciación de Proyecto (PAR) será preparado para el 30 de Junio, 1971 por el personal de la AID y la entidad hondureña patrocinadora (Ministerio de Economía y Hacienda) para que una pronta acción correctiva pueda tomarse para evitar mayores problemas y atrasos en la ejecución de las actividades de proyecto aprobadas. Resultados de esta apreciación serán reportados a los oficiales encargados en el Gobierno de Honduras, por medio del Director de la USAID/H; asimismo con las solicitudes para cualquier cambio en el proyecto o actividades del proyecto que sean pertinentes.

D. Adiestramiento

Se proporcionará adiestramiento en los Estados Unidos, en un tercer país, o localmente a los funcionarios del Gobierno de Honduras a fin de aumentar sus conocimientos administrativos.

IV. RESPONSABILIDADES DEL GOH Y LA A.I.D.

El Gobierno de Honduras conviene en llevar a cabo lo siguiente:

1. Asignar un alto funcionario del Ministerio de Economía y Hacienda que sirva como intermediario con el Asesor de Administración Pública de la USAID. Estos dos oficiales sesionarán regularmente (por lo menos cada dos semanas) para discutir el adelanto de los sub-proyectos ahora en progreso y la necesidad, si la hay, de atacar los pro-

any other problem areas that may arise and which might require immediate action.

blemas que se puedan sucitar y que necesiten atención inmediata.

2. To cooperate in the identification of management problems requiring study and technical assistance and to discuss the implementation and execution of the recommendations made by the technicians of both parties to this agreement.

2. Cooperar en la identificación de problemas de administración requiriendo estudios y asistencia técnica y discutir la implementación y ejecución de las recomendaciones hechas por los técnicos de ambas partes en este Convenio.

3. To finance the cost of pre-departure and international travel costs of the personnel to be trained by AID in the United States or third countries; make every reasonable effort to guarantee that all such trained personnel are retained in their positions or similar one for a minimum of one year following their return; and consult with the USAID in any case which appears to merit an exception to this policy.

3. Financiar los gastos de arreglos de viaje, viaje internacional del personal entrenado por el AID en los Estados Unidos o en un tercer país; hacer todo esfuerzo razonable para garantizar que todo el personal adiestrado sea retenido en sus posiciones o similares por el mínimo de un año a su regreso; y consultar con la USAID en cualquier caso que amerite una excepción a esta política.

4. To provide office space, equipment secretarial help and translation services, reproduction and printing services as required by consultants and other technicians.

4. Pooporcionar oficina, equipo, oficinista y servicios de traducción y reproducción cuando sea requerido por los técnicos y consultores.

5. To provide all the necessary Honduran and technical personnel needed to collaborate with the consultants in fulfilling the services described herein, and participate in the on-the-job training activities conducted locally by the consultants.

5. Proporcionar todo el personal hondureño y técnicos necesarios para que colaboren con los consultores en el cumplimiento de sus labores descritas aquí y participar en las actividades de adiestramiento que se relacionen con el trabajo, dirigidas localmente por los consultores.

CONTINUATION SHEET	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	[ ] Withdrawal [XX] Issuance	PAGE 5 OF 10 PAGES
		1. Cooperating Country HONDURAS	2.a. Code No.
TRANSACTION CODE	TITLE OF FORM	2.b. Effective Date	2.c. [ ] Original [X] Amendment No. 1
		3. Project/Activity No. and Title 522-11-790-039.4 PUBLIC ADMINISTRATION Organization & Methods	

Indicate block — Use this form to complete the information required in any block of the PID as Prog. Item.

6. To provide in so far as GOH regulations permit, free access of consultants to offices and personnel of the Government of Honduras, records, reports and related material of the GOH for necessary background and information essential to the fulfillment of the services to be provided by this agreement.

B. The Agency for International Development hereby agrees, to finance from FY 71 funds, the cost of 33 man-months of services of management consultants and specialists of recognized experience and competence in administration and management ($51,600). AID will consider financing additional consultant costs in connection with major reorganization of the government administration as requested by the GOH within limitation of the U.S. Government funds. The 33 man-months of services of specialized consultants mentioned above, will advise and assist the GOH in specialized aspects of developing, implementing and administering modern procedures required to expedite the execution of definite Government plans and projects related to the Government's development plans. It is planned that these services will include both follow-up and implementation work on previously AID financed organization and methods studies, as well as, the initiation of new activities. The follow up services will concentrate on the following assistance activities currently in process or completed:

1. Follow-up Activities.

6. Proporcionar hasta donde lo permitan las regulaciones del Gobierno de Honduras, libre acceso a las oficinas y al personal del Gobierno de Honduras por los consultores así mismo a los archivos, reportes y material relacionado con el Gobierno de Honduras para antecedentes e información necesarios en el cumplimiento de los servicios que se proporcionaran mediante este convenio.

B. La Agencia Internacional para el Desarrollo conviene, financiar con los fondos de 1971, los gastos de 33 meses de servicios de 5 consultores y especialistas de reconocida experiencia y competencia en administración y manejo ($51,600). La A.I.D. considerará el financiamiento adicional de los gastos de los consultores en relación con la importante reorganización de la administración gubernamental, según como sea solicitada por el Gobierno de Honduras dentro de los límites de los fondos del Gobierno de los Estados Unidos.

Los 33 meses de servicios de 5 consultores especializados arriba mencionados, asesoraran y asistiran al GOH en aspectos especializados del desarrollo ejecutando y administrando procedimientos modernos adecuados para acelerar la ejecución de los planes y proyectos definitivos del Gobierno relacionados con sus planes de desarrollo.

Se ha proyectado que estos servicios incluiran ejecución y continuación de trabajos previamente financiados por AID para estudios de organización y métodos así como también el inicio de nuevas actividades.

La continuación de estos servicios estará concentrada en las siguientes actividades de asistencia, las cuales ya han sido completadas o estan actualmente en proceso.

1. Actividades que deberan continuarse.

AID 1020-1 (8-69) CONTINUATION SHEET	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	☐ Worksheet ☒ Issuance	PAGE 1 OF 10 PAGES
FORM STANDARD	TITLE OF FORM:	1. Cooperating Country HONDURAS	2a. Code No.
		2b. Effective Date	2c. ☐ Original OR Amendment No.
		3. Project/Activity No. and Title 522-11-790-039.4 PUBLIC ADMINISTRATION (Organization & Methods)	

Indicate block numbers. Use this form to complete the information required in any block of a PIO or PAA form.

a. A study of the present structure of PULPAPEL (Forest Office in the Ministry of Natural Resources) and recommendations on reorganization, procedures, accounting, etc., in preparation for PULPAPEL's support of future pulp and paper industries and long term management of the nation's forestry resources.

a. Un estudio de la actual estructura de PULPAPEL (Oficina de Forestación en el Ministerio de Recursos Naturales) y recomendaciones en la reorganización, procedimientos, contabilidad, etc., para apoyar a futuras industrias de pulpa y papel y manejo a largo plazo de los recursos forestales del país.

b. A study and recommendations for the purchase of medicines and hospital supplies for the Ministry of Health.

b. Un estudio y recomendaciones para la compra de medicinas y abastecimientos para hospitales del Ministerio de Salud.

c. A study and recommendations on the reorganization of the Ministry of Education so that it can be better carry out its increased management responsibilities under the USAID financed secondary school loan for the expanded school construction program.

c. Un estudio y recomendaciones en la reorganización del Ministerio de Educación para que pueda llevar a cabo mejor sus numerosas responsabilidades bajo el préstamo financiado para escuelas secundarias, para la expansión del programa de construcción de escuelas.

d. Assistance to the Ministry of Economy and Finance in resolving the ticklish question of retirement for teachers and GOH employees, advising on draft legislation and assisting in the actuarial work and calculations required.

d. Asistencia al Ministerio de Economía y Hacienda para resolver el delicado asunto de las leyes de jubilación para los maestros y empleados del Gobierno de Honduras, asesorandolo mediante anteproyectos de ley y asistirlo en los trabajos actuariales y cálculos requeridos.

e. A grantee contract with Brown and Root, Inc., construction engineers, to provide the services of a consultant to assist the Ministry of Public Works and Communications in setting up a modern system of care, repair maintenance, and replacement of heavy construction equipment used in infrastructure projects and importantly, road maintenance.

e. Un contrato de conseción a la firma Brown & Root, Inc. Ingenieros Constructores, para proveer los servicios de un consultor para asistir al Ministerio de Obras Públicas y Comunicaciones en el establecimiento de un sistema moderno de reparación, mantenimiento y repuestos de equipo pesado de construcción usados en proyectos de infraestructura y en el mantenimiento de carreteras.

AID 1200-1 (8-69) CONTINUATION SHEET	U.S. DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	☐ Worksheet ☒ Instructions	PAGE 8 OF 11 PAGES
		1. Cooperating Country HONDURAS	2a. Code No.
FORM SYMBOL	TITLE OF FORM	2b. Effective Date	2c. ☐ Original OR Amendment No. 1
		3. Project/Activity No. and Title 522-11-790-039.4 PUBLIC ADMINISTRATION Organization & Methods.	

Indicate block numbers. Use this form to continue the information required in any block of a PID or PAA form.

f. A study of ADP system in the Ministry of Finance and the analysis of systems required to consolidate the two ADP systems now in use in the Ministry.

f. Un estudio del sistema automático de procesamiento de datos en el Ministerio de Economía y Hacienda y el análisis de sistemas necesarios para consolidar los dos sistemas de APD, actualmente en uso en el Ministerio.

g. A study of the Dirección General de Migración and its procedures for control of migrants in order to expedite their registration, location, citizenship, etc. This information is now computerized.

g. Un estudio de la Dirección General de Migración y sus procedimientos para el control de migrantes para acelerar su registro, ubicación, nacionalidad, etc. Esta información es computada en la actualidad.

h. Contract to assist the GOH in redesigning its accounting system and reorganizing the central accounting and budget offices.

h. Contrato para asesorar al Gobierno de Honduras en la reorganización de su sistema de contabilidad y de las oficinas centrales de contabilidad y presupuesto.

2. New activities to be initiated would be the provision of services to:

2. Nuevas actividades que seran iniciadas proveeran servicios para:

a. Improve operational efficiency and administrative support of joint AID/US Forest Service/FAO/GOH programs for the development, utilization and protection of Honduras' forest resources.

a. Mejorar la eficiencia de operación y apoyo administrativo de AID/US Servicio Forestal FAO/GOH; programas para el desarrollo, uso y protección de los recuses forestales de Honduras.

b. Accelerate the system for the purchase and payment for GOH supplies and equipment to permit improved operations and greater economy in the agencies concerned.

b. Acelerar el sistema de compra y pago para suministros y equipo para el GOH que permita mejorar las operaciones y la economía a las agencias concernientes.

c. Increase the control of government vehicles and their use to foster increased economy and efficiency of GOH field operations.

c. Aumentar el control de los vehículos del gobierno y su uso para incrementar la economía y eficiencia de las operaciones de campo del GOH.

d. Revise accounting procedures for the Treasury Department and reconciliation of GOH bank accounts, to enable better fund control and allocation, achieve financial savings and avoid curtailment of various agencies' operations due to occasional fund depletions.

d. Revisar los procedimientos de contabilidad del Departamento de Tesorería y la reconciliación del estado de cuenta del GOH en los bancos, para facilitar en el control de fondos y distribución; obtener ahorros financieros y evitar la reducción de operaciones en varias agencias debido al agotamiento de fondos.

AID 1330-1 (6-62) CONTINUATION SHEET	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	Worksheet / Issuance	PAGE 2 OF 4 PAGES
FORM NUMBER	TITLE OF FORM	1. Country Code: HONDURAS	2a. Code No.
		2b. Effective Date	2c. Original / Amendment GR No. 1
		3. Project/Activity No. and Title: 522-11-790-039.4 PUBLIC ADMINISTRATION Organization & Methods	

Indicate block numbers. Use this form to complete the information required in any block of a PIO or PAA form.

e. Improve system of government property inventory and control to improve utilization of government equipment and enable controls to prevent its diversion or misuse.

f. Standardize accounting systems and records in the Central Accounting Office, Directorate of the Budget and Treasury Department, Ministry of Economy and Finance to speed up accounting and reporting for the GOH, thus enabling more effective planning and management at top levels.

g. Extend ADP applications to process government accounts, payrolls and retirement payments in other GOH Ministries to speed up flow of essential data and reports, thus enabling more effective government management and decision making.

h. Assist Banco Nacional de Fomento, the recipient of $8 million in loan funds from AID and $.15 million from IDB to improve its internal organization and administrative procedures, including accounting, reporting, fund control, and personnel management.

i. Assist, upon the final acceptance of the two AID loans to the Instituto Nacional Agrario, in strengthening the management aspects of that Institution.

3. To arrange for and finance the training of selected Honduran officials in specialized aspects of administration and management, economics, preparation and management of development projects, and graduate degrees in other disciplines. Funds for this training are obligated herein in the total ($88,400), but will be subject to individual documentation depending on the type of

e. Mejorar el sistema de inventario y control de propiedad del Gobierno para mejor uso del equipo y facilitar el control para evitar el uso indebido de dicho equipo.

f. Normalizar el sistema de contabilidad y registros en la oficina central de contabilidad, departamento de presupuesto y tesorería, Ministerio de Economía y Hacienda para acelerar la contabilidad y los informes para el GOH, facilitando así un planeamiento más efectivo y administración a altos niveles.

g. Extender las aplicaciones de ADP para procesar los estados de cuentas del gobierno, pago y plan de retiro en otros ministerios del gobierno para acelerar los informes esenciales, facilitando así una administración más efectiva y la ejecución de decisiones en el gobierno.

h. Asesorar el Banco Nacional de Fomento recipiente de $8 millones en fondos de préstamo del AID y $.15 millones de IDB para mejorar la organización interna y procedimientos administrativos, incluyendo contabilidad, informes, control de fondos y administración de personal.

i. Proveer asistencia al Instituto Nacional Agrario cuando los dos préstamos del AID hayan sido finalmente aceptados, para fortalecer los aspectos administrativos de la Institución.

3. Hacer los arreglos para el adiestramiento y financiamiento del mismo, de oficiales hondureños seleccionados, en aspectos de administración y manejo de proyectos de desarrollo y otras areas de estudios especializados. Fondos para este adiestramiento son obligados aquí, por un total de $88,400 pero estarán sujetos a la documentación individual, dependiendo en el tipo de adiestramiento

training involved and the number of participant trainees. Qualified candidates will have to be approved both by the Government of Honduras cleared with the Superior Council for Economic Planning and the Human Resources Development Officer of the USAID.

y el número de participantes. Candidatos calificados tendrán que ser aprobados por el Gobierno de Honduras, por el Consejo Superior de Planificación Económica y el Oficial de Desarrollo de Recursos Humanos de la A.I.D.

V. GENERAL PROVISIONS

The Secretary of the Superior Council for Economic Planning will coordinate this project with other related projects of the GOH and, therefore, will be kept informed of the progress of the project from reports he may request from the parties to this agreement.

V. DISPOSICIONES GENERALES

E. Secretario General del Consejo Superior de Planificación Económica coordinará este proyecto con otros proyectos relacionados al Gobierno de Honduras, por lo tanto, se le mantendrá informado del adelanto del proyecto por medio de reportes que el tenga a bien solicitar de las partes que integran este Convenio.

AID 1330-1A (9-73) PRO AG CONTINUATION SHEET ANNEX B	PROJECT AGREEMENT BETWEEN AID AND AN AGENCY OF THE GOVERNMENT OF HONDURAS	1. Project/Activity No.	PAGE 1 OF 10 PAGES
		2. Agreement No.	3. ☐ Original or Revision No.
		3. Project/Activity Title	

DISPOSICIONES GENERALES

A. Tal como se usa en este Convenio el término "U.S.A.I.D." se refiere a la Agencia para el Desarrollo Internacional (Agency for International Development) cualquiera de sus dependencias o el organismo que la sucediere. Cuando se haga referencia a "este Convenio de Proyecto", se entenderá el Convenio de Proyecto original, según haya sido modificado por cualesquiera revisiones que hayan entrado en vigor.

B. 1. La U.S.A.I.D. facilitará las cantidades especificadas en la Sección 8 de este Convenio de Proyecto, según se necesitaren para el Proyecto, con el objeto de que se empleen para los fines predeterminados, y en la forma que podrá explicarse, con más detalles en la Sección 5. Además, según podrá especificarse también en la Sección 5, U.S.A.I.D. facilitará, a condición de que haya fondos disponibles y (cuando los procedimientos de la U.S.A.I.D. lo requieren) según se disponga en las Ordenes de Ejecución de Proyectos (PIOs), que la U.S.A.I.D. expediere conforme a sus procedimientos, fondos para (a) sufragar los gastos de proveer servicios técnicos que prestarán los empleados del Gobierno de los Estados Unidos en relación con el proyecto, (b) sufragar parte de los gastos que ocasione, fuera del país cooperador, la especialización, en relación con el proyecto, de personas capacitadas de dicho país y (c) sufragar los gastos adicionales que se especificaran.

STANDARD PROVISIONS

A. As used herein, the term U.S.A.I.D. shall refer to the Agency for International Development, any component agency, and any successor agency. References to "this Project Agreement" shall mean the original Project Agreement as modified by any revisions which have entered into effect.

B. 1. U.S.A.I.D. will make available the amounts specified in Block 8 of this Project Agreement as necessary for the project for use for the designated purposes and as may be further described in Block 5 hereof. In addition, as may be further specified in Block 5 hereof U.S.A.I.D., will, subject to the availability of funds and (where required by U.S.A.I.D. procedures) as provided for in Project Implementation Orders (PIOs) issued by U.S.A.I.D. in accordance with its procedures, make available funds (a) to pay costs of furnishing technical services to be performed by United States Government employees in connection with the project (b) to pay a share of the costs of providing training outside the cooperating country in connection with the project for qualified persons from the cooperating country, and (c) to pay such additional costs as may be specified.

For the Cooperating Government or Agency	For the Agency for International Development
SIGNATURE: _____ DATE: _____	SIGNATURE: _____ DATE: _____
TITLE:	TITLE:

2. El Organismo cooperador facilitará las cantidades especificadas en la Sección 9 de este Convenio de Proyecto, según se necesitaren para el proyecto, con el objeto de que se empleen para los fines predeterminados, y en la forma que podría explicarse, con más detalles, en la Sección 5. El Organismo Cooperador facilitará asimismo, o dispondrá que se faciliten, otras aportaciones de bienes, servicios, instalaciones y fondos que se requieren para llevar a cabo el proyecto, según se podrá especificar en la Sección 5, o según convinieren subsiguientemente ambas partes.

C. La U.S.A.I.D. y el Organismo Cooperador podrán conseguir la ayuda de otros organismos públicos y privados para llevar a cabo sus obligaciones respectivas conforme a este Convenio de Proyecto. Ambas partes podrán acordar la aceptación de aportaciones de bienes, servicios, instalaciones y fondos para los fines de este Convenio de Proyecto de otros organismos públicos y privados y podrán acordar que una tercera parte participe en llevar a cabo actividades pertinentes a este Convenio de Proyecto.

D. Todas las contribuciones de la U.S.A.I.D. sujetas a este Convenio de Proyecto se harán en o antes de la fecha de la Contribución Final aquí especificada. Asímismo, todas las contribuciones del Organismo Cooperador sujetas a este convenio de proyecto se harán en o antes de esa misma fecha, salvo en lo que aquí se especificare en contrario, o que las dos partes acordaran subsiguientemente. Se considerará haberse hecho

2. The Cooperating Agency will make available the amounts specified in Block 9 of this Project Agreement, as necessary for the project, for use for the designated purposes and as may further be described in Block 5 hereof. The Cooperating Agency will also make or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the project as may be specified in Block 5 hereof or as may subsequently be agreed upon by the two parties.

C. U.S.A.I.D. and the Cooperating Agency may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Project Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Project Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Project Agreement.

D. All contributions of U.S.A.I.D. pursuant to this Project Agreement shall be made on or before the final contribution date specified herein. Except as otherwise specified herein or subsequently agreed by the two parties, all contributions of the Cooperating Agency pursuant to this Project Agreement shall be made on or before that same date. A contribution of goods or services shall

una contribución de mercaderías o servicios cuando la parte contribuyente que los ha de proveer o costear haya entregado las mercaderías o hecho rendir los servicios de acuerdo con la práctica comercial.

E. La adquisición de mercadería y la contratación de servicios, que la U.S.A.I.D. ha de costear, total o parcialmente, podrán llevarse a cabo (cuando así lo requieran los procedimientos de la U.S.A.I.D.) sólo de conformidad con PIOs que la U.S.A.I.D. expida conforme a sus procedimientos.

F. A menos que se especificare otra cosa en el PIO aplicable, la adquisición de mercaderías y contratación de servicios, con fondos de la contribución de la U.S.A.I.D. mencionada en la Sección 8 de este Convenio de Proyecto, estarán sujetas a las disposiciones del Reglamento 1 de la U.S.A.I.D.

G. A menos que se especificare otra cosa en el PIO aplicable, el título de todos los bienes que se adquieran con fondos de la U.S.A.I.D., conforme a la Sección 8 (c) de este Convenio de Proyecto corresponderá al Organismo Cooperador o al organismo público o privado que fuere autorizado por el mismo. Esta disposición no es aplicable a los bienes que pudieran usarse en relación con el proyecto, pero no se adquieran con fondos sujetos a dicha Sección 8 (c).

H. Todos los bienes que se suministraren a cualquiera de las partes con fondos de la otra parte, conforme a este Convenio de Proyecto se dedicarán, a menos que la parte que haya aporta-

be considered to have been made when the goods or services, provided or financed by the contributing party, are delivered in accordance with commercial practice.

E. The procurement of commodities and contract services to be financed in whole or in part by U.S.A.I.D. may (where so required by U.S.A.I.D. procedures) be undertaken only pursuant to PIOs issued by U.S.A.I.D. in accordance with its procedures.

F. Unless otherwise specified in the applicable PIO, the procurement of commodities and contract services financed with the U.S.A.I.D. contribution referred to in Block 8 of this Project Agreement shall be subject to the provisions of U.S.A.I.D. Regulation 1.

G. Unless otherwise specified in the applicable PIO, title to all property procured through financing by U.S.A.I.D. pursuant to Block 8 (c) of this Project Agreement shall be in the Cooperating Agency, or such public or private agency as it may authorize. This Provision is inapplicable to any property which may be used in connection with the project but is not financed pursuant to said Block 8(c)

H. Any property furnished to either party through financing by the other party pursuant to this Project Agreement, shall unless otherwise agreed by the party

do los fondos para la adquisición acordare otra cosa, el proyecto hasta su terminación y después de terminado se usarán para promover los objetivos que se perseguían al llevar a cabo el proyecto. Cada gobierno ofrecerá devolver al otro, o reembolsarlo por los bienes que obtuviere con fondos del otro gobierno conforme a este Convenio de Proyecto, y que no se usaren de conformidad con la cláusula precedente.

which financed the procurement, be devoted to the project until completion of the project, and thereafter shall be used so as to further the objectives sought in carrying out the project. Either party shall offer to return to the other or to reimburse the other for any property which it obtains through financing by the other party pursuant to this Project Agreement which is not used in accordance with the preceding sentence.

I. 1. Si la U.S.A.I.D., y cualquier organización pública o privada que suministre mercaderías, mediante fondos de la U.S.A.I.D. en el país cooperador para sus operaciones conforme a este Convenio sobre Proyecto, está sujeto a leyes, reglamentos o procedimientos administrativos del país cooperador, pasible de derechos de aduana e impuestos de importación sobre mercaderías introducidas en el país cooperador para llevar a cabo este Convenio sobre Proyecto, el Organismo Cooperador pagará dichos derechos e impuestos a menos que un tratado internacional en vigor aplicable, disponga una exención.

I. 1. If U.S.A.I.D. and any public or private organization furnishing commodities through U.S.A.I.D. financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for custom duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Project Agreement, the Cooperating Agency will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

2. En caso que cualquier personal (que no sean ciudadanos y residentes del país cooperador), ya sean empleados del Gobierno de los Estados Unidos o empleados de organizaciones públicas o privadas, o individuos bajo contrato con U.S.A.I.D., el Organismo Cooperador, o cualquier agencia autorizada por el Organismo Cooperador, que se hallen presentes en el país cooperador para prestar servicios que la U.S.A.I.D. haya conve-

2. If any personnel (other than citizens and residents of the cooperating country) whether United States Government employees or employees of public or private organizations under contract with, or individuals under contract with U.S.A.I.D., the cooperative Agency, or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which U.S.A.I.D. has

nido en proporcionar o costear conforme a este Convenio sobre Proyecto, estén sujetos, de conformidad a las leyes, reglamentaciones o procedimientos administrativos del país cooperador, a impuestos a la renta, seguro social con respecto a la renta en virtud de la cual están obligados a pagar impuestos a la renta y seguro social al Gobierno de los Estados Unidos; a impuestos sobre la propiedad cuando se trata de bienes muebles que se tienen para uso propio; y al pago de gravámenes o derechos sobre efectos personales o enseres domésticos importados al país cooperador para uso propio del personal y miembros de su familia (sin incluir aquellos efectos personales o domésticos que pudieran ser vendidos por dicho personal en el país cooperador), el Organismo Cooperador pagará dichos derechos, gravámenes o impuestos a no se que un tratado internacional en vigor aplicable, disponga una exención.

J. Todo personal (que no sean ciudadanos y residentes del país cooperador), ya sean empleados del Gobierno de los Estados Unidos o empleados de organizaciones publicas o privadas, o individuos, bajo contrato con U.S.A.I.D., el Organismo Cooperador, o cualquier organismo autorizado por el Organismo Cooperador que se hallen presentes en el país cooperador para prestar servicios que la U.S.A.I.D. haya convenido en proporcionar o costear conforme a este Convenio sobre Proyecto, estará sujeto a la aprobación del Organismo Cooperador y de U.S.A.I.D. y estará bajo la dirección general del Director de la Misión de la U.S. A.I.D. en el país cooperador.

agreed to furnish or finance under this Project Agreement, are, under the laws, regulations or administrative procedures of the cooperating country, liable for income and social security taxes with respect to income upon which they are obligated to pay income or social security taxes to the Government of the United States of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by such personnel in the cooperating country), the Cooperating Agency will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. Any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with or individuals under contract with U.S.A.I.D., the Cooperating Agency or any agency authorized by the Cooperating Agency, who are present in the cooperating country to provide services which U.S.A.I.D. has agreed to furnish or finance under this Project Agreement shall be subject to the approval of the Cooperating Agency and U.S.A.I.D., and shall be under the general direction of the Director of the U.S.A.I.D.

K. En caso que alguna mercadería fuera suministrada al Organismo Cooperador o a cualquier organismo público o privado autorizado por el Organismo Cooperador, sobre la base de una concesión mediante fondos de la U.S.A.I.D. conforme a este Convenio sobre Proyecto y en virtud de arreglos que produjeren la acumulación de utilidades al Organismo Cooperador o a cualquier organismo autorizado, y si el convenio aplicable entre los dos gobiernos mencionados en la primer página de este convenio de proyecto, no estableciere una Cuenta Especial y el depósito en la misma de fondos en la moneda del país, el Organismo Cooperador hará los arreglos necesarios para establecer una Cuenta Especial y depositará en la misma fondos en la moneda del país cooperador en sumas iguales a dichas utilidades, de acuerdo con aquellos términos y condiciones que se acordaren. Los fondos depositados en la Cuenta Especial pueden ser usados únicamente en la forma que acordaren la U.S.A.I.D. y el Organismo Cooperador estipulándose que la parte de los fondos depositados en la Cuenta Especial señalada por la U.S.A.I.D., serán puestos a disposición de U.S.A.I.D. para atender a los requerimientos de los Estados Unidos.

L. El Organismo Cooperador tomará las providencias necesarias a fin de que los fondos que la U.S.A.I.D. o cualquier organismo público o privado introdujere al país cooperador con el objeto de cumplir las obligaciones de la U.S.A.I.D. en virtud del presente, serán convertibles a la moneda del país

Mission to the Cooperating Country

K. If any commodity is furnished to the Cooperating Agency, or any public or private agency authorized by the Cooperating Agency, on a grant basis through financing by U.S.A.I.D. pursuant to this Project Agreement under arrangements which will result in the accrual of proceeds to the Cooperating Agency or any authorized agency and if the applicable agreement between the two governments referred to on the first page of this project agreement does not provide for the establishment of a Special Account and the deposit therein of currency of the cooperating Agency will make such arrangements as may be necessary to establish a Special Account and to deposit therein currency of the cooperating country in amounts equal to such proceeds in accordance with such terms and conditions as may be agreed upon. Funds in the Special Account may be used only as agreed upon by U.S.A.I.D. and the Cooperating Agency, provided, that such portion of the funds in the Special Account as may be designated by U.S.A.I.D. shall be made available to U.S.A.I.D. to meet the requirements of the United States.

L. The Cooperating Agency will make such arrangements as may be necessary so that funds introduced into the cooperating country by U.S.A.I.D. or any public or private agency for purposes of carrying out obligations of U.S.A.I.D. here under shall be convertible into cur-

cooperador al tipo de cambio más alto, legalmente permitido en el momento de realizarse la conversión.

M. U.S.A.I.D. gastará fondos y realizará operaciones en cumplimiento de este Convenio de Proyecto exclusivamente de acuerdo con las leyes y reglamentos pertinentes del Gobierno de los Estados Unidos.

N. Ambas partes tendrán derecho en todo momento de observar las operaciones que se realicen en virtud de este Convenio de Proyecto. Cada parte tendrá, además, durante el término que dure el proyecto, y tres años después de haberse terminado, el derecho de (1) examinar cualquiera de los bienes adquiridos con recursos financieros de esa parte en virtud de este Convenio de Proyecto, dondequiera que estuvieren ubicados o (2) inspeccionar y controlar cualesquiera documentos y cuentas relativos a los fondos suministrados por ese gobierno o toda propiedad y servicios contractuales costeados con sus fondos conforme a este Convenio de Proyecto, dondequiera se hallen y mantengan tales documentos. Cada parte, al hacer arreglos para disponer de cualquier propiedad adquirida con recursos de la otra parte, conforme a este Convenio de Proyecto, garantizará que los derechos de examen, inspección y control descritos en la cláusula precedente, quedarán reservados al gobierno que haya suministrado los recursos financieros.

O. Al terminarse el proyecto, se preparará un informe de Terminación, que será firmado por los representantes apropiados de la U.S.A.I.D. y del Organismo Cooperador, y se presentará a la U.S.

rency of the cooperating country at the highest rate which at the time the conversion is made, is not unlawful in the cooperating country.

M. U.S.A.I.D. shall expend funds and carry on operations pursuant to this Project Agreement only in accordance with the applicable laws and regulations of the United States Government.

N. The two parties shall have the right at any time to observe operations carried out under this Project Agreement. Either party during the term of the Project and three years after the completion of the project, shall further have the right (1) to examine any property procured through financing by that party under this Project Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by that party under this Project Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Project Agreement shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

O. Upon completion of the project, a Completion Report shall be drawn up, signed by appropriate representatives of U.S.A.I.D. and the cooperating agency, and submitted to

A.I.D. y al Organismo Cooperador. El Informe de Terminación incluirá un resumen de las contribuciones efectivamente hechas por la U.S.A.I.D. y por el Organismo Cooperador para el proyecto, y proporcionará datos sobre las actividades realizadas, los objetivos alcanzados y otros datos básicos pertinentes. La U.S.A.I.D. y el Organismo Cooperador canjearán otros datos que necesitaren con el objeto de determinar la naturaleza y alcance de las operaciones realizadas en virtud de este Convenio y para evaluar la eficacia de las mismas.

U.S.A.I.D. and the Cooperating agency. The Completion Report shall include a summary of the actual contributions by both U.S. A.I.D. and the Cooperating Agency to the project, and shall provide a record of the activities carried out, the objectives achieved, and related basic data. U.S.A.I.D. and the Cooperating Agency shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

P. El presente Convenio de Proyecto entrará en vigor en la fecha de su firma. Cualquiera de las partes podrá dar por terminado este Convenio de Proyecto notificando por escrito a la otra parte, con 30 días de anticipación, su propósito de terminarlo. La terminación de este Convenio de Proyecto pondrá fin a cualquier obligación de las dos partes de efectuar contribuciones de conformidad con las Secciones 8 y 9 de este Convenio de Proyecto, excepto por pagos comprometidos para atender obligaciones no cancelables contraídas con terceros antes de la terminación del Convenio de Proyecto. Queda expresamente entendido que las obligaciones estipuladas en el párrafo H referente al uso de los bienes seguirán en vigor después de dicha terminación.

P. The present Agreement shall enter into force when signed. Either party may terminate this Project Agreement by giving the other party 30 days written notice of intention to terminate it. Termination of this Project Agreement shall terminate any obligations of the two parties to make contributions pursuant to Blocks 8 and 9 of this Project Agreement, except for payments which they are committed to make pursuant to non-cancellable commitments entered into with third parties prior to the termination of the Project Agreement. It is expressly understood that the obligations under Paragraph H relating to the use of property shall remain in force after such termination.

For the Cooperating Government or Agency	For the Agency for International Development
SIGNATURE: _____ DATE: _____	SIGNATURE: _____ DATE: _____
TITLE:	TITLE:

AID 1330-1
(6-64)

PRO AG

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND

AN AGENCY OF THE GOVERNMENT OF _____

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

☐ PROJECT DESCRIPTION ANNEX A ☐ FOREIGN CURRENCY STANDARD PROVISIONS ANNEX

☐ STANDARD PROVISIONS ANNEX ☐ SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

	DATE
☐ GENERAL AGREEMENT FOR TECHNICAL COOPERATION	4-12-61
☐ ECONOMIC COOPERATION AGREEMENT	
☐ (other)	

1. PROJECT/ACTIVITY NO. 522-11-790-039.4

PAGE 1 OF ___ PAGES

2. AGREEMENT NO. 522- 3 -71

3. ☐ ORIGINAL OR REVISION NO. 2

4. PROJECT/ACTIVITY TITLE

PUBLIC ADMINISTRATION
(Organization and Methods)

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. AID APPROPRIATION SYMBOL 72-1111010

7. AID ALLOTMENT SYMBOL 195-50-522-00-69-11

8. AID FINANCING ☐ DOLLARS ☐ LOCAL CURRENCY	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total	140,000	70,600	20,000	190,600
(b) Contract Services	51,600	53,600		105,200
(c) Commodities				
(d) Other Costs Participants	88,400	17,000	20,000	68,400 17,000
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT $1.00=				
(a) Total	(See note in	block 10)		
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

10. SPECIAL PROVISIONS *(Use Additional Continuation Sheets, if Necessary)*

The contribution of the Government of Honduras could not be accurately quantified at this time. When the Budget of the new office of Organization and Methods is established, this will be reflected in a memorandum to the project file.

11. DATE OF ORIGINAL AGREEMENT September 18, 1970

12. DATE OF THIS REVISION June 30, 1971

13. ESTIMATED FINAL CONTRIBUTION DATE December 31, 1972

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

SIGNATURE: Elio Ynestroza M. DATE: _____

TITLE: Minister of Finance & Public Credit

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: Edward Marasciulo DATE: _____

TITLE: Director AID/Honduras

AID 1330-1A (9-70) PRO AG CONTINUATION SHEET ANNEX ___	PROJECT AGREEMENT BETWEEN AID AND ___ AN AGENCY OF THE GOVERNMENT OF ___	1. Project/Activity No. 522-11-790-039.4	PAGE 2 OF ___ PAGES
		2. Agreement No. 522-3-71	3. ☐ Original or Revision No. 2
		3. Project/Activity Title PUBLIC ADMINISTRATION (Organization and Methods)	

I. PURPOSE OF THE AMENDMENT

To provide additional funds for advisory assistance and commodities required to assist in the organization of an Office of Organization and Methods within the Ministry of Finance of the Government of Honduras (see attachment 1, copy of letter of June 28, 1971 from the Minister of Finance to the Director USAID).

This assistance will consist of:

Technical Advisors and trainers.....$56,600

Participant Training..... 20,000

Other Costs

a) In-country training in systems and procedures general administration, project planning, management, and evaluation and related areas;..... 12,000

b) Commodities..... 5,000

TOTAL $93,600

In addition, at the request of the Executive Secretary of the Spperior Council, (See attachment 2, copy of June 3, 1971 letter from the Executive Secretary of the Planning Council to the Director USAID) there are included $13,600 to extend for one additional year the services of the grantee contracted advisor in Regional Planning.

I. PROPOSITO DE LA ENMIENDA

Para proporcionar fondos adicionales para la ayuda de asesores y equipo requerido para asistir en la organización de una oficina de Organización y Métodos dentro del Ministerio de Hacienda del Gobierno de Honduras (ver Anexo 1, carta del 28 de Junio de 1971 del Ministro de Hacienda para el Director de la AID).

Esta asistencia consistirá en:

Asesores Técnicos y Adiestradores.....$56,600

Adiestramiento para participantes..... 20,000

Otros Costos

a) Adiestramiento en sistemas y procedimientos dentro del pais, administración general, proyectos en planificación, administración y evaluación y demas areas afines..... 12,000

b) Equipo y mercaderías..... 5,000

TOTAL.....$93,600

Además, a solicitud del Secretario Ejecutivo del Consejo Superior de Planificación Económica, (Ver Anexo 2, copia de la carta del 3 de Junio de 1971 enviada por el Secretario Ejecutivo de Planificación Económica al Director de la AID) También van incluidos $13,600 para prorrogar los servicios del asesor donatario en Planificación Regional por un año mas.

For the Cooperating Government or Agency	For the Agency for International Development
SIGNATURE: ___ DATE: ___ TITLE:	SIGNATURE: ___ DATE: ___ TITLE:

AID 1330-1A (9-70) PRO AG CONTINUATION SHEET ANNEX	PROJECT AGREEMENT BETWEEN AID AND AN AGENCY OF THE GOVERNMENT OF	1. Project/Activity No. 522-11-790-039.4	PAGE 3 OF PAGES
		2. Agreement No. 522-3-71	3. ☐ Original or Revision No. 2
		3. Project/Activity Title PUBLIC ADMINISTRATION (Organization and Methods)	

This brings the total amount of this amendment to $107,200. This is provided by reallocating $20,000 from participant training (previously $88,400 of which only $48,400 has been obligated to date with the balance being retained herewith for this assistance) $16,600 which is the un-subobligated balance available for contract services in O&M and provided in our original agreement, plus $50,600 of new funds which increases the total amount to this Project Agreement.

Esto produce la cantidad total de $107,200 en esta enmienda. Esto es provisto reasignando $20,000 del adiestramiento de participantes (anteriormente $88,400 de los cuales $48,400 han sido obligados en esta fecha con el balance que ha sido retenido aqui para esta asistencia), $16,600, que es el balance un-subobligado disponible para servicios de contrato en O&M y suministrados en nuestro convenio original, mas $50,600 de nuevos fondos lo cual aumenta la suma total de este Convenio de Asistencia.

II. OBJECTIVES

The basic objective of the initial agreement remains unchanged with this amendment. However, additional funds are being provided along with the redistribution of the previous obligation to assist the GOH in meeting two objectives:

1. To create within the the Ministry of Finance a professional staff of Organization and Methods analysts and to development elsewhere within the GOH ministries staff capacity in this general field.

2. To assist the Secretariat of the Superior Planning Council through the extension of the services of its present advisor in Regional Planning to improve staff procedures and

II. OBJETIVOS

El objeto básico del convenio inicial permanecerá inalterado con esta enmienda, Sin embargo, fondos adicionales han sido proporcionados con la redistribución de la obligación anterior para asistir al GOH en hacerle frente a dos objetivos:

1. Crear dentro del Ministerio de Hacienda un personal profesional de Organización y Métodos y desarrollar en otras dependencias de los Ministerios del GOH su personal capacitado en este campo.

2. Asistir a la Secretaría del Consejo Superior de Planificación a traves de la extensión de los servicios de su actual asesor en Planificación Regional para mejorar los procedimientos y capacidad del personal a través de la asistencia

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skills thru on-job advisory assistance and training and thru the development of a medium and long-term training plan for economic planners.

y adiestramiento de asesores dn la oficina y a través del desarrollo de plan a mediano y largo-plazo para el adiestramiento de Planificadores Económicos.

III. PLAN OF ACTION

The plan of action in our original agreement remains essentially unchanged with the exception of the following:

The GOH, by July 31, 1971, shall prepare a plan for the installation of an Office of Organization and Methods within the Ministry of Finance to include the identification of personnel required and their areas of specialization plus a plan for the operating budget that shall be required to place this office in full operation as of January 1, 1972.

X Also, by July 31, 1971, the GOH shall have selected no less than six professionals, preferably from staff currently in Government service, for intensive training in-country and abroad, in the fields of their specialization within the Organization and Methods Office.

No later than September 31, 1971, the person selected by the GOH to head the Office of Organization and Methods or his Deputy with the USAID Public Administration Officer shall have prepared a Joint Project Implementation Plan, which will outline future cooperation to be undertaken when the O and M Office is in full operation after January 1, 1972. This plan will be submitted to the Minister of Finance for his approval, Subsequently this plan will be prepared in the

III. PLAN DE ACCION

El plan de acción en nuestro Convenio original permanece esencialmente igual, con la siguiente excepción:

El GOH, para Julio 31, 1971, preparará un plan para la instalación de una Oficina de Organización y Métodos dentro del Ministerio de Hacienda para incluir la identificación del personal requerido y sus areas de especialización, más un plan para el presupuesto en vigencia y que requerirá que esta oficina comience a laborar de lleno el 1 de Enero de 1972.

También, para el 31 de Julio de 1971, el GOH deberá haber seleccionado no menos de 6 profesionales, de preferencia del personal actual a servicio del Gobierno para adiestramientos intensivos dentro y fuera del país, en los campos de especialización dentro de la oficina de Organización y Métodos.

A más tardar el 31 de Septiembre de 1971, la persona seleccionada por el GOH para dirigir la Oficina de Organización y Métodos, o su delegado, con el Oficial de Administración Pública de la AID deberán preparar un Plan de Ejecución Conjunta del Proyecto, el que vendrá a trazar una cooperación futura que será emprendida cuando la oficina de O & M esté funcionando completamente, después del 1 de Enero de 1972. Este plan será remitido al Ministro de Hacienda para su aprobación. Este plan será preparado posteriormente en la forma de Proyecto

form of a Non-Capital Project Proposal to be submitted to AID/Washington to form the basis of future US assistance in this area.

IV. RESPONSIBILITIES OF THE GOH AND OF AID

A. The Government of Honduras hereby agrees:

1. Coincident with the signing of this agreement, to name an interim project coordinator who shall, until the staff of the O & M Office has been selected, be authorized to take any and all actions necessary to proceed with the agreement.

2. To meet all of the action dates indicated in section III above, "PLAN OF ACTION."

3. To provide salaries and all other related benefits for the GOH personnel selected for training under this agreement.

4. To prepare all legal instruments required for the installation of the Office of Organization and Methods on January 1, 1972,

5. To provide any secretarial assistance, office space, printing and library services, access to files and other information for all advisors or instructors which AID might finance through this agreement.

B. The Agency for International Development, hereby agrees to finance

de Propuesta Non-Capital que será remitido a AID/Washington para constituir las bases de una futura asistencia de US en este campo.

IV. RESPONSABILIDADES DEL GOBIERNO DE HONDURAS Y DE LA AID

A. El Gobierno de Honduras por este medio acuerda:

1. De acorde con la firma de este convenio, nombrar a un coordinador interino del proyecto el que, hasta que el personal de la oficina de O & M sea seleccionado, estar autorizado a tomar cualquier y toda acción necesaria para proceder con este acuerdo.

2. Cumplir con las fechas de acción indicadas en la anterior sección III. "PLAN DE ACCION."

3. Proveer salarios y demás beneficios para el personal seleccionado del GOH para adiestramiento bajo este acuerdo.

4. Preparar todos los documentos legales requeridos para la instalación y operación de la oficina de O & M en Enero 1, 1972.

5. Proveer los servicios de secretarias, espacio para oficina, servicios de impresión y biblioteca, acceso a los archivos y cualquier otra información para los asesores o instructores que la AID pueda financiar por medio de este acuerdo.

B. La Agencia para el Desarrollo Internacional, por este medio acuerda

from FY 71 funds as indicated in the initial Section I of this agreement technical services for the purposes stated in our initial agreement plus those specifically provided here. It is estimated that the funds provided herein will be sufficient to:

1. Provide up to 24 man-months of advisor/instructor assistance to the GOH in the field of Organization and Methods and in the establishing of an Office of Organization and Methods within the Ministry of Finance.

2. Provide 12 additional months of services of the advisor in Regional Planning for the Secretariat of the Superior Planning Council.

3. Retain a sufficient balance of un-subobligated funds for participant training to prepare the new staff of the O&M Office in their specialties through training broad.

4. Provide adequate funds in other costs for commodities to equip the O and M Office with a in-house printing facility for forms needed in operations and systems research, work simplification studies, training materials production and some audio visual equipment.

5. Provide sufficient money for the preparation of in-country training materials for O & M personnel in the GOH ministries and for the development of a basic reference library.

financiar de los fondos del año fiscal 71, como se ha indicado en la parte inicial de la Sección I de este acuerdo, servicios técnicos para los propósitos establecidos en nuestro convenio inicial más aquellos proporcionados específicamente aquí. Se estima que los fondos aquí provistos serán suficientes para:

1. Proporcionar hasta 24 hombres-meses de asistencia de asesores/instructores al GOH en el campo de O & M y en el establecimiento de una Oficina de O & M dentro del Ministerio de Hacienda.

2. Proveer 12 meses adicionales de servicios del asesor en Planificación Regional para el Secretario del Consejo de Planificación Económica.

3. Conservar un balance suficiente de los fondos un-subobligados para adiestramiento de participantes, para preparar el personal nuevo de la Oficina O & M en sus especialidades a través de adiestramientos en el extranjero.

4. Proveer fondos adecuados en Otros Gastos para equipar la oficina de O&M con equipo y con su propia imprenta para facilitar las formas que se necesitarán en sistemas de operaciones e investigación, estudios para simplificar el trabajo, producción de materiales de adiestramiento y algún equipo audio-visual.

5. Proveer suficiente dinero para la preparación del material de adiestramiento para el personal de O&M en los Ministerios del GOH y para el desarrollo de una biblioteca de consulta.

Attachment 1

SECRETARIA DE HACIENDA Y CREDITO PUBLICO
REPUBLICA DE HONDURAS

(A TRUE COPY)

No. S-244

Tegucigalpa, D. C. 28 June 1971

Dear Mr. Director:

In accordance with the conversation between you, Mr. Director, and the undersigned, I want to confirm the reason why the Government has declined the offer of assistance to organize the National Institute for Development. It is essentially because we do not want to decentralize a dependency of the Ministry of Finance and Public Credit since it would create legislative problems and provoke criticism based on past tendencies toward decentralization.

In spite of our having declined the offer to assist in organizing the Institute, the Government, through me, does request that AID provide the offered financial cooperation in order to train six people, preferably in Puerto Rico, taking advantage of their knowledge so that their training will be utilized to initiate an Office of Organization and Methods (sic) next year, 1972.

The initial organization of the Office would be as follows:

a) Chief, Office of Organization and Methods with the rank of Director General, a university graduate in administration or economics.
b) A Deputy(sic) Chief of the Office with the rank of Sub-Director General, preferably with the same academic preparation as the Chief.
c) Four Analysts, preferably with experience in government: economists, business managers, or public accountants.
d) Two secretaries for the Office, one of which should speak and write in the English language.

When these people have returned from their training, it will be necessary to send five more for training to provide us with a staff equal to the number of Ministries that make up the Cabinet.

To assist in organizing the Office we will need one general advisor with experience in Latin America and two others to conduct specific training in some of the Ministries.

The training of the people to be sent to Puerto Rico would, ideally, cover the various disciplines within Public Administration.

Due to the pressure of time, this is only a rough sketch of the organization that the Organization and Methods Unit might have, which we would hope to refine in subsequent personal interchanges with you so that we can make this organization one of great usefulness to the Country.

With confidence that this request will have the support you have offered, I take this opportunity reiterate my regards.

//Original signed by//
Elio Ynestroza M.
Ministro de Hacienda y Crédito Público

ANEXO 1

SECRETARIA DE HACIENDA Y CREDITO PUBLICO
REPUBLICA DE HONDURAS

C O P I A

Tegucigalpa, D. C. 28 de Junio de 1971 No. S-244

Estimado Señor Director:

Cumpliendo con la conversación sostenida entre Ud., señor Director y el suscrito ratificole los fundamentos en que se basa el Gobierno de la República para declinar el ofrecimiento de organización de un Instituto Nacional de Administración para el Desarrollo, argumentos que tienen su base en el no deseo de centralizar una dependencia de esta Secretaría de Hacienda y Crédito Público, el cual estimo crearía algunos problemas de orden legislativo y de críticas a tendencias descentralizadas en el pasado.

No obstante que se declina el ofrecimiento de organización del Instituto, el Gobierno de la República por mi medio solicita a esa Agencia Internacional, la cooperación ofrecida a fin de poder entrenar a seis personas, de preferencia en Puerto Rico, aprovechando en esa forma el idioma y que su capacitación pueda ser utilizada al iniciarse el próximo año de 1972.

La organización inicial de la Oficina se haría en la forma siguiente:

a) Jefe de Oficina Organización y Métodos con rango de Director General, con formación universitaria, en administración de Negocios o Economista.
b) Un Jefe de Oficina con rango de Sub Director General, de preferencia con las mismas características del Jefe,
c) Cuatro Analistas, preferiblemente con experiencia en el ramo gubernamental, Economistas, Administradores de Negocios o Peritos Mercantiles.
d) Dos Secretarias para servicio personal de la Ofician, una de las cuales deberá hablar y escribir el idioma Inglés.

Al regresar este personal ya adiestrado es necesario enviar a cinco personas mas para su entrenamiento y asi contar con un número de personas entrenadas igual al número de Secretarías que forman el Gabinete de Gobierno.

Para la Organización de la oficina requerimos un Asesor General con experiencia en America Latina y dos Asesores para un adiestramiento específico en algunas de las Secretarías de Estado.

Al Señor
Edward Marasciulo
Director AID
SU DESPACHO

El entrenamiento de las personas que se envién a Puerto Rico, de preferencia, deberá abarcar los distintos ramos de la Administración Pública.

Por la premura del tiempo se eboza la organización que tendrá la Dependencia de Organización y Métodos, la cual espero afinar al tener intercambios personales con Usted para poder hacer de ella un Organismo de gran utilidad para el País.

En la confianza de que nuestra petición tendrá el apoyo por usted ofrecido, aprovecho la oportunidad para suscribirme de usted con toda consideración.

//Firmado//
Elio Ynestroza M.
Ministro de Hacienda y Crédito Público

Attachment 2

CONSEJO SUPERIOR DE PLANIFICACION ECONOMICA
Tegucigalpa, D. C. - Honduras, C.A.

(A TRUE COPY)

June 3, 1971
No. AT/1551

Mr. John Nepple
Director USAID

Dear Mr. Director:

I take this opportunity to refer to contract "AID-522-T-210 GRANTEE" with Mr. Bastiaan Schouten as an expert in Regional Economic Development Planning, who is assigned to the Urban and Regional Programming Sector of this Technical Sectretariat. I do so in order to request officially a one year's extension of the Contract by AID in view of the need for this Sector to prepare its part of the Economic and Social Development plan for 1972-77 and the corresponding need for expert assistance in doing so.

While awaiting your reply, I remain cordially yours,

//Original signed by//

Valentín J. Mendoza A.
Secretario Ejecutivo

c.c. Bastiaan Schouten

ANEXO 2

CONSEJO SUPERIOR DE PLANIFICACION ECONOMICA
Tegucigalpa, D. C.- Honduras, C. A.

C O P I A

Junio 3, de 1971
Oficio No.AT/1551

Sr. John Nepple
Director USAID
Presente.

Señor Director:

Tengo el agrado de referirme al Contrato "AID-522-T-210 GRANTEE" a cargo del Señor Bastiaan Schouten como experto en Planificación del Desarrollo Económico Regional adscrito al Sector de Programación Urbana y Regional de esta Secretaría Técnica, para solicitarle oficialmente la prórroga por un año de su Contrato por parte de la Agencia para el Desarrollo Internacional, en virtud de tener que preparar el Sector indicado la parte correspondiente al Plan de Desarrollo Económico y Social 1972-1977, y para lo cual se requieren los servicios del experto.

En espera de sus apreciables noticias me es grato saludarlo muy atentamente.

// Firmado //
Valentín J. Mendoza A.
Secretario Ejecutivo

c.a: Sr. Bastiaan Schouten

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(4-64)

PRO AG

PROJECT AGREEMENT

BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE SUPERIOR COUNCIL FOR ECONOMIC PLANNING

AN AGENCY OF THE GOVERNMENT OF HONDURAS

The above-named parties hereby mutually agree to carry out a program in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto as checked below:

[X] PROJECT DESCRIPTION ANNEX A
[ ] FOREIGN CURRENCY PROVISIONS ANNEX
[X] STANDARD PROVISIONS ANNEX
[ ] SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

[X] GENERAL AGREEMENT FOR TECHNICAL COOPERATION — DATE 4-12-61
[ ] ECONOMIC COOPERATION AGREEMENT — DATE
[ ] (other) — DATE

1. PROJECT/ACTIVITY NO. 522-11-770-039.7
2. AMENDMENT NO. 522-18-70
3. [X] ORIGINAL OR REVISION NO.
PAGE 1 OF 6 PAGES
4. PROJECT/ACTIVITY TITLE: PUBLIC ADMINISTRATION (Economic Planning)
5. PROJECT DESCRIPTION AND EXPLANATION: (See Annex A attached)
6. AID APPROPRIATION SYMBOL: 72-1101010
7. AID ALLOTMENT SYMBOL: 095-50-522-00-69-01

8. AID FINANCING [X] DOLLARS [ ] LOCAL CURRENCY	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total	30,042 1/	12,240		42,282
(b) Contract Services		12,240		12,240
(c) Commodities				
(d) Other Costs	30,042 1/			30,042 1/
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT				
(a) Total				
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets If Necessary)

1/ Participant training costs already obligated under separate PIO/Ps.

1/ Los costos de entrenamiento al participante han sido ya obligados bajo PIO/Ps separados.

11. DATE OF ORIGINAL AGREEMENT: June 29, 1970
12. DATE OF THIS REVISION:
13. ESTIMATED FINAL CONTRIBUTION DATE: June 30, 1971

14. FOR THE COOPERATING GOVERNMENT OR AGENCY
SIGNATURE: Valentín J. Mendoza A. DATE:
TITLE: Executive Secretary
Superior Council for Economic Planning

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT
SIGNATURE: Walter G. Stoneman DATE:
TITLE: Director USAID/Honduras

Mr. Lee PUB. ADM.
Mr. Guerra PROG
Mr. Neyler CONT
Mr. Pike JAO
Mr. Carter JAO
Mr. Solana ASST. DIR.

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AID (Rev. 1-70)

PROJECT AGREEMENT

BETWEEN AID AND

The Superior Council for Economic Planning

AN AGENCY OF THE GOVERNMENT OF

HONDURAS

1. Project/Activity No. 522-11-730-039.7

2. Agreement No. 522-18-70

3. Project/Activity Title PUBLIC ADMINISTRATION (Economic Planning)

2. [X] Original or Revision No.

ANNEX A

I Introduction

A. Pursuant to the General Agreement for Economic, Technical and Related Assistance signed between the Government of Honduras and the Government of the United States of America, in accordance with the Inter-American Program for Economic and Social Development established by the Act of Bogotá and the Conference of Punta del Este, and with the Declaration of Central America signed in San José and in recognition of the importance of modern planning in programs of economic and social development, this Project Agreement is entered into by and between the Superior Council for Economic Planning, an Agency of the Government of Honduras, and the Agency for International Development, an Agency of the Government of the United States of America.

II Project Description

B. The Government of Hondures and the Agency for International Development (AID), enter into this agreement for the purpose of strengthening the technical capacity of the Superior Economic Planning Council in the area of urban and regional development planning.

A strengthened capability in this area will serve to spacially integrate global programing, sectoral programing and project planning .

I Introducción

A. De conformidad con el Acuerdo General para Cooperación Técnica, Económica y Otra Asistencia firmado entre el Gobierno de Honduras y el de los Estados Unidos de América, y de acuerdo con el Programa Interamericano para el Desarrollo Económico y Social establecido por el Acta de Bogotá y la Conferencia de Punta del Este, y con la Declaración de Centro América firmada en San José y en reconocimiento de la importancia de una planificación moderna en programas de desarrollo económico y social, se celebra el presente Convenio de Proyecto entre el Consejo Superior de Planificación Económica, una dependencia del Gobierno de Honduras, y la Agencia para el Desarrollo Internacional, una dependencia del Gobierno de los Estados Unidos de América.

II Descripción del Proyecto

B. El Gobierno de Honduras y la Agencia para el Desarrollo Internacional (AID), de mutuo acuerdo se proponen consolidar la capacidad técnica del Consejo Superior de Planificación Económica en el área de planificación para el desarrollo urbano y regional.

Una capacidad consolidada en este área servirá para integrar espacialmente los programas globales, sectorales y de planeamiento de proyectos.

For the Cooperating Government or Agency

SIGNATURE: _____ DATE: _____

TITLE:

For the Agency for International Development

SIGNATURE: _____ DATE: _____

TITLE:

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III Objective

C. To work with and advise the Superior Economic Planning Council in area of Regional Economic Planning with special emphasis on spacial planning methodology so as to optimize the effectiveness of decision-making with regard to: locational priorities and specifications of public service facilities, infrastructure projects, and industrial or agroindustrial projects. As a by-product, systematic dissemination of special data will make possible improved quality project feasibility studies at reduced cost by minimizing the duplication and needless repetition of previously done research.

IV Target

D. 1. Publish a definitive up-dated revision of the Regionalization of October 15, 1967, which takes into account new information and changed circumstances.

2. Evaluate the implementation of the Regional Development Program, 1969-1971

3. Revise and update the Regional Development Program, 1969-1971 in order that it might serve to orient sectoral preparation of the Development Plan 1972-1977.

4. Lay the basis for the Urban and Regional portion of the 1972-1977 Development Plan including preparation of a diagnostic of the Honduran Urban Situation and the design of information systems for urban and regional planning.

III Objetivo

C. Trabajar en el Consejo Superior de Planificación Económica y servirle como asesor en el área de Planificación Económica Regional haciendo énfasis en metodología de planificación espacial para mejorar la efectividad de las decisiones que se hacen relacionadas con prioridades de ubicación y especificaciones de facilidades de servicio público, los proyectos de infraestructura y proyectos industriales o agroindustriales. Como producto de la diseminación sistemática de data espacial será posible mejorar la calidad de los proyectos y estudios de factibilidad a un costo menor mediante la reducción de la duplicación y las repeticiones innecesarias previamente hechas.

IV Metas

D. 1. Publicar y poner al día una revisión de la Regionalización del 15 de octubre de 1967 la cual tomará en cuenta nueva información y circunstancias que hubiesen cambiado.

2. Evaluar la ejecución del Programa de Desarrollo Regional de 1969-1971.

3. Revisar y poner al día el Programa Regional de Desarrollo de 1969-1971 para que éste pueda servir para orientar la preparación de los diferentes sectores del Plan de Desarrollo de 1972-1977.

4. Fijar las bases de la parte Urbana y Regional del Plan de Desarrollo de 1972-77 incluyendo la preparación de un diagnóstico de la situación Urbana de Honduras y el diseño de sistemas de información para la planificación urbana y regional.

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V. Course of Action

The urban and regional planning capacity of the Superior Council for Economic Planning is to be strengthened, and general targets outlined in section IV accomplished by carrying out of the activities described below:

A. Up-dating, revision and publication of the Regionalization of October 15, 1967 will require gathering, assembling, and analizing new information and data, published and unpublished. To the extent that the information needed for the resolution of certain problems which exist in the Regionalization of October 15, 1967, does not presently exist, information and data will be developed through field work in order to determine the direction and relative magnitudes of flows of goods and services.

B. Annual evaluation of the implementation of the Regional Development Program, 1969-1971 will require the development of a methodology consistent with that employed in the Regional Development Program. Differences in planning and implementation will be analyzed and appropriate recommendations made.

C. Revision and updating of the Regional Development Program, 1969-1971 will require extensive formal and informal discussion with the various planning sectors within the Council Staff and operational agencies as to objectives, strategy to be followed, policy recommendations to be made, and the assignment of priorities and targets. The fact-finding, research, and analysis required

V. Plan de Acción

La capacidad de planeamiento del Consejo Superior de Planificación Económica debe ser reforzada y las metas generales subrayadas en la sección IV se llevarán a término realizando las actividades abajo descritas:

A. La puesta al día, revisión y publicación de la Regionalización del 15 de octubre de 1967 requerirá la recolección, clasificación y análisis de nuevos datos publicados o sin publicar. Hasta el grado en que la información necesaria para la resolución de ciertos problemas relacionados con la Regionalización del 15 de octubre de 1967 actualmente no existen, la información y los datos serán obtenidos por medio del trabajo en el campo para determinar la dirección y la magnitud relativa del flujo de artículos y de servicios.

B. Una evaluación anual de la ejecución del Programa Regional de Desarrollo de 1969-1971 requerirá el desarrollo de una metodología conforme a la empleada en el Programa Regional de Desarrollo. Las diferencias en el planeamiento y ejecución serán analizadas y se le harán las recomendaciones del caso.

C. La revisión y puesta al día del Programa Regional de Desarrollo 1969-71 requerirá discusiones formales e informales extensas con los diferentes sectores de planificación y con los Oficiales del Consejo y con las agencias a cargo de las operaciones relacionadas con los objetivos, estrategia, recomendaciones políticas a seguirse y la asignación de prio-

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will be determined by the results of the discussions to be held.

D. Laying the basis for the Urban and Regional portion of the 1972-1977 Development Plan will include the preparation of a diagnostic, the Honduran-Urban Situation. The preparation of the development plan will indicate priorities for information needs and will reveal sources for the information systems to be developed after consultation with appropriate local and central government authorities.

E. In order to comply with AID Manual Orders a complete Project Implementation Plan (PIP) is made a part of this ProAg. This Plan may be reviewed and revised if necessary, by mutual agreement of the two parties to this ProAg.

F. A complete Project Appraisal Report (PAR) will be prepared on this project at least one month prior to its scheduled time of termination of the project.

VI. Responsibilities of the Parties to this Agreement

A. The Technical Secretariat of the Superior Council for Economic Planning agrees:

1. To allow the consultant to be financed by this agreement access to all data that might relate to the scope of the work to be carried out.

2. To provide all necessary office space, secretarial services, trans-

ridades y metas. La recopilación de datos, investigaciones y los análisis requeridos se determinarán como resultado de las discusiones sostenidas.

D. La fijación de las bases para la parte Urbana y Regional del Plan de Desarrollo para 1972-77 incluirá la preparación de un diagnóstico de la Situación Urbana de Honduras. La preparación del Plan de Desarrollo indicará las prioridades relativas a las necesidades de información y revelará fuentes para los sistemas de información los cuales deberán ser realizados después de consultar con las autoridades locales y del Gobierno Central.

E. Para cumplir con los reglamentos de la AID un Plan de Proyecto de Ejecución (PIP) forma parte de este Acuerdo. Este plan puede ser repasado y revisado si fuese necesario por acuerdo mutuo de las partes.

F. Se preparará también una evaluación del proyecto (PAR) por lo menos un mes antes del tiempo establecido para la terminación del proyecto.

VI. Responsabilidades de las Partes Firmantes de este Acuerdo

A. El Secretario Técnico del Consejo Superior de Planificación Económica acuerda:

1. Permitir al consultor acceso a las informaciones que puedan relacionarse con el ámbito del trabajo y que debe ser ejecutado.

2. Proveer todo el espacio de oficina necesario, los servicios de secretaría, facilidades de transporte dentro y fuera del país cuando estos servicios sean requeridos por la naturaleza del trabajo.

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portation facilities within and outside of the country whenever such facilities are required by the nature of the work. The consultant's travel expenses will be reimbursed according to the schedule in effect for other employees of the Technical Secretariat of the Superior Council for Economic Planning.

3. To provide such computer services as necessary for the work to be carried out if such services are locally available.

4. To provide a locally qualified counterpart who will be able to take over the consultant's functions upon the termination of his term of services.

B. The Agency for International Development agrees:

1. To finance the cost of a grantee type contract between the Government of Honduras and a qualified consultant mutually agreed upon by the Technical Secretariat and the AID. ($12,240).

2. To finance training of qualified local economist and planners in-country, in the United States, or in third countries ($ 30,042).

Los gastos de viaje del consultor serán reembolsados de acuerdo con las disposiciones en vigor para los otros empleados del Consejo Superior de Planificación Económica.

3. Se proveerán los servicios de una computadora disponible localmente según sea necesario por la naturaleza del trabajo.

4. Se proporcionará un Oficial hondureño debidamente calificado que servirá de contraparte al consultor y que podrá asumir las funciones de éste cuando termine el proyecto.

B. La Agencia para el Desarrollo Internacional acuerda:

1. Financiar el costo de un contrato tipo donatario, entre el Gobierno de Honduras y un Consultor calificado que sea mutuamente aceptable por el Secretariado Técnico y el AID. Costo ($12,240).

2. Financiar el entrenamiento de economistas y planificadores calificados ya sea en Honduras, en Los Estados Unidos o en otro país. Total ($30,042).

For the Cooperating Government or Agency	For the Agency for International Development
SIGNATURE: _____ DATE: _____	SIGNATURE: _____ DATE: _____
TITLE:	TITLE:

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AID 1330-1
(8-64)

PRO AG

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND

MINISTRY OF ECONOMY AND COMMERCE

AN AGENCY OF THE GOVERNMENT OF HONDURAS

The above named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- [X] PROJECT DESCRIPTION ANNEX A
- [ ] FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
- [X] STANDARD PROVISIONS ANNEX
- [ ] SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

	DATE
[X] GENERAL AGREEMENT FOR TECHNICAL COOPERATION	4/12/61
[ ] ECONOMIC COOPERATION AGREEMENT	
[ ] (other)	

1. PROJECT/ACTIVITY NO. 522-11-790-039.9
2. AGREEMENT NO. 522-16-72
3. [X] ORIGINAL OR REVISION NO.

PAGE 1 OF 7 PAGES

4. PROJECT/ACTIVITY TITLE

NATIONAL DATA SYSTEMS
(Statistical Development)

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. AID APPROPRIATION SYMBOL 72-1121007

7. AID ALLOTMENT SYMBOL 207-50-522-00-44-21

8. AID FINANCING [ ] DOLLARS [ ] LOCAL CURRENCY	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total		227,000		227,000
(b) Contract Services				
(c) Commodities		83,000		83,000
(d) Other Costs		144,000		144,000
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT $1.00=				
(a) Total				
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

10. SPECIAL PROVISIONS *(Use Additional Continuation Sheets, if Necessary)*

See Annex A attached.

Ver el Anexo A adjunto.

11. DATE OF ORIGINAL AGREEMENT	12. DATE OF THIS REVISION	13. ESTIMATED FINAL CONTRIBUTION DATE
May 31, 1972		December 31, 1973

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

SIGNATURE: Rubén Mondragón C. DATE:
TITLE: Minister of Economy and Commerce

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: John E. Nepple DATE:
TITLE: Acting Director, USAID/Honduras.

I. INTRODUCTION

The Charter of Punta del Este requires the collection, processing, and analysis of basic and current data so that progress toward Alliance for Progress goals can be measured. Therefore, pursuant to that requirement and the General Agreement for Economic, Technical and Related Assistance signed between the Government of Honduras and the Government of the United States of America, and in accord with the Charter and the Act of Bogotá, this project agreement is entered into between the Ministry of Economy and Commerce, an agency of the Government of Honduras, and the Agency for International Development, an agency of the Government of the United States of America.

II. OBJECTIVE

The purpose of this project is the preparation, development, and institutionalization of improved methods for statistics, censuses and statistical mapping in the Government of Honduras.

III. COURSE OF ACTION

The assistance funded by the Agency for International Development (AID) under this project will be provided through the Ministry of Economy and Commerce and such other Government of Honduras agencies as may be agreed upon. Working through the MInistry of Economy and Commerce, direct budget support will be provided to finance preparation work for the 1973 Housing and Population Census. This work will

I. INTRODUCCION

La Carta de Punta del Este requiere la recopilación, el procesamiento y el análisis de datos básicos y actuales, a fin de poder estimar el progreso logrado hacia las metas establecidas por la Alianza para el Progreso. Por lo tanto, en cumplimiento de ese requisito, y el Acuerdo General de Asistencia Relacionada Económica y Técnica, firmado por el Gobierno de Honduras y el Gobierno de los Estados Unidos de América, y de acuerdo con la Carta y el Acta de Bogotá, se celebra este Convenio de Proyecto entre el Ministerio de Economía y Comercio, una dependencia del Gobierno de Honduras y la Agencia para el Desarrollo Internacional, una dependencia del Gobierno de los Estados Unidos de América.

II. OBJETIVO

El propósito de este proyecto es la preparación, el desarrollo y la institucionalización de métodos mejorados para estadísticas y mapeo estadístico en el Gobierno de Honduras.

III. PLAN DE ACCION

La asistencia financiada por la Agencia para el Desarrollo Internacional (AID) bajo este proyecto será suministrada mediante el Ministerio de Economía y Comercio y por cualesquiera otras dependencias del Gobierno de Honduras que sean acordadas. Trabajando a través del Ministerio de Economía y Comercio, se proveerá un apoyo presupuestario directo, a fin de financiar el trabajo preparatorio correspondiente al Censo de Vivienda

consist of the following steps during the remainder of calendar year 1972:

1. Development of a statistical cartographic capability in the National Geographic Institute (IGN) and the General Directorate of Census and Statistics (DGEC).

2. Preparation of Censal/Survey maps: to include aerial photography and mosaic construction for 48 municipalities, and the preparation of political division and enumeration district maps.

3. Development of materials for enumerators and supervisors: to include design of data collection forms, preparation of enumerator handbooks and supervisor guides, maps (#2 above) and precensal enumerator tests.

4. Training of enumerators supervisors: to include recruitment, testing, and training of 120 supervisors.

5. Review of the 1970 OAS-GOH joint Study on National Data Systems: to include meetings of the GOH statistics policy agency to review and update the Joint Study.

6. Procurement of necessary commodities: to include vehicles and spare parts for census preparation and mapping field work plus equipment and supplies for IGN and DGEC.

y Población de 1973. Este trabajo consistirá de los siguientes pasos durante el resto del año calendario de 1972:

1. Desarrollar una capacidad cartográfica estadística en el Instituto Geográfico Nacional (IGN) y en la Dirección General de Censos y Estadística (DGEC).

2. Elaborar mapas de Censos y Topográficas y construir mosaicos para 48 municipalidades, preparar mapas mostrando la división política y mapas señalando la enumeración distrital.

3. Desarrollar los materiales para los enumeradores y supervisores: incluyendo el diseño de formularios de recopilación de datos, preparación de cuadernos para los enumeradores y para la orientación de supervisores, mapas (#2 arriba) y los exámenes que probarán los enumeradores.

4. Adiestramiento de supervisores de enumeración: incluyendo el reclutamiento, la examinación y la capacitación de 120 supervisores.

5. Revisión del Estudio Conjunto de 1970 entre la OEA y el Gobierno de Honduras sobre los Sistemas Nacionales de Datos: incluyendo las reuniones de la dependencia estadística del Gobierno de Honduras para revisar y actualizar el Estudio Conjunto.

6. Procurar los artículos de primera necesidad, incluyendo los vehículos y repuestos que se requieren para efectuar la preparación del censo y el trabajo de campo, además del equipo y los suministros necesarios para el IGN y la DGEC.

IV. RESPONSIBILITIES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND THE GOVERNMENT OF HONDURAS

A. The Agency for International Development hereby agrees to provide:

1. Personnel

Services of a Senior Officer and his deputy for administration and coordination of this project agreement.

2. Commodities - $83,000

Up to $83,000 for the purchase of necessary vehicles, spare parts, equipment and supplies (Section III, Pagraph 6).

IV. LAS RESPONSABILIDADES DE LA AGENCIA PARA EL DESARROLLO INTERNACIONAL Y EL GOBIERNO DE HONDURAS

A. La Agencia para el Desarrollo Internacional por este medio conviene en suministrar lo siguiente:

1. Personal

Los servicios de un Oficial Mayor y su asistente a fin de administrar y coordinar este Convenio de Proyecto.

2. Artículos de Primera Necesidad -$83,000

Se proveerá hasta la cantidad de $83,000 destinada para la compra de los vehículos necesarios, repuestos, equipo y suministros (Sección III, Párrafo 6).

3. Other Costs - $144,000

Direct budget support to the DGEC and IGN for census preparation work. The AID contribution will be based upon expenses incurred under annual budgets reviewed and approved in advance by USAID/Honduras. The budget approved by USAID/Honduras will be incorporated into this Agreement; it may be revised by mutual agreement between the Ministry of Economy and Commerce and USAID/Honduras. AID assumes no liability for any personnel bonus payments (such as Severance Pay Costs, etc.) for Honduran employees who may receive salary payments under the terms of this Agreement.

B. The Government of Honduras, through the Minister of Economy and Commerce, hereby agrees to provide:

1. To USAID/Honduras by July 1, 1972, a budget for the operational costs of pre-census work.

2. Duty free entry for commodities imported into Honduras under the terms of this Agreement.

3. Logistic support to the project, such as office space, furnishings, equipment secretarial staff, clerical and translating services, office and field supplies, reproduction and printing services, plus travel and transportation costs within Honduras for employees working under this Agreement.

3. Otros Costos - $144,000

Un apoyo presupuestario directo a favor de la DGEC y el IGN para el trabajo involucrado en la preparación del censo. La contribución de la AID estará basada en los gastos incurridos en los presupuestos anuales revisados y aprobados por adelantado, por la USAID/Honduras. El presupuesto aprobado por la USAID/Honduras será incorporado en este Acuerdo; podrá ser enmendado por mutuo acuerdo entre el Ministerio de Economía y Comercio y la USAID/Honduras. La AID no se hace responsable de cualquier pago al personal en forma de bonificación (como ser costos de cesantía, etc.) para los empleados hondureños que reciban sueldos bajo los términos de este Convenio.

B. El Gobierno de Honduras a través del Ministro de Economía y Comercio, por este medio conviene en proporcionar lo siguiente:

1. Un presupuesto señalando los costos de operación del trabajo precensal, presentando el mismo ante la AID/Honduras a más tardar el 1° de Julio de 1972.

2. La libre entrada de los artículos importados bajo los términos de este convenio.

3. La asistencia logística necesaria para este proyecto como ser: oficinas, mobiliario, equipo, servicios secretariales y de mecanografía, servicios de traducción, suministros de oficina y de campo, servicios de impresión y de reproducción, transporte local o aéreo interno para los empleados que trabajan bajo este Convenio.

Portions of the costs of these services will be reimbursed by AID up to a maximum of $144,000 as agreed upon by the Ministry of Economy and Commerce, and USAID/Honduras, and in accordance with the budget to be submitted.

Una parte de los costos de estos servicios serán reembolsados por la AID hasta un máximo de $144,000, según convenido por el Ministerio de Economía y Comercio y la USAID/Honduras y de conformidad con el presupuesto por presentarse.

4. Necessary administrative and technical personnel to collaborate in carrying out this Agreement. This will include the revitalization of the National Statistical Council or an equivalent high level Government body responsible for reviewing statistics and recommending official statistics policies for the Government of Honduras. This organization will have the authority to recommend and implement these policies to coordinate or integrate statistics production and computer capacity within the Government.

4. El personal administrativo y técnico necesario para colaborar en la realización de este Convenio. Esto incluirá la revitalización del consejo Nacional de Estadísticas o un organismo gubernamental de igual rango que sea responsable de la revisión de las estadísticas y las recomendaciones tocante los reglamentos estadísticos oficiales para el Gobierno de Honduras. Este organismo tendrá la autorización necesaria para recomendar e implementar estos reglamentos a fin de coordinar o integrar la producción de estadísticas y la capacidad de computación dentro del Gobierno.

5. Through the Technical Secretariat of the Superior Council for Economic Planning, coordination of all donor inputs into this project. The Government will be responsible for assuring that AID funds shall be used in coordination with its own inputs and those from such sources as the United Nations, OAS and other agencies that may contribute to this program. Coordination of all inputs will be accomplished in such a way that there be no duplication of financing and so that the accounting for these resource uses assures the financial integrity of the program.

5. A través de la Secretaría Técnica del Consejo Superior de Planificación Económica, la coordinación de todos los insumos por donante a este proyecto. El Gobierno será responsable de asegurar que los fondos de la AID serán utilizados en coordinación con sus propios insumos y aquellos de fuentes tales como las Naciones Unidas, la OEA y otras entidades que puedan contribuir a este programa. La coordinación de todos los insumos será realizada de tal manera que no haya duplicación alguna de financiamiento y que el dar cuenta de los usos que se la da a estos recursos, asegurará la integridad financiera de este programa.

AID 1300-1 (7-69) CONTINUATION SHEET	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	☐ Worksheet ☒ Issuance	PAGE 7 OF 7 PAGES
		1. Cooperating Country HONDURAS	2.a. Code No. 522-16-72
FORM SYMBOL	TITLE OF FORM	2.b. Effective Date	2.c. ☒ Original OR Amendment No.
PRO AG	PROJECT AGREEMENT	3. Project/Activity No. and Title 522-11-790-039.9	
Annex A		NATIONAL DATA SYSTEMS (Statistical Dev.)	

Indicate block numbers.

Use this form to complete the information required in any block of a PIO or PA/PR form.

6. Prepare by August 31, 1972, with AID assistance, a Joint Project Implementation Plan (PIP) to cover the work to be done under this Agreement, for each of the phases of statistics, censuses and statistical mapping, including methodologies to be used in carrying out each aspect, plus the life of project targets. It is understood that although initial disbursement for commodities and other costs may be made by AID immediately upon receipt and approval of the project budget referred to above (B.1.) disbursements after August 31, 1972 shall be conditional on joint approval of the PIP.

7. Give full publicity to this project through the media of the press, radio, TV, or other publicity sources deemed advisable; such publicity will identify this project with the Alliance for Progress.

6. La preparación, a más tardar el 31 de agosto de 1972, de un Plan Conjunto de Implementación de PROyecto (PIP) con la ayuda de la AID, que cubra el trabajo por realizar bajo este Convenio para cada fase estadística, censos y mapeo estadístico, incluyendo la metodología para ser usada en llevar a cabo cada aspecto, además de las metas contenidas en la vida del proyecto.
Queda entendido que a pesar de que la AID podrá efectuar desembolsos por concepto de artículos y otros costos inmediatamente después de haber recibido y aprobado el presupuesto del proyecto a que se hace referencia en

7. Amplia publicidad a este proyecto a través de la prensa, radio, televisión y cualesquiera otros medios que estime conveniente. Tal publicidad identificará este proyecto con la Alianza para el Progreso.

AID 1330-1
(9-64)

PRO AG

PROJECT AGREEMENT

BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND MINISTRY OF ECONOMY AND COMMERCE

AN AGENCY OF THE GOVERNMENT OF HONDURAS

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

[X] PROJECT DESCRIPTION ANNEX A
[ ] FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
[X] STANDARD PROVISIONS ANNEX
[ ] SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

	DATE
[X] GENERAL AGREEMENT FOR TECHNICAL COOPERATION	4-12-61
[ ] ECONOMIC COOPERATION AGREEMENT	
[ ] (other)	

1. PROJECT/ACTIVITY NO. 522-11-790-039.9

PAGE 1 OF 2 PAGES

2. AGREEMENT NO. 522-16-72

3. [ ] ORIGINAL OR REVISION NO. 1

4. PROJECT/ACTIVITY TITLE

NATIONAL DATA SYSTEMS
(Statistical Development)

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. AID APPROPRIATION SYMBOL 72-1121007

7. AID ALLOTMENT SYMBOL 207-50-522-00-44-21

8. AID FINANCING [ ] DOLLARS [ ] LOCAL CURRENCY	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total	227,000			227,000
(b) Contract Services				
(c) Commodities	83,000			83,000
(d) Other Costs	144,000			144,000
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT $1.00=				
(a) Total				
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

10. SPECIAL PROVISIONS *(Use Additional Continuation Sheets, if Necessary)*

The purpose of this revision is to effect the two changes given on p.2.

El propósito de este revisión es el de efectuar los dos cambios citados en la página 2.

11. DATE OF ORIGINAL AGREEMENT	12. DATE OF THIS REVISION	13. ESTIMATED FINAL CONTRIBUTION DATE
May 31, 1972	June 7, 1972	December 31, 1973

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

SIGNATURE: Rubén Mondragón C. DATE:
TITLE: Ministro de Economía y Comercio

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: Edward Marasciulo DATE:
TITLE: Mission Director

PROJECT AGREEMENT
BETWEEN AID AND
MINISTRY OF ECONOMY AND COMMERCE
AN AGENCY OF THE GOVERNMENT OF
HONDURAS

1. Project/Activity No. 522-11-790-039.9
2. Agreement No. 522-16-72
3. Project/Activity Title: NATIONAL DATA SYSTEMS (Statistical Development)

3. ☐ Original or Revision No. 1

CHANGE N° 1

REPLACE PARAGRAPH IV.A.1 ON PAGE 4 WITH THE FOLLOWING:

1. Personnel

Services of a Senior Officer and his deputy to advise the project director, to monitor all AID financed inputs to the project, and to maintain liaison with the Honduran project director. in regard to the disbursal of funds as agreed in the project budget (see B.1. following) and in relationship to the activities to be undertaken as shown in the Joint Project Implementation Plan (see B.6. following).

CHANGE N° 2

CHANGE THE FIRST SENTENCE IN PARAGRAPH IV.B.4 ON PAGE 6 TO READ:

4. A project director with the necessary administrative and technical personnel to collaborate in carrying out this Agreement.

CAMBIO N° 1

REEMPLAZAR EL PARRAFO IV.A.1 EN LA PAGINA NUMERO 4 CON EL SIGUIENTE:

1. Personal

Servicios de un Oficial Mayor y su asistente a fin de asesorar al director del proyecto para supervisar todas las aportaciones de la AID, para mantener enlace con el director del proyecto sobre los desembolsos de fondos según lo acordado en el presupuesto del proyecto (ver B.1) y en lo relacionado a las actividades por ejecutarse indicadas en el Plan de Ejecución del Proyecto (ver B.6).

CAMBIO N° 2

CAMBIAR LA PRIMERA FRASE DEL PARRAFO IV.B.4 EN LA PAGINA NUMERO 6 A LEER:

4. Un director del proyecto y su personal administrativo y técnico necesario para colaborar en la realización de este Convenio.

For the Cooperating Government or Agency
SIGNATURE: DATE:
TITLE:

For the Agency for International Development
SIGNATURE: DATE:
TITLE:

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PROJECT AGREEMENT

BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA

AN AGENCY OF THE GOVERNMENT OF HONDURAS

The Government parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached herein, as checked below:

[X] PROJECT DESCRIPTION ANNEX A
[ ] FUNDING CURRENCY STANDARD PROVISIONS ANNEX
[X] STANDARD PROVISIONS ANNEX
[ ] SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is hereby subject to the terms of the framework agreement between the two governments, as modified and supplemented:

[X] GENERAL AGREEMENT FOR TECHNICAL COOPERATION — DATE 4/12/61
[ ] TECHNICAL ASSISTANCE AGREEMENT — DATE
[ ] (other) — DATE

1. PROJECT/ACTIVITY NO. 522-15-810-039.10
2. AGREEMENT NO. 522-11-70
4. PROJECT/ACTIVITY TITLE: MUNICIPAL DEVELOPMENT / DESARROLLO MUNICIPAL
6. PROJECT DESCRIPTION AND IMPLEMENTATION (See Annex A attached)
7. AID APPROPRIATION SYMBOL: 72-11031010
8. [illegible]: 39[illegible]

9. AID FINANCING [ ] DOLLARS [ ] LOCAL CURRENCY	PREVIOUS TOTAL (A)	THIS PHASE (B)	CUMULATIVE (C)
(a) Total		110,000	
(b) Contract Services		31,000	
(c) Participants		1,125*	
(d) Other Costs		27,875	
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT (NONE)			
(a) Total		34,000	
(b) Technical and other Services		15,000	
(c) Commodities			
(d) Other Costs		18,000	

10. SPECIAL PROVISIONS (See Additional Continuation Sheets, if necessary)

*Previously obligated under PIO/P 30064.

*Obligada bajo PIO/P 30064.

11. DATE OF ORIGINAL AGREEMENT: Feb. 20, 1972
12. DATE OF THIS REVISION:
13. ESTIMATED COMPLETION DATE: December 31, 1974

14. FOR THE COOPERATING GOVERNMENT OR AGENCY
Francisco Franco Fernacua
Presidente, BANVA

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT
Howard Matthews
Director

Project Guarantors for the GOH.

Minister of Government
Ministro de Gobernación y Justicia

Minister of Finance
Ministro de Hacienda y Crédito Público

AID 1330-1 (7-80)

CONTINUATION SHEET

FOR USE OVERSEAS

DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

TITLE OF FORM

PROJECT AGREEMENT

☐ Worksheet ☒ Issuance

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PAGE 2 OF

1. Country
HONDURAS

3.b. Effective Date

2. Project/Activity No. and Title
522-15-810-039.10
MUNICIPAL DEVELOPMENT
DESARROLLO MUNICIPAL

☒ Original

Indicate block/section.

Use this form to complete the information required in any block of a PIO or PA/OR form.

I. INTRODUCTION

Pursuant to the General Agreement for Economic, Technical and related assistance signed between the Government of Honduras and the Government of the United States of America, in accordance with the Inter-American Program for Economic and Social Development established by the Act of Bogota, in the spirit of the Alliance for Progress, and the Conference of Punta del Este, this Project Agreement is entered into by and between the Ministries of Finance and Public Credit and of Government and Justice, and the Autonomous Municipal Bank (BANMA), all on behalf of the Government of Honduras, and the Agency for International Development (USAID), an agency of the Government of the United States of America.

It is the intention of the parties to this Agreement to initiate herewith a project of technical assistance for an integral reform of the BANMA which will continue for approximately 3 years from the date of signing; initially, a complete evaluation of BANMA will be undertaken to determine the future course of action, and based on the results of the evaluation and the availability of resources on the part of each of the signatories, the project will be continued at approximately the same level of effort throughout the 3 year period.

I. INTRODUCCION

De conformidad con el Acuerdo [illegible] para Cooperación Técnica, Económica [illegible] asistencia, firmado por el Go[illegible] Honduras y el Gobierno de los [illegible] Unid[illegible] de América, y de acuerdo con el [illegible] Interamericano para el Desarro[illegible] económ[illegible] y Social establecido por el Ac[illegible] Bogot[illegible] en el espíritu de la Alianza p[illegible] progreso y la Conferencia de Punt[illegible] se celebra este Convenio de Pro[illegible] entre los Ministerios de Hacienda y [illegible] Público y de Gobernación y Jus[illegible] y el Banco Municipal Autónomo (BANM[illegible] en nombre del Gobierno de Hondura[illegible] Agencia para el Desarrollo Inte[illegible]nal (USAID), una dependencia del G[illegible] de los Estados Unidos de América.

Es la intención de las partes [illegible] Con[illegible] venio, iniciar por este medio [illegible] de asistencia técnica para una [illegible] integral del BANMA que continua[illegible] aproximadamente 3 años a partir [illegible] fecha de la firma de este docum[illegible] Inicialmente se llevará a cabo [illegible] ación integral del BANMA para d[illegible] curso de acción futura. Con ba[illegible] resultados de esta evaluación y [illegible] nibilidad de recursos por parte [illegible] uno de los signatarios, se cont[illegible] el proyecto aproximadamente al mis[illegible] nivel de esfuerzo a través del perio[illegible] de 3 años. Anualmente o cuand[illegible] o con[illegible] vengan las partes se harán eval[illegible] progreso alcanzado durante el [illegible] de este proyecto.

Annually, or when deemed appropriate by the signatories, evaluations will be made of the progress realized during the execution of this project. In subsequent years the level of effort to be maintained for that year and the accomplishments to be realized during that period will be stated in each separate succeeding agreement.

Para cada año subsiguiente, el nivel de esfuerzo deberá ser sostenido durante ese año y los logros que deberán ser realizados durante ese período serán estipulados en cada convenio individual subsiguiente.

II. OBJECTIVE

The purpose of this project is to develop and implement a program to restructure and recapitalize the Honduran Autonomous Municipal Bank (BANMA) so that it can effectively and efficiently provide financial and technical assistance contributing to the development of municipalities throughout the country.

II. OBJETIVO

El propósito de este proyecto es desarrollar y realizar un programa destinado a reestructurar y recapitalizarel Banco Municipal Autónomo de Honduras (BANMA) a fin de que proporcione eficazmente, una asistencia financiera y técnica para contribuir a desarrollar las municipalidades del país.

III. COURSE OF ACTION

The Ministers of Government and Justice and of Finance and Public Credit, as well as the Board of Directors of BANMA (meeting of October 6, 1972), have agreed that the assistance financed by the Agreement will be provided in order to accomplish the following objectives:

1. Disposition of the commercial portfolio so as to relieve BANMA of liability, both direct or contingent, for the portfolio and to provide BANMA with reasonable liquid assets resulting from the disposition of this portfolio by May 31, 1973;

III. PLAN DE ACCION

Los Ministros de Gobernación y Justicia y de Hacienda y Crédito Público así como la Junta Directiva del BANMA (sesión 6 de octubre de 1972) han acordado que la asistencia financiada por este Convenio será suministrada con el fin de realizar los siguientes objetivos:

1. Disponer de la carter comercial a fin de relevar al BANMA de las obligaciones tanto directas como contingentes de dicha cartera, y proveerlo, a más tardar el 31 de mayo de 1973, con una cantidad razonable de activos líquidos provenientes de la disposición de la cartera comercial;

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2. Relieve BANMA of the administrative and financial responsibility for the San Pedro Sula Airport by September 30, 1973;

3. Reorganization of BANMA staff to include a reduced level of personnel to approximately 35 by October 31, 1973;

4. Installation and execution of asset control and management information system; to be completed by June 30, 1974;

5. Development of BANMA staff in order that they are able to coordinate and provide technical assistance for municipalities; the first step in this training to be completed by June 30, 1973;

6. According to the results of the initial evaluation and others to be made periodically regarding BANMA's financial and technical administrative capability and depending on the availability of funds in the Budget, the Government will provide to BANMA, appropriate amounts to increase its capital which will be used exclusively for municipal loans. These amounts will be established as part of an overall BANMA recapitalization program, once the aforementioned evaluations have been carried out and the real capital needs determined in order to carry out a work program approved by the Government at BANMA's request. Depending on the results of studies made in this respect, this recapitalization

2. Liberar al BANMA de la administración y la responsabilidad financiera del Aeropuerto de San Pedro Sula a más tardar el 30 de septiembre de 1973;

3. Reorganizar el personal del BANMA, incluyendo la reducción del personal a un número de aproximadamente 35, a más tardar el 31 de octubre de 1973;

4. Instalar y poner en práctica un sistema de control de activos y de información para la gerencia; a completarse a más tardar el 30 de junio de 1974;

5. Capacitar el personal del BANMA a fin de que pueda coordinar y proveer asistencia técnica a las municipalidades. El primer paso en esta capacitación se completará a más tardar el 30 de junio de 1973;

6. De acuerdo con el resultado de la evaluación inicial y de aquellas otras que periodicamente se realicen con respecto a la capacidad administrativa, financiera y técnica del BANMA y según sean las disponibilidades presupuestarias del Gobierno, este último proveerá al BANMA, cantidades de fondos apropiadas para incrementar su capital, las cuales se destinarán exclusivamente a préstamos para las municipalidades. Estas cantidades se establecerán como parte de un programa general de recapitalización del BANMA, una vez efectuadas las evaluaciones del caso y determinadas las necesidades reales de capital para llevar a cabo un programa de trabajo aprobado por el Gobierno a solicitud del BANMA. Esta recapitalización podrá contemplar, según se desprenda de los estudios que se efectúen al respecto, la solicitud

DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

TITLE OF FORM

PROJECT AGREEMENT

☐ Worksheet ☒ Issuance

PAGE 5 OF 10 PAGES

1. Cooperating Country
HONDURAS

2a. Code No.

2b. Effective Date

2c. ☐ Original ☐ Amendment No.

3. Project/Activity No. and Title
522-15-810-039.10
MUNICIPAL DEVELOPMENT
DESARROLLO MUNICIPAL

Use this form to complete the information required in any block of a PID or PA/PR form.

may contemplate a request by the Government, for external capital resources from international financing institutions.

7. The provision of a new revenue source to BANMA from the Government of Honduras to cover salaries and other minor overhead costs corresponding to BANMA's national technical personnel presently on scholarship or to be on scholarship in the future to an approximate total, during the period covered by this Agreement, of 6 technicians. This provision will be reflected in the 1974 Budget.

8. Development of BANMA's senior management staff through on-job and short courses training in-country and abroad; to be completed by June 30, 1975.

IV. RESPONSIBILITIES OF THE PARTIES TO THIS AGREEMENT

A. AID hereby agrees to provide the following:

Direct Hire: Services of a senior officer and his deputy to monitor all AID financed inputs to the project and maintain liaison with the President of BANMA;

1. Personnel - $81,000

Individual Contracts

-Up to 12 man-months of a Banking Advisor to assist in the development of an asset

por parte del Gobierno de recursos externos provenientes de fuentes de financiamiento internacional.

7. La provisión de una fuente de ingresos para el BANMA proveniente del Gobierno de Honduras a fin de cubrir los sueldos y otros gastos generales menores del personal técnico nacional del BANMA que actualmente se encuentra becado o que se becará en el futuro y que será aproximadamente de un total de 6 técnicos durante la vigencia de este Convenio. Esta provisión se reflejará en el presupuesto del Gobierno de Honduras correspondiente al año de 1974.

8. Capacitar el personal superior del BANMA mediante cursos de adiestramiento impartidos dentro de la institución y mediante cursos a corto plazo dentro y fuera del país; este adiestramiento deberá completarse a más tardar el 30 de junio de 1975.

IV. RESPONSABILIDAD DE LAS PARTES EN ESTE CONVENIO

A. La AID, por este medio, conviene en proporcionar lo siguiente:

Personal Permanente: Los servicios de un oficial superior y su asistente a fin de administrar todos los insumos financiados por la AID a favor del proyecto y para mantener enlace con el Presidente del BANMA;

1. Personal - $81,000

Contratos Individuales:

-Hasta 12 hombre/meses de Asesoría en Sistemas Contables a fin de asistir en el desarrollo de un sistema de

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control and management information system.

control de activos y de información para la gerencia.

-Up to 12 man-months of Municipal Capital Projects Advisor to provide assistance in regional urban and town planning, plus capital project formulation, analyses, and financing.

-Hasta 12 hombre/meses de Asesoría en Proyectos de Préstamos a las Municipalidades a fin de proporcionar asistencia en la planificación regional, urbana y municipal, y en la formulación, análisis y financiamiento de proyectos.

-Up to 12 man-months of an Economist to assist BANMA and AID in completing project bench mark data plus fiscal and economic analyses.

-Hasta 12 hombre/meses de un economista para asistir al BANMA y AID en completar datos de base para el proyecto y para hacer análisis fiscales y económicos.

-Up to 4 man-months of short term advisor/instructors to develop training elements and materials for the municipal program, and specialized technical assistance to BANMA.

-Hasta 4 hombre/meses de instructores a corto plazo para desarrollar los elementos y facilidades de adiestramiento para el programa municipal y para asistencia técnica especializada al BANMA.

In addition to these technicians, financed directly under this Agreement, AID will provide financing from other sources for up to 12 man-months of advisory assistance in municipal equipment procurement, maintenance and management systems plus the assistance of specialized financial analysts, as requested, to assist the Government in the solution of its San Pedro Sula Airport problem.

Además de estos técnicos, financiados directamente por este Convenio, la AID suplirá financiamiento proveniente de otras fuentes para cubrir hasta 12 hombre/meses de asesoría técnica en procuraduría de equipo, sistemas de mantenimiento y de gerencia para las municipalidades además de los servicios de analistas financieros especializados, según se soliciten, a fin de asistir al Gobierno a resolver su problema con el Aeropuerto de San Pedro Sula.

2. Other Costs-$27,875

2. Otros Costos - $27,875

For international and local training of officials of BANMA and the municipalities, printing and publication costs, training materials and supplies, plus miscellaneous other direct costs as approved by the AID Director

Para la capacitación local e internacional de funcionarios municipales y del BANMA, costos de impresión y publicación, materiales de instrucción y suministros, además de otros costos directos miscelaneos, según sean aprobados por el Director de la AID

AID 1500-1 (7-68)

CONTINUATION SHEET

FORM SYMBOL

DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

TITLE OF FORM

PROJECT AGREEMENT

[ ] Worksheet [X] Issuance

PAGE 7 OF 10 PAGES

1. Cooperating Country
HONDURAS

2a. Code No.

2b. Effective Date

2c. [X] Original [ ] Revision

3. Project/Activity No. and Title
522-15-810-039.10
MUNICIPAL DEVELOPMENT
DESARROLLO MUNICIPAL

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Indicate block numbers.

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or his representative. Included in this shall be funds for stipends, travel and per diems for the municipal survey teams (approximately $6,000).

The Director of AID or his representative may also authorize charges against this section of the Agreement for short term technical assistance as may be required for additional financial analysis, and preloan activities related to the project.

o su representante, incluyendo fondos para estipendios, viajes y viáticos para el personal que realice encuestas municipales (aproximadamente $6,000).

El Director de la AID o su representante también puede autorizar gastos relacionados con esta sección del Convenio para financiar asistencia técnica a corto plazo según sean requeridos para análisis financieros adicionales y para las actividades relacionadas al proyecto que se realicen antes de que el préstamo se lleve a cabo.

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AID 1020-1 (7-62)

CONTINUATION SHEET

FORM APPROVED

DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

TITLE OF FORM

PROJECT AGREEMENT

☐ Federal ☒ Income | PAGE 8 OF 10 PAGES

1. Cooperating Country: HONDURAS | 2a. Code No.

2b. Effective Date | 3. ☒ Original OR Amendment No.

5. Project Activity No. and Title
526-15-810-039.10
MUNICIPAL DEVELOPMENT
DESARROLLO MUNICIPAL

Indicate block number

Use this form to complete the information required in any block of a PIO or PA/PP form.

B. The Government of Honduras hereby agrees to provide:

1. Personnel - $16,000

Necessary administrative and technical personnel to collaborate in carrying out activities described herein and to participate in special courses and on-the-job training activities conducted by the advisors in Honduras.

2. Other Costs - $16,000

Office space; training facilities, furnishings, equipment, secretarial and printing services, local transportation for all permanent BANMA employees of the Government of Honduras engaged in activities under this project agreement.

3. Through the Superintendent of Banks, a review of the BANMA's accounting nomenclature for the purpose of approving accounts classifications appropriate to BANMA municipal operations as has been done by the Central Bank for the BNF in its accounting operations.

4. Management support of the project through the President and department heads of BANMA, plus a guarantee of the project by the Ministers of Finance and Public Credit and of Government. The guarantors assume full support of the project and the course of action set forth in III above, as representatives of the Government of Honduras.

5. Full support by the guarantors for any legislative authorizations that may be required to achieve the objectives set forth in the course of action above.

B. El Gobierno de Honduras, por este medio convino en proporcionar:

1. Personal - $16,000

El personal administrativo y técnico necesario para colaborar en la realización de las actividades aquí descritas para participar en los cursos especiales, en las actividades de adiestramiento y en el trabajo que los asesores lleven a cabo en Honduras.

2. Otros Costos - $18,000

Oficina, facilidades de adiestramiento, mobiliario, equipo, servicios secretariales y de mecanografía, suministros de oficina, servicios de impresión y reproducción, viajes dentro del país para los empleados permanentes del BANMA y del Gobierno de Honduras que trabajen en la consecución de los objetivos de este Convenio.

3. A través de la Superintendencia de Bancos, efectuar una revisión de la nomenclatura contable del BANMA a fin de aprobar las clasificaciones de cuentas apropiadas a las operaciones municipales del BANMA tal como se ha llevado a cabo por el Banco Central en las operaciones contables del Banco Nacional de Fomento.

4. Apoyo administrativo al proyecto a través del Presidente y los jefes de departamento del BANMA, además de una garantía del proyecto extendida por los Ministros de Hacienda y Crédito Público y de Gobernación y Justicia. Los garantes aseguran pleno apoyo al proyecto y al plan de acción descrito en el numeral III que antecede actuando en su capacidad de representantes del Gobierno de Honduras.

5. Pleno apoyo por parte de los garantes en cualesquiera de las autorizaciones legislativas que pudiesen requerirse a fin de lograr los objetivos señalados en el Plan de Acción que antecede.

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AID 1330-1 (10-68)

CLASSIFICATION

FORM SYMBOL

DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

TITLE OF FORM

PROJECT AGREEMENT

1. Country: HONDURAS

3. Project Activity No. and Title: 522-15-810-039.10 MUNICIPAL DEVELOPMENT / DESARROLLO MUNICIPAL

Indicate back hereof.

5. All the cooperation necessary to BANMA, through the Minister of Government to directly encourage municipal and national agencies' cooperation in the activities undertaken within this program, such as:

a. cooperation in the formulation of municipal surveys;

b. support of the municipal training effort, including the provision of instructors, from personnel from the Ministry, as and when needed, in specialized fields;

c. support for interagency project reviews as needed;

d. provision of specialized staff from personnel from the Ministry, for direct technical assistance to municipalities, as needed;

e. encouragement of the Honduran Municipal Association (AMHON) to effectively represent municipal efforts for intermunicipal cooperation regionally and nationally.

V. OTHER DONOR CONTRIBUTIONS

Action/Peace Corps currently has assigned:

1. One volunteer to the BANMA for assistance in capital project development and coordination of BANMA activities with the Government of Honduras agencies; and

2. Five volunteers to various Honduran municipalities for assistance in developing urban improvement projects and loan requests to be channeled to BANMA.

6. Toda la cooperación que el BANMA necesite, a través del Ministro de Gobernación y Justicia, a fin de estimular directamente a las agencias municipales y nacionales a cooperar en las actividades que se emprendan dentro de este programa, a saber:

a. Cooperar en la formulación y conducción de encuestas municipales;

b. apoyar el esfuerzo de capacitación municipal, incluyendo la asignación de instructores, provenientes del personal del Ministerio de Gobernación y Justicia en los campos especializados, según y cuando sean necesarios;

c. apoyar las decisiones que tomen las dependencias involucradas sobre las Evaluaciones del Proyecto, según sea necesario;

d. proveer a través del Ministerio de Gobernación y Justicia, ya sea de su propio personal ó de otra fuente, elementos especializados para brindar asistencia técnica directa a las municipalidades, según sea necesario;

e. estimular a la Asociación de Municipalidades de Honduras (AMHON) a representar eficazmente los esfuerzos municipales dirigidos a fomentar, regional y nacionalmente, una cooperación intermunicipal.

V. CONTRIBUCIONES DE OTROS DONADORES

Actualmente, la dependencia Acción/Cuerpo de Paz, ha asignado:

1. Un voluntario al BANMA para asistir en el desarrollo de proyectos de capital y en la coordinación de las actividades del BANMA con las dependencias del Gobierno de Honduras; y

2. Cinco voluntarios a varias municipalidades hondureñas para asistir en desarrollar proyectos de mejoras urbanas y solicitudes de préstamos que serán canalizadas al BANMA.

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Action/Peace Corps' country plan calls for the continuation of this level of assistance throughout the life of this Agreement.

El plan que tiene la dependencia, Acción/Cuerpo de Paz, para el país, continuará este nivel de asistencia mientras dure este Convenio.

VI. ADVANCE OF FUNDS

Under this Agreement, BANMA may receive an advance of funds in U.S. dollars to establish a rotating fund. This fund will be used to finance salary and allowance payments of contract employees, plus miscellaneous other costs per paragraph IV, A.3. above, in accordance with an expenditure plan approved in advance by the Director of AID or his representative.

In addition, the Director of AID or his representative may authorize the use of AID funds for directly financing the procurement of services requested by BANMA, training programs, and similar activities to further the project.

VI. ADELANTO DE FONDOS

Bajo este Convenio, el BANMA puede recibir un adelanto en U.S. dólares a fin de establecer un fondo rotativo. Este fondo en U.S. dólares será utilizado para financiar los pagos de salarios y demás costos de los contratistas de la AID, además de otros costos misceláneos según el párrafo IV, A.3. arriba indicado, de conformidad con un plan de desembolsos aprobado por adelantado por el Director de la AID o su representante.

Además, el Director de la AID o su representante, puede autorizar el uso de fondos de la AID para financiar directamente la procuración de servicios solicitados por el BANMA, programas de capacitación y actividades similares necesarias para continuar con el proyecto.

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PRO AG

PROJECT AGREEMENT

BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND

AUTONOMOUS MUNICIPAL BANK OF HONDURAS (BANMA) - BANCO MUNICIPAL AUTONOMO DE HONDURAS

AN AGENCY OF THE GOVERNMENT OF HONDURAS

This agreement period hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- [ ] Project Grant Agreement Annex A
- [ ] Special Loan Provisions Annex
- [x] Standard Provisions Annex
- [ ] Special Loan Provisions Annex

of the following agreements between the two governments, as modified and supplemented herein:

- [x] General Agreement for Technical Cooperation — Date 4/12/61
- [ ] Economic Cooperation Agreement — Date
- [ ] (other) — Date

1. Project/Activity No. 522-15-810-039.10
2. Agreement No. 522-9-74
3. Page 1 of 9 Pages
4. [x] Original or Revision No.
5. Project/Activity Title: MUNICIPAL DEVELOPMENT / DESARROLLO MUNICIPAL
6. Project Description and Explanation (see Annex A attached)
8. A.I.D. Appropriation Symbol: 72-1141010
7. AID Allotment Symbol: 495-50-522-00-69-41

9. AID Financing [ ] Dollars [ ] Local Currency	Previous Total (A)	Increase (B)	Decrease (C)	Total to Date (D)
(a) Total		144,000		144,000
(b) Contract Services		95,000		95,000
(c) Participants		20,000		20,000
(d) Other Costs		29,000		29,000
10. Cooperating Agency Financing - Dollar Equivalent @ L.2.00				
(a) Total		L. 161,256		L. 161,256
(b) Technical and other Services		101,256		101,256
(c) Commodities				
(d) Other Costs		60,000		60,000

11. Special Provisions (Use Additional Continuation Sheets if Necessary)

See Annex A

Véase Anexo A

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11. Date of Original Agreement: January 31, 1974
12. Date of This Revision:
13. Estimated Final Contribution Date: June 30, 1975

For the Cooperating Government or Agency: Armando Rivera R. — Presidente, BANMA — Date

For the Agency for International Development: Edward Mirasciulo — Director, USAID/Honduras — Date

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AID/W-1 (6/72) PROAG CONTINUATION SHEET	PROJECT AGREEMENT BETWEEN AID AND BANMA	522-15-810-039.10	PAGE 2 OF 9 PAGES
		522-8-74	[X] Original Revision No.
	AN AGENCY OF THE GOVERNMENT OF HONDURAS		MUNICIPAL DEVELOPMENT DESARROLLO MUNICIPAL

I. INTRODUCTION

The purpose of this Agreement is to continue advisory assistance to the Government of Honduras under the Municipal Development Project. Funds for this project have been previously obligated under Agreement No. 522-14-73 of February 28, 1973.

I. INTRODUCCION

El propósito de este Convenio es el de continuar brindando asistencia técnica al Gobierno de Honduras bajo el Proyecto de Desarrollo Municipal. Fondos para este proyecto han sido previamente obligados bajo el Convenio No. 522-14-73 del 28 de febrero de 1973.

II. OBJECTIVES

1. To continue programs designed to improve the effectiveness of the Autonomous Municipal Bank of Honduras (hereinafter referred to as BANMA) so that it may better serve in providing technical and financial assistance to the country's municipalities.

2. To assist BANMA in meeting necessary requisites for consideration for a recapitalization loan through AID or other international development lending agency.

II. OBJETIVOS

1. Continuar programas diseñados para mejorar la efectividad del Banco Municipal Autónomo de Honduras (de aquí en adelante denominado BANMA) con el propósito de que pueda ofrecer mejores servicios de asistencia técnica y financiera a las municipalidades del país.

2. Asistir al BANMA para llenar requisitos necesarios para poder ser considerado para un préstamo de recapitalización a través de la AID u otra agencia internacional de préstamos para el desarrollo.

III. COURSE OF ACTION

The signatories of this Project Agreement have agreed upon the following updated course of action and specific objectives of the assistance financed under this Agreement:

1. By January 31, 1974:

a. Disposition of the commercial portfolio of BANMA so as to relieve the Bank of liability, both direct and contingent, for the portfolio and in the process provide BANMA with reasonable liquid assets.

III. PLAN DE ACCION

Los signatarios de este Convenio de Proyecto han convenido sobre el siguiente plan de acción y objetivos específicos actualizados de la asistencia financiada bajo este Convenio:

1. Antes del 31 de enero de 1974:

a. Disposición de la cartera comercial del BANMA a fin de relevar al Banco de las obligaciones tanto directas como contingentes de dicha cartera, y en el proceso proveer al BANMA con una cantidad razonable de activos líquidos.

For the Cooperating Government or Agency	For the Agency for International Development
SIGNATURE: _____ DATE: _____ TITLE:	SIGNATURE: _____ DATE: _____ TITLE:

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b. If (a) is not feasible, present a plan showing how such recovery will be effected within a reasonable time not extending beyond December 31, 1975;

2. Formally relieving BANMA of the administrative and financial responsibility for the San Pedro Sula Airport by March 31, 1974;

3. Completion of the administrative restructuring of BANMA, including the formation of the new Technical Assistance and Finance Departments, the assignment of qualified personnel, and the adoption of improved operating procedures in order to efficiently execute municipal development projects; to be completed by January 31, 1974;

4. Installation and execution of an asset control and management information system; to be completed by June 30, 1975;

5. Continuation of the development of BANMA staff, including training of at least 4 additional technical personnel, to enable the Bank to coordinate and provide technical assistance to municipalities and effectively supervise loan programs; to be completed by December 31, 1974;

6. Negotiation of legal status for the intermunicipal cooperatives with the appropriate authorities;

7. Implementation of a correspondent bank plan or other mechanism for increasing municipal deposits in the BANMA and providing a means of

b. Si (a) no es factible, presentación de un plan mostrando cómo efectuarse dicha recuperación dentro de un plazo razonable que no se extienda más allá del 31 de diciembre de 1975;

2. Liberación formal del BANMA de la responsabilidad administrativa y financiera del Aeropuerto de San Pedro Sula a más tardar el 31 de marzo de 1974;

3. Terminación de la reestructuración administrativa del BANMA, incluyendo la creación de los nuevos Departamentos de Asistencia Técnica y Financiero, asignación de personal capacitado, y la adopción de procedimientos de operación mejorados a fin de ejecutar eficazmente proyectos de desarrollo municipal; a ser completado a más tardar el 31 de enero de 1974;

4. Instalación y uso de un sistema de control de activos y de información administrativa, a completarse a más tardar el 30 de junio de 1975;

5. Continuación de la capacitación del personal del BANMA incluyendo el adiestramiento de por lo menos 4 técnicos adicionales a fin de que el Banco pueda coordinar y proveer asistencia técnica a las municipalidades y supervisar eficazmente programas de préstamos, a completarse a más tardar el 31 de diciembre de 1974;

6. Gestión ante las autoridades competentes para la obtención de la personería jurídica de las cooperativas intermunicipales;

7. Ejecución de un plan de corresponsalía para el Banco u otro mecanismo para aumentar los depósitos municipales en el BANMA y

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AID 1330-1A
8-74

PRO AG

CONTINUATION SHEET

ANNEX A

PROJECT AGREEMENT
BETWEEN AID AND
BANMA

522-15-810-0[illegible]10

[illegible]

[illegible]

[illegible]

[illegible] municipalities to be completed by [illegible]	[illegible] de las municipalidades [illegible] el 31 de [illegible] de 1974;
8. Development of an inter-institutional coordination mechanism to serve as coordinator for BANMA-financed projects and Government of Honduras direct investments, and form the basis of interagency programming of all investments in the municipalities; to be completed by January, 31, 1974;	8. Desarrollar un mecanismo de coordinación [illegible] que sirva como coordinador de los proyectos financiados por el BANMA y de las inversiones directas del Gobierno de Honduras, y constituya la base para la programación entre agencias de todas las inversiones en las municipalidades; a ser finalizado a más tardar el 31 de enero de 1974;
9. Assurance that the BANMA, once recapitalized, will become the principal source of municipal financial assistance;	9. Asegurar que el Banco Municipal Autónomo, una vez recapitalizado, será fuente principal de financiación municipal;
10. Development of a plan to provide BANMA, once recapitalized, with resources which will increment its capital no less than L.10,000,000 during a ten-year period at the rate of L.1,000,000 per year;	10. Elaboración de un plan para dotar al Banco Municipal Autónomo, una vez recapitalizado, con recursos que incrementen su capital en una cantidad no menor de diez millones de Lempiras durante diez años (un millón de Lempiras anual).
11. Provide the necessary operating funds for an increase of approximately L.100,000 in technical assistance, including funds for the employment of two additional technicians. The period for the establishment of the two new positions, the formation of job requirements, testing and qualification determination will be made by mutual consideration; however, final selection of employees will be the responsibility of BANMA;	11. Proporcionar los fondos de operación necesarios para un aumento de aproximadamente L.100,000.00 en asistencia técnica, incluyendo fondos para el empleo de 2 técnicos adicionales. El período para el establecimiento de estos dos nuevos puestos, la formación de requisitos para los puestos, pruebas y determinaciones de la capacidad de los candidatos serán establecidos por acuerdo mutuo; sin embargo, la selección final del personal será responsabilidad del BANMA;
12. Continuation of development of BANMA senior staff through on-job and participant training; to	12. Continuación de la capacitación del personal ejecutivo del BANMA a través del adiestramiento en el

[illegible] Agency

SIGNATURE: [illegible] BANMA
TITLE:

[illegible] Government of Honduras

SIGNATURE: [illegible] BANMA
TITLE:

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be completed by June 30, 1975;

13. Assuming satisfactory progress on steps 1-12 above, establish for an external recapitalization loan. (See Section II.2.) The amount of the loan will be based on studies showing the projects to be financed with the amounts requested;

14. If the external recapitalization loan is obtained, execution of the program approved by the Government of Honduras for financial and technical assistance to the municipalities over the period of loan disbursement.

IV. RESPONSIBILITIES OF THE PARTIES TO THIS AGREEMENT

A. AID hereby agrees to provide and finance the following activities for the periods indicated. Any continuation of such activities beyond the periods and the amounts specified herein will be the responsibility of BANMA.

Direct-Hire: Part-time services of the Chief and Deputy Chief of the Institutional Development Division, USAID, to monitor all AID financed inputs to the project and maintain liaison with the President of BANMA;

1. Personnel - $95,000

- Up to 12 man-months of a Banking Systems Advisor to assist in the development of an asset control and management information system.

trabajo y por medio de becas; a ser finalizado más tardar el 30 de junio de 1975;

13. Suponiendo un progreso satisfactorio en los pasos del 1 al 12 anteriormente descritos, solicitar de un préstamo externo para recapitalización. (Véase la Sección II.2.) El monto del préstamo se basará en estudios mostrando los proyectos que serán financiados con las cantidades solicitadas;

14. Si el préstamo externo de recapitalización es obtenido, ejecución del programa aprobado por el Gobierno de Honduras para asistencia financiera y técnica a las municipalidades durante el período de desembolso del préstamo.

IV. RESPONSABILIDADES DE LAS PARTES EN ESTE CONVENIO

A. La AID, por este medio, convienen en proporcionar y financiar las siguientes actividades en los períodos indicados. Cualquier prolongación de tales actividades más allá del período y las cantidades aquí especificadas será responsabilidad del BANMA.

Personal Permanente: Los servicios a tiempo parcial del Jefe y Sub-Jefe de la División de Desarrollo Institucional de USAID, a fin de atender todos los insumos al proyecto financiados por la AID y mantener enlace con el Presidente del BANMA;

1. Personal - $95,000

- Hasta 12 meses-hombre de un Asesor en Sistemas Bancarios a fin de asistir en el desarrollo de un sistema de control de activos y de información para la

For the Cooperating Government or Agency
SIGNATURE: _____ DATE: _____
TITLE:

For the Agency for International Development
SIGNATURE: _____ DATE: _____
TITLE:

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-Up to 18 man-months of an Urban Planning Advisor to provide assistance in regional urban and town planning, plus capital project formulation, analysis, and financing.

-Up to 6 man-months of short-term advisors and instructors to provide specialized technical assistance to BANMA and to develop training materials for the municipal program.

In addition to these technicians, financed directly under this Agreement, AID will provide financing from other sources for up to 6 man-months of advisory assistance in municipal equipment procurement, maintenance and management systems.

2. Participants - $20,000

The costs (with exception of international travel, family allowances, salaries, etc.) of up to 18 man-months of academic or observation training in the United States or third countries for BANMA management, technical, and operations staff in such fields as municipal banking and credit policy, urban and regional planning, project design, execution, and evaluation, municipal law and financial administration.

3. Other Costs - $29,000

For international and local training of officials of BANMA and the municipalities, printing and

gaciones.

-Hasta 18 meses-hombre de un Asesor en Planificación Urbana a fin de proporcionar asistencia en la planificación regional, urbana y municipal, y en la formulación, análisis y financiamiento de proyectos.

-Hasta 6 meses-hombre de asesores e instructores a corto plazo para proveer asistencia técnica especializada al BANMA y para desarrollar materiales de adiestramiento para el programa municipal.

Además de estos técnicos, financiados directamente por este Convenio, la AID proporcionará financiamiento proveniente de otras fuentes para cubrir hasta 6 meses-hombre de asesoría técnica en sistemas de adquisición, mantenimiento y administración de equipo municipal.

2. Participantes - $20,000

Los gastos (con excepción de viajes internacionales, asignaciones familiares, salarios, etc.) de hasta 18 meses-hombre de adiestramiento académico o de observación en los Estados Unidos o terceros países para personal de gerencia, técnico y de operaciones del BANMA en campos tales como banca municipal y política crediticia, planificación urbana y regional, diseño, ejecución y evaluación de proyectos, ley municipal y administración financiera.

3. Otros Gastos - $29,000

Para la capacitación local e internacional de funcionarios del BANMA y de las municipalidades, costos de

For the Cooperating Government or Agency:
SIGNATURE: DATE:
TITLE:

For the Agency for International Development:
SIGNATURE: DATE:
TITLE:

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and publication costs, training seminars, materials, and supplies, plus miscellaneous other direct costs as approved by both the AID Director or his representative and the President of BANMA or his representative. Included in this may be funds for stipends, travel and per diem for personnel plus publication costs to follow up results of the municipal survey. Charges against this section of the Agreement may likewise be authorized for such short-term technical assistance as may be required for additional financial analyses and pre-loan activities related to the project.

B. The Government of Honduras hereby agrees to provide:

1. Personnel - L.101,256

Necessary administrative and technical personnel to collaborate in carrying out activities described herein and to participate in special courses and on-the-job training activities conducted by the advisors in Honduras.

2. Other Costs - L.60,000

Office space, training facilities, furnishings, equipment, secretarial services, office supplies, printing and reproduction services for all BANMA employees and advisors assigned to BANMA; also, local transportation for BANMA employees.

3. Carry out through the Superintendent of Banks, a review of the

impresión y publicación, seminarios de adiestramiento, materiales, y suministros, además de otros gastos directos miscelaneos que sean aprobados tanto por el Director de la AID o su representante como por el Presidente del BANMA o su representante. Esto podría incluir fondos para estipendios, viajes y viáticos para el personal más gastos de publicación de los resultados de la encuesta municipal. Gastos bajo esta sección del Convenio también pueden ser autorizados para financiar aquella asistencia técnica a corto plazo que pueda ser requerida para análisis financieros adicionales y para las actividades relacionadas con un futuro préstamo para el proyecto.

B. El Gobierno de Honduras, por este medio conviene en proporcionar:

1. Personal - L.101,256

El personal administrativo y técnico necesario para colaborar en la realización de las actividades aquí descritas y participar en los cursos especiales y en las actividades de adiestramiento en el trabajo que los asesores lleven a cabo en Honduras.

2. Otros Gastos - L.60,000

Oficina, facilidades de adiestramiento, mobiliario, equipo, servicios secretariales, suministros de oficina, servicios de impresión y reproducción para todos los empleados del BANMA y asesores asignados al BANMA; también transporte dentro del país para los empleados del BANMA.

3. A través de la Superintendencia de Bancos, efectuar una revisión de

BANMA's accounting nomenclature for the purpose of approving accounts classifications appropriate to BANMA municipal operations, as has been done by the Central Bank for the accounting operations of the National Development Bank.

la nomenclatura contable del BANMA a fin de aprobar unas clasificaciones de cuentas apropiadas a las operaciones municipales del BANMA tal como se ha llevado a cabo por el Banco Central para las operaciones contables del Banco Nacional de Fomento.

4. Support to BANMA by the Ministers of Finance and Public Credit and of Government and Justice, acting as representatives of the Government of Honduras, in fulfilling the requirements, Course of Action, and purposes set forth in III above.

4. Apoyo al BANMA de los Ministros de Hacienda y Crédito Público y de Gobernación y Justicia actuando en su calidad de representantes del Gobierno de Honduras, para el cumplimiento de los requisitos, Plan de Acción y Fines descritos en el numeral III que antecede.

5. Full support by the guarantors for any legislative authorizations that may be required to achieve the objectives set forth in the Course of Action above.

5. Pleno apoyo por parte de los garantes en cualesquiera de las autorizaciones legislativas que pudiesen requerirse a fin de lograr los objetivos señalados en el Plan de Acción que antecede.

6. International travel, family living allowance, and salary costs for participants selected by BANMA to study under AID scholarships, as well as assurance of full-time BANMA employment for those participants who successfully complete training.

6. Gastos de viajes internacionales, asignaciones de subsistencia familiar, y salarios para participantes seleccionados por el BANMA para estudiar bajo becas de la AID, así como también seguridad de empleo por parte del BANMA a tiempo completo para aquellos participantes que hayan completado su adiestramiento con éxito.

7. All the cooperation necessary to BANMA through the Minister of Government and Justice to directly encourage municipal and national agency cooperation in the activities undertaken within this program, such as:

7. Toda la cooperación que el BANMA necesite, a través del Ministro de Gobernación y Justicia, a fin de estimular directamente a las agencias municipales y nacionales a cooperar en las actividades que emprendan dentro de este programa, tales como:

a. cooperation in the formulation and carrying out of municipal surveys;

a. cooperación en la formulación y levantamiento de encuestas municipales;

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b. support of the municipal training effort, including the provision of instructors from personnel from the Ministry of Government and Justice, as and when needed, in specialized fields;

c. support for interagency project reviews as needed;

d. provision of specialized staff from the Ministry of Government for direct technical assistance to municipalities, as needed; and

e. support for measures which strengthen intermunicipal cooperation on the local, regional and national levels.

V. ADVANCE OF FUNDS

Under this Agreement, BANMA may receive an advance of funds to establish a rotating fund. This fund, if established, will be used to finance salary and allowance payments of advisors contracted by BANMA and financed by AID under the terms of this Agreement, as well as "Other Costs" per paragraph IV.A.3, above, in accordance with an expenditure plan to be prepared and approved in advance by the President of BANMA and the Director of AID, or their representatives.

b. apoyo para el esfuerzo de capacitación municipal, incluyendo la asignación de instructores, provenientes del personal del Ministerio de Gobernación y Justicia en campos especializados, según y cuando sean necesarios;

c. apoyo para las evaluaciones del proyecto llevadas a cabo por las dependencias involucradas, según sea necesario;

d. provisión de personal especializado del Ministerio de Gobernación y Justicia para asistencia técnica directa a las municipalidades, según sea necesario; y

e. apoyo para las medidas que tiendan a fortalecer o fomentar la cooperación intermunicipal en los niveles local, regional y nacional.

V. ADELANTO DE FONDOS

Bajo este Convenio, el BANMA puede recibir un adelanto a fin de establecer un fondo rotativo. Si este fondo se establece, será utilizado para financiar los pagos de salarios y demás gastos de los asesores contratados por el BANMA y financiados por la AID bajo los términos de este Convenio, así como también "Otros Gastos" según el párrafo IV.A.3 arriba mencionado, de conformidad con un plan de desembolsos a ser preparado y aprobado por adelantado por el Presidente del BANMA y el Director de la AID, o sus respectivos representantes.

For the Cooperating Government or Agency
SIGNATURE: DATE:
TITLE:

For the Agency for International Development
SIGNATURE: DATE:
TITLE:

AID 1330-1 (6-74)

PRO AG

PROJECT AGREEMENT

BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND

AUTONOMOUS MUNICIPAL BANK OF HONDURAS (BANMA) - BANCO MUNICIPAL AUTONOMO DE HONDURAS

AN AGENCY OF THE GOVERNMENT OF HONDURAS

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:

- [X] PROJECT DESCRIPTION ANNEX A
- [ ] FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
- [ ] STANDARD PROVISIONS ANNEX
- [ ] SPECIAL LOAN PROVISIONS ANNEX

This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:

	DATE
[X] GENERAL AGREEMENT FOR TECHNICAL COOPERATION	4/12/61
[ ] ECONOMIC COOPERATION AGREEMENT	DATE
[ ] (other)	DATE

1. PROJECT/ACTIVITY NO. 522-15-810-039.10
2. AGREEMENT NO. 522-9-74
3. [ ] ORIGINAL OR REVISION NO. 1
4. PROJECT/ACTIVITY TITLE: MUNICIPAL DEVELOPMENT DESARROLLO MUNICIPAL
5. PROJECT DESCRIPTION AND EXPLANATION (See Annex A attached)
6. AID APPROPRIATION SYMBOL: 72-11X1025
7. AID ALLOTMENT SYMBOL: 450-50-522-00-69-41

8. AID FINANCING [ ] DOLLARS [ ] LOCAL CURRENCY	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total	144,000	25,000	10,000	159,000
(b) Contract Services	95,000			95,000
(c) Participants	20,000		10,000	10,000
(d) Other Costs	29,000	25,000		54,000
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT $1.00 = 2.00				
(a) Total	L.161,256	L.69,420		L.230,676
(b) Technical and other Services	101,256			101,256
(c) Commodities				
(d) Other Costs	60,000	69,420		129,420

10. SPECIAL PROVISIONS (Use Additional Continuation Sheets, If Necessary)

See Annex A.

Véase Anexo A.

11. DATE OF ORIGINAL AGREEMENT	12. DATE OF THIS REVISION	13. ESTIMATED FINAL CONTRIBUTION DATE
January 31, 1974	June 27, 1974	June 30, 1975

14. FOR THE COOPERATING GOVERNMENT OR AGENCY
SIGNATURE: Armando Blanco P.
TITLE: Presidente, BANMA
DATE:

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT
SIGNATURE: Edward Marasciulo
TITLE: Director, USAID/Honduras
DATE: 6/27/74

Project Guarantors:
Garantes del Proyecto
por parte del Gobierno de Honduras:

Ministro de Gobernación y Justicia: Juan A. Melgar C.

Ministro de Hacienda y Crédito Público: Manuel Acosta B.

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AID 1020-1A (8-70) PRO AG CONTINUATION SHEET A ANNEX	PROJECT AGREEMENT BETWEEN AID AND BANMA AN AGENCY OF THE GOVERNMENT OF HONDURAS	1. Project/Activity No. 522-15-610-039.10	PAGE 2 OF 3 PAGES
		2. Agreement No. 522-9-74	3. ☐ Original or Revision No. 1
		4. Project/Activity Title MUNICIPAL DEVELOPMENT DESARROLLO MUNICIPAL	

Block 10
Casilla 10

The purpose of this amendment is to:

(a) reallocate the amount of $10,000 of the AID contribution from "Participant Training" to "Other Costs" in order to permit BANMA to locally employ additional short-term municipal project design technicians under the terms of Article IV, A, (3) of the Agreement;

(b) increase the AID contribution by the amount of $15,000 under "Other Costs" for in-country training under the terms of Article IV, A, (3) of the Agreement to support the on-going Ministry of Government municipal training program;

(c) indicate the programmed increased contribution of the Ministry of Government for the municipal training program for the last half of calendar year 1974 and for calendar year 1975. (Block 9, (B) of the first page of the Agreement;

(d) modify Article IV, A, (1), paragraph 3 to read "up to 12 man months" in place of "6 man months", and paragraph 4 to read "up to 18 man months" in place of 6 man months".

These changes will be incorporated into a revised "program and budget expenditure plan" and revised "municipal training plan" mutually developed between Ministry of Government, BANMA, and the AID

El propósito de esta enmienda es el siguiente:

(a) reasignar la cantidad de $10,000 de la contribución de la AID del renglón "Adiestramiento de Participantes" a "Otros Costos" a fin de permitir que el BANMA contrate localmente y a corto plazo técnicos adicionales para el diseño de proyectos bajo los términos del Artículo IV, A, (3) de este Convenio;

(b) aumentar la contribución de la AID en la cantidad de $15,000 bajo "Otros Costos" para adiestramiento local bajo los términos del Artículo IV, A, (3) del Convenio, con el propósito de apoyar el programa de adiestramiento del Ministerio de Gobernación y Justicia, actualmente en marcha;

(c) indicar el incremento presupuestado en la contribución del Ministerio de Gobernación y Justicia al programa de adiestramiento municipal para los últimos seis meses del año calendario 1974 y para todo el año calendario 1975. (Casilla 9, (B) de la primera página de este Convenio;

(d) modificar el Artículo IV, A, (1), párrafo 3 de la siguiente manera: "hasta 12 meses-hombre en lugar de "6 meses-hombre", y el párrafo 4, así: "hasta 18 meses-hombre" en lugar de "6 meses-hombre".

Estos cambios serán incorporados a un "plan de utilización de fondos" y al "plan de adiestramiento municipal", ambos revisados y elaborados conjuntamente por el Ministerio de Gobernación y Justicia, el BANMA, y

For the Cooperating Government or Agency	For the Agency for International Development
SIGNATURE: DATE: TITLE:	SIGNATURE: DATE: TITLE:

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PROJECT AGREEMENT BETWEEN AID AND BANMA AN AGENCY OF THE GOVERNMENT OF HONDURAS	1. Project/Activity No. 522-15-810-039.10	PAGE 3 OF 3 PAGES
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project advisor.

All other provisions remain unchanged.

el asesor del proyecto de la AID.

Todos los demás términos permanecen sin cambio alguno.

For the Cooperating Government or Agency	For the Agency for International Development
SIGNATURE: _____ DATE: _____	SIGNATURE: _____ DATE: _____
TITLE:	TITLE:

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AID/DSB-1 (7-70)

PIO/T

DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES

1. Cooperating Country: HONDURAS

Page 1 of 6 Pages

2. PIO/T No.: 522-039.10-3-30100

3. [X] Original or Amendment No.

4. Project/Activity No. and Title: MUNICIPAL DEVELOPMENT 522-15-810-039.10

DISTRIBUTION

5. Appropriation Symbol: 72-1131010

6.A. Allotment Symbol and Charge: 395-50-522-00-69-31

6.B. Funds Allotted to: [ ] A.I.D./W [X] Mission

7. Obligation Status: [ ] Administrative Reservation [X] Implementing Document

8. Funding Period (Mo., Day, Yr.): From 3/1/73 To 8/1/73

9.A. Services to Start (Mo., Day, Yr.): Between 3/1/73 and

9.B. Completion date of Services (Mo., Day, Yr.): 8/1/73

10.A. Type of Action: [X] A.I.D. Contract [ ] Cooperating Country Contract [ ] Participating Agency Service Agreement [ ] Other

10.B. Authorized Agent: USAID/Honduras

Estimated Financing $1.00=		(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
11. Maximum A.I.D. Financing	A. Dollars		11,782		11,782
	B. U.S.-Owned Local Currency				
12. Cooperating Country Contributions	A. Counterpart				
	B. Other				

13. Mission References: PROJECT AGREEMENT #522-14-73

14. Instructions to Authorized Agent

Execute contract with Venezuelan Association for Intermunicipal Cooperation (AVECI) for services described herein. Provision should be made for up to 4 technicians and at least 5 round trips Caracas-Tegucigalpa-Caracas.

15. Clearances – Show Office Symbol, Signature and Date for all Necessary Clearances.

A. The specifications in the scope of work are technically adequate
IDO: RHHobgood 2/28/73

B. Funds for the services requested are available
CONT: BLRiedel 2/28/73

C. The scope of work lies within the purview of the initiating and approved Agency Programs
PROG: CConnolly 2/28/73

D.
DD: JENepple 2/28/73

E.
JAO: HBrandt 2/28/73

F.

16. For the cooperating Country: The terms and conditions set forth herein are hereby agreed to

Signature and date:

Title:

17. For the Agency for International Development

Signature: Edward Marasciulo

Title: Director, USAID/Honduras

18. Date of Signature: 3/5/73

AID 1330-1 (2-61) PIO/T	Cooperating Country HONDURAS	PIO/T No. 522-039.10-3-30100	Page
	Project/Activity No. and Title MUNICIPAL DEVELOPMENT 522-15-810-039.10		

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SCOPE OF WORK

19. Scope of Technical Services

A. Objective for which the Technical Services are to be Used Develop specialized training materials for Honduran municipal program and provide specialized technical assistance to Honduran Municipal Bank (BANMA).

B. Description

Assist in developing 5-year plan for training Honduran municipal officials.

Prepare and carry out training courses for BANMA staff in the general areas of municipal finance, budget, accounting, auditing and capital project planning. Prepare GOH technicians to teach these courses to municipal officials.

Prepare BANMA staff to serve as coordinating institution for municipal requests and liaison between local governments and GOH institutions providing courses in fields mentioned paragraph 2.

Technicians

(1) (a) Number	(b) Specialized Field	(c) Grade and/or Salary	(d) Duration of Assignment (Man-Months)
4	Trainer/Advisors	$2,000/mo.	(assignment will vary from one week to six weeks) total 4 MM

(2) Duty Post and Duration of Technicians' Services

Tegucigalpa with travel in Honduras as required.

(3) Language requirements

Spanish S-4, R-4

(4) Access to Classified Information

none

(5) Dependents ☐ Will ☒ Will Not Be Permitted to Accompany Technician

Financing of Technical Services

1. AID $ 11,782 (2) By Cooperating Country –

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AID 1330-1 (8-70) PIO/T	Cooperating Country HONDURAS	PIO/T No. 522-039.10-3-30100	Page 3 of 6 Pages
	Project/Activity No. and Title [illegible]		

20. Equipment and Supplies (Related to the services described in Block 19 and to be procured outside the Cooperating Country by the supplier of those services)

A. (1) Quantity	(2) Description	(3) Estimated Cost	(4) Special Instructions
none			

B. Financing of Equipment and Supplies

(1) By AID – $ (2) By Cooperating Country –

21. Special Provisions

☐ A. This PIO/T is subject to AID (contracting) (PASA implementation) regulations.

☐ B. Except as specifically authorized by AID, or when local hire is authorized under the terms of a contract with a U.S. supplier, services authorized under this PIO/T must be obtained from U.S. sources.

☐ C. Except as specifically authorized by AID/W, the purchase of commodities authorized under this PIO/T will be limited to the U.S. under Geographic Code 000.

☒ D. Other (specify):

Services to be procured from TCN sources.

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22. Reports by Contractor or Participating Agency (Indicate type, content and frequency of reports required, including language to be used if other than English, frequency or timing of reports, and any special requirements)

1. Oral reports to Chief Institutional Development Division and/or President, BANMA as required.
2. Report from each technician upon completion of assignment on any technical assistance rendered, course material taught, results of course, and evaluation of course benefits; 3 copies in Spanish to USAID/H.
3. 3 copies to USAID/H of any specialized training materials developed plus sufficient copies for Honduran institutions for which materials are developed.
4. Such other reports as USAID/H and/or BANMA may require.

23. Background Information (Additional information useful to Authorized Agent and Prospective Contractors or Participating Agency; if necessary cross reference Block 19.C(4) above.)

All files, reports, and background data pertaining to the project as may be available in USAID/H and BANMA.

24. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities AVECI will be contracted directly by USAID/H; technicians employed under this contract will report to Chief, Institutional Development Division USAID for supervision and guidance.

B. Cooperating Country Liaison Official

President, BANMA

C. AID Liaison Officials

Chief and Deputy Chief, Institutional Development Division USAID/H.

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AID 1350-1 (8-70)	Cooperating Country	PID/T No.	Page 5 of 6 Pages
PID/T	HONDURAS	522-039.10-3-30100	
	Project/Activity No. and Title	MUNICIPAL DEVELOPMENT 522-15-810-039.10	

LOGISTIC SUPPORT

25. Provisions for Logistic Support

A. Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")

	In Kind Supplied By		From Local Currency Supplied By	
	AID	Cooperating Country	AID	Cooperating Country
(1) Office Space		X		
(2) Office Equipment		X		
(3) Housing and Utilities				
(4) Furniture				
(5) Household Equipment (Stoves, Refrig., etc.)				
(6) Transportation in Cooperating Country				
(7) Interpreter Services				
Other: (Specify) (8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

B. Additional Facilities Available From Other Sources

C. Comments

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AID 1330-1 (7-68) CONTINUATION SHEET	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	☐ Revised ☐ Issued	PAGE 6 OF 6 PAGES
FORM SYMBOL	TITLE OF FORM	1. Cooperating Country HONDURAS	2a. Code No.
		2b. Effective Date	2c. ☒ Original ☐ Amendment No.
	PIO/T No. 522-039.10-3-30100	3. Project/Activity No. and Title MUNICIPAL DEVELOPMENT 522-15-810-039.10	

Indicate block number. Use this form to complete the information required in any block of a PIO or PA/PR form.

Estimated Budget

(Flexibility: 20% among line items)

Salary 4 technicians 3MM at $2,000/MM	$ 6,000
Per Diem 90 days at $30/day	2,700
Travel 5 round trips Caracas-Tegucigalpa-Caracas at $354.00 each	1,770
Printing and reproduction costs	600
Communications	100
Other Direct Costs	612
	$ 11,782

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AID 1060-1 (3-71)

PIO/T

DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES

1. Cooperating Country: HONDURAS

Page 1 of 2 Pages

2. PIO/T No. 522-039.10-3-40061

3. ☐ Original or Amendment No. 2

4. Project/Activity No. and Title: MUNICIPAL DEVELOPMENT 522-15-810-039.10

DISTRIBUTION:

5. Appropriation Symbol: 72-11X1025

6.A. Allotment Symbol and Charge: 425-50-522-00-69-41

6.B. Funds Allotted to: ☐ A.I.D./W ☒ Mission

7. Obligation Status: ☐ Administrative Reservation ☒ Fully Implementing Document

8. Funding Period (Mo., Day, Yr.): From 1/1/74 - 10/15/74

9.A. Services to Start (Mo., Day, Yr.): Between 1/31/74 and

9.B. Completion date of Services (Mo., Day, Yr.): 10/15/74

10.A. Type of Action: ☐ A.I.D. Contract ☒ Cooperating Country Contract ☐ Participating Agency Service Agreement ☐ Other

10.B. Authorized Agent: HONDURAN AUTONOMOUS MUNICIPAL BANK (BANMA) WITH USAID/H ASSISTANCE

Estimated Financing $1,000		(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
11. Maximum A.I.D. Financing	A. Dollars	48.500		25,050	23,450
	B. U.S.-Owned Local Currency				
12. Cooperating Country Contributions	A. Counterpart				
	B. Other				

13. Mission References: Pro Ag 522-9-74

14. Instructions to Authorized Agent

Amend contract AID-522-T-265G with Eric Zallman for the period of services per Block #8 in accord with attached budget.

15. Clearances – Show Office Symbol, Signature and Date for all Necessary Clearances.

A. The specifications in the scope of work are technically adequate
ID:JRO'ROURKE

B. Funds for the services requested are available
CONT:RCLARK

C. The scope of work lies within the overview of the initiating and approved Agency Program
PCD:JLLovness 6-25-74

D. A/AD:Cooper

E. JAO:HBRANDT 6/26/74

F.

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to

Signature and date: N.A.

Title:

17. For the Agency for International Development

Signature: EDWARD MARASCIULO

Title: DIRECTOR, USAID/H

18. Date of Signature: 6/26/74

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DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	☐ Activity ☐ Issuance	PAGE 2 OF 2 PAGES
	1. Cooperating Country HONDURAS	2a. Code No.
TITLE OF FORM PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	1b. Effective Date	3. ☐ Original OR ☐ Amendment No. 2
	5. Project/Activity No. and Title MUNICIPAL DEVELOPMENT 522-15-810-039.10	

Use this form to provide the information required in any block of a PIO or P.I.O./T. form.

Estimated Budget

1/1/74 - 10/15/74

Salary	
$22,000/yr. for 6 mos.	$11,000
$22,000/yr. for 3 mos.	5,500
Post Differential	
10% of $11,000 (6 mos.)	1,100
15% of 5,500 (3 mos.)	825
Quarters Allowance - 9 mos.	2,700
Travel & Transportation	
Coop. country travel	200
Shipment 350 Lbs. air freight	275
International as needed	500
Subsistence & Per Diem	
International	600
Coop. country	500
Other Direct Costs	
Insurance	50
Communications, Miscellaneous	200
	$23,450