

5040053-  
 6/17/71  
 PD-~~AAZ~~-364  
 A.I.D.  
 Room 1656 NS

PROJECT AUTHORIZATION

Reference Center

1. PROJECT NUMBER <b>504-11-750-053</b>		3. COUNTRY <b>GUYANA</b>		4. AUTHORIZATION NUMBER	
2. PROJECT TITLE <b>Tax Administration</b>				5. AUTHORIZATION DATE	
7. LIFE OF PROJECT				6. PROP DATED <b>August 14, 1969</b>	
a. Number of Years of Funding: <u>3</u> Starting FY 19 <u>70</u> Terminal FY 19 <u>72</u>			b. Estimated Duration of Physical Work After Last Year of Funding (in Months): _____		

8. FUNDING BY FISCAL YEAR (in U.S. \$ or \$ equivalent)	DOLLARS		P.L. 480 CCC + FREIGHT	LOCAL CURRENCY Exchange Rate: \$1 =			
	GRANT	LOAN		U.S. OWNED		HOST COUNTRY	
				GRANT	LOAN	JOINTLY PROGRAMMED	OTHER
Prior through Actual FY							
Operational FY 70	83						
Budget FY 71	93						
B + 1 FY 72	102						
B + 2 FY							
B + 3 FY							
All Subsequent FY's							
<b>TOTAL</b>	<b>278</b>						

9. DESCRIBE SPECIAL FUNDING CONDITIONS OR RECOMMENDATIONS FOR IMPLEMENTATION, AND LIST KINDS AND QUANTITIES OF ANY P.L. 480 COMMODITIES

10. CONDITIONS OF APPROVAL OF PROJECT

Georgetown AIDTO A-19 dated 4/21/70

(Use continuation sheet if necessary)

11. Approved in substance for the life of the project as described in the PROP, subject to the conditions cited in Block 10 above, and the availability of funds. Detailed planning with cooperating country and drafting of implementation documents is authorized.

This authorization is contingent upon timely completion of the self-help and other conditions listed in the PROP or attached thereto.

This authorization will be reviewed at such time as the objectives, scope and nature of the project and/or the magnitudes and scheduling of any inputs or outputs deviate so significantly from the project as originally authorized as to warrant submission of a new or revised PROP.

A.I.D. APPROVAL		CLEARANCES		DATE
Herman Kleine SIGNATURE JUN 18 1971 AA LA, Dep. U.S. Coordinator TITLE	LA/CAR:Mr. Long (draft)		APR 21 1970	
	LA/DP:Mr. Kenney (draft)		APR 21 1970	
	LA/DR:Mr. Feldman (draft)		APR 21 1970	
	LA/DP:Mr. Heller (draft)		APR 21 1970	
		LA/OPNS:GHill	6/17/71	

PROJECT AUTHORIZATION

1. PROJECT NUMBER <b>504-11-750-053</b>	3. COUNTRY <b>GUYANA</b>	4. AUTHORIZATION NUMBER <b>6</b>
2. PROJECT TITLE <b>TAX ADMINISTRATION</b>		5. AUTHORIZATION DATE <b>71</b>
		6. PROP DATED

7. LIFE OF PROJECT

a. Number of Years of Funding: 2  
 Starting FY 19 71, Terminal FY 19 74

b. Estimated Duration of Physical Work  
 After Last Year of Funding (in Months): 2

6. FUNDING BY FISCAL YEAR (in U.S. \$ or \$ equivalent)	DOLLARS		P.L. 480 CCC + FREIGHT	LOCAL CURRENCY			
	GRANT	LOAN		Exchange Rate: \$1 =		HOST COUNTRY	
				U.S. OWNED	GRANT	LOAN	JOINTLY PROGRAMMED
Prior through Actual FY	-	-					
Operational FY	83						
Budget FY	93						
B + 1 FY	102						
B + 2 FY							
B + 3 FY							
All Subsequent FY's							
<b>TOTAL</b>	<b>278</b>						

9. DESCRIBE SPECIAL FUNDING CONDITIONS OR RECOMMENDATIONS FOR IMPLEMENTATION, AND LIST KINDS AND QUANTITIES OF ANY P.L. 480 COMMODITIES

None

10. CONDITIONS OF APPROVAL OF PROJECT

PROP approved 4/21/70 for FY 1971 implementation only. Updated PROP must be submitted for FY 1972 and future years.

(Use continuation sheet if necessary)

11. Approved in substance for the life of the project as described in the PROP, subject to the conditions cited in Block 10 above, and the availability of funds. Detailed planning with cooperating country and drafting of implementation documents is authorized.

This authorization is contingent upon timely completion of the self-help and other conditions listed in the PROP or attached thereto.

This authorization will be reviewed at such time as the objectives, scope and nature of the project and/or the magnitudes and scheduling of any inputs or outputs deviate so significantly from the project as originally authorized as to warrant submission of a new or revised PROP.

A.I.D. APPROVAL	CLEARANCES	DATE
<i>Jack I. Heller</i> Jack I. Heller	<i>William P. Kelly</i>	3-16-71
SIGNATURE		
AA LA/DP Director, Office of Development Programs		
DATE	A/CONT	

6/28/73 **PP-AAF-364**  
**5040053-13** (13) SP

**AID 1350-1 (7-71)**

**DEPARTMENT OF STATE  
 AGENCY FOR  
 INTERNATIONAL DEVELOPMENT**

**1. Cooperating Country**  
**GUYANA**

**2. PIO/T No.**  
**504-053-2-30014**

**3.  Original or Amendment No.**

**4. Project/Activity No. and Title**  
**504-11-750-053**

**5. Appropriation Symbol**  
**72-1131010**

**6.A. Allotment Symbol and Charge**  
**395-50-504-00-69-31**

**6.B. Funds Allotted to:**  
 A.I.D./W  Mission

**7. Obligation Status Funds obligated by ProAg**  
 Administrative Reservation  Implementing Document

**8. Funding Period (Mo., Day, Yr.)**  
 From **4/1/1974** to **12/31/1974**

**9.A. Services to Start (Mo., Day, Yr.)**  
 Between **4/15/1974** and **5/1/1974**

**9.B. Completion date of Services (Mo., Day, Yr.)**  
**6/30/1974**

**10.A. Type of Action**  
 A.I.D. Contract  Cooperating Country Contract  Participating Agency Service Agreement  Other

**10.B. Authorized Agent**  
**AID/W**

Estimated Financing		(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
11. Maximum A.I.D. Financing	A. Dollars		7,600		7,600
	B. U.S.-Owned Local Currency				
12. Cooperating Country Contributions	A. Counterpart				
	B. Other				

**13. Mission References**

**14. Instructions to Authorized Agent**

Services to be provided herein are to be accommodated under AID/W PASA arrangement with the Internal Revenue Service **PASA LA(TA)10-71.**

**15. Clearances - Show Office Symbol, Signature and Date for all Necessary Clearances.**

**A. The specifications in the scope of work are technically adequate**  
 SJP  
**TAX:EGrayson**

**B. Funds for the services requested are available**  
**CONT:EBurns** EJB 6/27/73

**C. The scope of work lies within the purview of the initiating and approved Agency Programs**  
**PRM:RMKlein** RM Klein

**D.**

**E. **Winston R. Devonish**  
 Commissioner of Inland Revenue**

**F.**

**16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to**  
 Signature and date: **Frank E. Hope**  
 Title: **Minister of Finance**

**17. For the Agency for International Development**  
 Signature: **Robert C. Hamer**  
 Title: **Director, USAID/Guyana**

**18. Date of Signature**  
**June 28, 1973**

AID 1980-1 (P-70)	Cooperating Country <b>GUYANA</b>	PIO/T No. <b>504-053-2-30014</b>	Page 2 of 5 Pages
	Project/Activity No. and Title <b>504-11-750-053 TAX ADMINISTRATION</b>		

**SCOPE OF WORK**

**19. Scope of Technical Services**

**A. Objective for which the Technical Services are to be Used**

Improve administration of the Tax Office and increase the revenues of the GOG

**B. Description:**

The technician provided under this PIO/T shall examine all operations of the GOG Office of Inland Revenue relating to the examination of tax returns and the status of projects initiated by prior US advisors, specifically in the area of:

1. Audit and investigation of tax returns
2. Field examinations
3. Selection of returns for examination
4. Appeals protests and claims procedures

**C. Technicians:**

(1) (a) Number	(b) Specialized Field	(c) Grade and/or Salary	(d) Duration of Assignment (Man-Months)
1	PA Advisor Tax	GS 14-3	2

**(2) Duty Post and Duration of Technicians' Services**

Georgetown, Guyana: 2 months

**(3) Language requirements:**

None

**(4) Access to Classified Information:**

Through confidential on a need-to-know basis

**(5) Dependents**     Will     Will Not    **Are Permitted to Accompany Technician**

**D. Financing of Technical Services**

**(1) By AID - \$7,600**

**(2) By Cooperating Country -**

AID 1350-1  
(6-70)

Cooperating Country

GHYANA

PIO/T No.

504-053-2-30014

Page 3 of 5 Pages

PIO/T

Project/Activity No. and Title

504-11-750-053

TAX ADMINISTRATION

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):

AID 1350-1 (9-70)	Cooperating Country	PIO/T No.	Page 4 of 5 Pages
	<b>GUYANA</b>	<b>504-053-2-30014</b>	
PIO/T	Project/Activity No. and Title		
	<b>504-11-750-053</b>	<b>TAX ADMINISTRATION</b>	

22. Reports by Contractor or Participating Agency (Indicate type, content and format of reports required, including language to be used if other than English, frequency or timing of reports, and any special requirements)

One report summarizing evaluation and recommendations: 1 copy to US IRS,  
4 copies to USAID.

23. Background Information (Additional information useful to Authorized Agent and Prospective Contractors or Participating Agency; if necessary cross reference Block 19.C(4) above.)

Reports prepared by prior IRS short-term specialists in the designated areas. These reports are on file in the US IRS and in USAID/Guyana. Relevant reports are those prepared by Messrs. James McGarty, Gerald Erickson and Sidney Parker.

24. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities

Services will be made available to the Ministry of Finance, Inland Revenue Department, on a full-time basis.

B. Cooperating Country Liaison Official

Commissioner, Inland Revenue Department

C. AID Liaison Officials

USAID/Guyana, Program Officer

AID 1350-1 (9-70)	Cooperating Country <b>GUYANA</b>	PIO/T No. <b>504-053-2-30014</b>	Page 5 of 5 Pages
PIO/T	Project/Activity No. and Title <b>504-11-750-053 TAX ADMINISTRATION</b>		

**LOGISTIC SUPPORT**

25. Provisions for Logistic Support	In Kind Supplied By		From Local Currency Supplied By	
	AID	Cooperating Country	AID	Cooperating Country
A. Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")				
(1) Office Space	X	X		
(2) Office Equipment	X	X		
(3) Housing and Utilities				
(4) Furniture				
(5) Household Equipment (Stoves, Refrig., etc.)				
(6) Transportation in Cooperating Country	X	X		
(7) Interpreter Services				
Other (Specify): (8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

B. Additional Facilities Available From Other Sources

None

C. Comments

None

9/17/70

5040053 - (14)

FD-146-364

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**

AN AGENCY OF THE GOVERNMENT OF GUYANA

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:

- GENERAL AGREEMENT FOR TECHNICAL COOPERATION    DATE 7/12/1954  
 ECONOMIC COOPERATION AGREEMENT    DATE 7/06/1948  
 (Other)    DATE

1. PROJECT/ACTIVITY NO. 504-11-750-053    PAGE 1 OF 4 PAGES  
2. AGREEMENT NO. FY 71-1    3.  ORIGINAL OR REVISION NO. \_\_\_\_\_  
4. PROJECT/ACTIVITY TITLE

**TAX ADMINISTRATION**

5. PROJECT DESCRIPTION AND EXPLANATION  
(See Annex A attached)  
6. AID APPROPRIATION SYMBOL 72-1111610    7. AID ALLOTMENT SYMBOL 195-50-504-00-69-11

8. AID FINANCING	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
<input checked="" type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY				
(a) Total		79,000		79,000
(b) Contract Services		62,000		62,000
(c) Commodities				
(d) Participants Other Costs		17,000		17,000
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)

*Winston R. Devonish*

Winston R. Devonish, Commissioner  
Inland Revenue Department

11. DATE OF ORIGINAL AGREEMENT September 17, 1970    12. DATE OF THIS REVISION September 17, 1970    13. ESTIMATED FINAL CONTRIBUTION DATE December, 1971

14. FOR THE COOPERATING GOVERNMENT OR AGENCY  
SIGNATURE: *Ptolemy Reid*    DATE: 9/17/70  
TITLE: Minister of Finance

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT  
SIGNATURE: *Robert C. Haner*    DATE: \_\_\_\_\_  
TITLE: Director, USAID 9-17-V

*J.D. Sapp*  
Asst. /PRM

*R.M. Klein*  
PRM

*A.L.*  
A. Linnehan  
CONT 8/17/70  
8/17/70  
10000

*C.W. Curtis*  
EXO

PROAG  
CONTINUATION  
SHEET  
  
ANNEX A

**PROJECT AGREEMENT  
BETWEEN AID AND  
MINISTRY OF FINANCE**

**AN AGENCY OF THE GOVERNMENT OF  
GUYANA**

1. Project/Activity No.  
**504-11-750-053**

2. Agreement No.  
**FY 71-1**

3.  Original or  
Revision No. \_\_\_\_\_

3. Project/Activity Title  
**TAX ADMINISTRATION**

**I. INTRODUCTION**

This Project Agreement provides for cooperation between the United States Agency for International Development, as represented by the Agency's Mission to Guyana (USAID) and the Government of Guyana (GOG) as represented by the Ministry of Finance, to improve the overall tax administration of the Inland Revenue Service.

**II. BACKGROUND**

In the period of April 22, 1968 to May 2, 1968, Mr. Theodore Controulis of the Foreign Tax Assistance Staff of the U.S. Internal Revenue Service surveyed tax administration practices and procedures in Guyana. This was done at the request of the Government of Guyana. The report subsequently issued by the Foreign Tax Assistant Staff provides the basis for this Project Agreement. The Controulis survey indicated the following serious obstacles to effective tax administration:

- "(1) The existing organization commingles basic functions and additionally tends to blur lines of authority.
- (2) The Agency is seriously understaffed and is not in a position to execute timely (or in some cases to carry out at all) several of the important operations required for good tax administration --i.e., audit, collection enforcement, canvassing for delinquent returns, etc.
- (3) Space is inadequate; if additional personnel were to be assigned, there would be no room for them in the tax office.
- (4) There appears to be no procedure or mechanism for an independent consideration of taxpayer appeals within the agency.
- (5) There is no provision for the field examination of returns.
- (6) Sufficient information is not available, because of the absence of a reporting system, to determine and control specific workloads, to effectively plan and program the activities of Inland Revenue, or to demonstrate clearly the need for additional resources.
- (7) There is no in-service Training Unit for Inland Revenue employees
- (8) There is no internal audit personnel inspection unit.

For the Cooperating Government or Agency  
  
SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

For the Agency for International Development  
  
SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

AID 1000-1.1 10-000  <b>PROAG</b> CONTINUATION SHEET  ANNEX <u>A</u>	<b>PROJECT AGREEMENT          BETWEEN AID AND          MINISTRY OF FINANCE</b>	1. Project/Activity No. <b>504-11-750-053</b>	PAGE <u>3</u> OF <u>4</u> PAGES
		2. Agreement No. <b>FY 71-1</b>	3. <input checked="" type="checkbox"/> Original or Revision No. _____
	<b>AN AGENCY OF THE GOVERNMENT OF          GUYANA</b>	<b>TAX ADMINISTRATION</b>	

(9) Insufficient attention is given to Taxpayer Education and Assistance and to the public image of Inland Revenue.

(10) Realistic tolerance rules have not been applied with the result that an undue amount of resources is spent on non-productive work."

### III. NATURE AND SCOPE OF SERVICES

This Agreement concerns itself with these enumerated obstacles to effective tax administration, and to other obstacles of a procedural or organizational type that might have developed since the Controulis survey. Accordingly, in order to assist the Government of Guyana to correct these deficiencies, AID will provide under this Agreement the following:

- A senior tax adviser, who will examine all aspects of the GOG's tax collection system and make appropriate recommendations;
- Short-term tax advisers, to advise in specialist areas;
- Participant training.

AID funding for this project, as provided under this Agreement, covers the cost of advisers only through U.S. fiscal year 1971. In order to continue the services of these advisers in subsequent years, new Project Agreements will be necessary. It is the intent of AID, however, to make these services available for a total of three years, subject to caveats noted below;

The specific areas in which the AID funded tax advisers will provide advice and guidance will be as follows:

1. Reorganization of the Inland Revenue service along functional lines;
2. development of staffing requirements to insure proper and efficient collection of unpaid taxes, audit, canvassing for delinquent returns, etc.;
3. development of a long-range space plan for the tax agency;
4. establishment of liberal tolerance rules;
5. up-grading assessment procedures;
6. establishment of an in-service Training Branch;

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
 TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
 TITLE: \_\_\_\_\_

PROAG  
 CONTINUATION  
 SHEET  
 ANNEX A

<b>PROJECT AGREEMENT          BETWEEN AID AND          MINISTRY OF FINANCE</b>  <b>AN AGENCY OF THE GOVERNMENT OF          GUYANA</b>	1. Project/Activity No. <b>504-11-750-053</b>	PAGE <u>4</u> OF <u>4</u> PAGES
	2. Agreement No. <b>FY 71-1</b>	3. <input checked="" type="checkbox"/> Original or Revision No. _____
	3. Project/Activity Title <b>TAX ADMINISTRATION</b>	

7. up-grading the public image of the tax agency;
8. development of operating budget procedures;
9. development of a mechanism for taxpayer appeals;
10. development of procedures for field examination of tax returns;
11. establishment of an internal audit inspection unit.
12. development of other procedures and mechanisms to insure efficient tax collection and administration.

Subsequent evaluations of this project will take into account progress toward these objectives. Similarly, the continuation of this project through further Project Agreements will take into account progress in meeting these objectives.

IV. FUNDING REQUIREMENTS

A. U.S. Contribution

The USAID will provide up to U.S. \$79,000 to finance the following specific services:

- U.S. \$60,000 - for the services of a senior tax adviser and short-term specialists, for approximately 2 man-years;
- U.S. \$17,000 - for participant training (approximately 7 participants);
- U.S. \$ 2,000 - for office equipment for the Inland Revenue Service.

B. GOG Contribution

The GOG will provide international travel and related costs associated with participants selected under this Agreement. In addition, the GOG will agree to tax exemptions for U.S. advisers provided under this Agreement, and free import of the commodities necessary to the Agreement's execution. Also, office space and equipment and in-country transportation for the advisers will be provided by the GOG.

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

**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**  
**GUYANA**  
**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:

1. PROJECT/ACTIVITY NO. 504-11-750-053	PAGE 1 OF 2 PAGES
2. AGREEMENT NO. FY 72-1	2. <input checked="" type="checkbox"/> ORIGINAL OF REVISION NO. _____

PROJECT DESCRIPTION ANNEX A     FOREIGN CURRENCY STANDARD PROVISIONS ANNEX

STANDARD PROVISIONS ANNEX     SPECIAL LOAN PROVISIONS ANNEX

4. PROJECT/ACTIVITY TITLE  
**TAX ADMINISTRATION**

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 7/12/54

3. PROJECT DESCRIPTION AND EXPLANATION  
(See Annex A attached)

ECONOMIC COOPERATION AGREEMENT    DATE 7/6/48

6. AID APPROPRIATION SYMBOL    7. AID ALLOTMENT SYMBOL  
72-1121010    295-50-504-00-69-21

(other)    DATE

8. AID FINANCING	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
<input type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY				
(a) Total		90,300		90,300
(b) <del>Contract Services</del> PASA		78,019		78,019
(c) Commodities		2,000		2,000
(d) Other Costs		10,281		10,281
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT \$1.00 = G\$2.00				
(a) Total				
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

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

*Winston R. Devonish*  
Winston R. Devonish  
Commissioner of Inland Revenue

11. DATE OF ORIGINAL AGREEMENT    12. DATE OF THIS REVISION    13. ESTIMATED FINAL CONTRIBUTION DATE  
July 28, 1971    July 28, 1971    August 31, 1973

14. FOR THE COOPERATING GOVERNMENT OR AGENCY    15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: *Desmond Hoyte*    DATE: \_\_\_\_\_    SIGNATURE: *Robert C. Haber*    DATE: \_\_\_\_\_  
TITLE: Minister of Finance    TITLE: Director, USAID/Guyana

*EGrayson*  
TAX  
*mk*  
RKlein:PRM  
*Ma*  
ACrosas  
A/CONT  
*Na*  
CCurtis:EXO

PROJECT CONTINUATION SHEET ANNEX A	PROJECT AGREEMENT BETWEEN AID AND MINISTRY OF FINANCE	1. Project/Activity No. 504-11-750-053	PAGE 2 OF 2 PAGES
		2. Agreement No. FY 72-1	3. <input checked="" type="checkbox"/> Original or Revision No.
	AN AGENCY OF THE GOVERNMENT OF GUYANA	3. Project/Activity Title TAX ADMINISTRATION	

INTRODUCTION

This Project Agreement continues the funding of the project as stated in the original agreement dated September 17, 1970. Tax Advisors will continue to work with the Inland Revenue Department to effect continued improvements in tax administration.

FUNDING REQUIREMENTS

A. U.S. Contribution

The USAID will provide up to US\$90,300 to finance the following specific services:

US\$78,019 for the services of a senior tax advisor and short-term specialists for approximately 20 man-months.

US\$ 2,000 for commodities.

US \$10,281 for "Other" Costs.

B. GOG Contribution

The GOG will provide international travel and related costs associated with participants selected under this Agreement. In addition, the GOG will agree to tax exemptions for US advisors provided under this Agreement and free import of the commodities necessary to the Agreement's execution. Also office space and equipment and in-country transportation for the advisors will be provided by the GOG.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

6/7/72  
~~6/7/72~~

AID 1330-1  
 (6-84)

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**

AN AGENCY OF THE GOVERNMENT OF GUYANA

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- PROJECT DESCRIPTION ANNEX A     FOREIGN CURRENCY STANDARD PROVISIONS ANNEX  
 STANDARD PROVISIONS ANNEX     SPECIAL LOAN PROVISIONS ANNEX

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- GENERAL AGREEMENT FOR TECHNICAL COOPERATION    DATE 7/12/54  
 ECONOMIC COOPERATION AGREEMENT    DATE 7/6/48  
 (other)    DATE \_\_\_\_\_

1. PROJECT/ACTIVITY NO. 504-11-750-053    PAGE 1 OF 3 PAGES

2. AGREEMENT NO. FY 72-1    3.  ORIGINAL OR REVISION NO. 3

4. PROJECT/ACTIVITY TITLE  
**TAX ADMINISTRATION**

5. PROJECT DESCRIPTION AND EXPLANATION  
 (See Annex A attached)

6. AID APPROPRIATION SYMBOL 72-1121010    7. AID ALLOTMENT SYMBOL 295-50-504-00-69-21

6. AID FINANCING	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
<input type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY				
(a) Total	92,700	25,000		117,700
(b) Contract Services	78,019			78,019
(c) Commodities				
(d) Other Costs	14,681	25,000		39,681
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)

*E. Grayson*  
**EGrayson**  
**TAX**  
*RMK*  
**RMKlein**  
**PRM**  
*EBurns*  
**EBurns**  
**CONT**  
*CWCurtis*  
**CWCurtis**  
**EXO**

*W. R. Devonish*  
**Winston R. Devonish**  
**Commissioner of Inland Revenue**

11. DATE OF ORIGINAL AGREEMENT July 28, 1971    12. DATE OF THIS REVISION June 7, 1972    13. ESTIMATED FINAL CONTRIBUTION DATE 8/3/73

14. FOR THE COOPERATING GOVERNMENT OR AGENCY  
 SIGNATURE: *H. Desmond Hoyte*    DATE: \_\_\_\_\_  
 TITLE: **Minister of Finance**

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT  
 SIGNATURE: *Lawrence L. Peterson*  
 TITLE: **Acting Director, USAID/Guyana**

**PROJECT AGREEMENT  
BETWEEN AID AND  
MINISTRY OF FINANCE**

**AN AGENCY OF THE GOVERNMENT OF  
GUYANA**

1. Project/Activity No.  
**504-11-750-053**

2. Agreement No.  
**FY 72-1**

3. Project/Activity Title

**TAX ADMINISTRATION**

3.  Original or  
Revision No. 3

INTRODUCTION

This Project Agreement establishes funding of \$25,000 to be used in the development and training of a special group in the office of Inland Revenue, whose responsibility will be:

1. Systematically collect accounts in arrears.
2. Conduct a canvassing program with the goal of establishing a business census and to detect non filers.
3. Investigate rental property owners to determine whether such owners are reporting their rental income.
4. Determine if all self-employed persons are filing tax returns.
5. Make property searches on those taxpayers on whom judgments had been secured for non payment of taxes.
6. Follow up on assessment notices which have been returned as undeliverable.

To accomplish the above, the Tax Office will use 11 permanent staff Revenue Investigators, 4 temporary Revenue Collectors, 4 temporary PAYE Collectors, 3 temporary Information Officers and 3 temporary Computer Room Assistants. The temporary personnel will be employed for one year.

FUNDING REQUIREMENTS

A. U.S. Contributions

USAID will provide up to \$25,000 to finance the following specific services:

US\$20,000 to pay for on-the-job training of temporary personnel and travel allowances. It is planned that the GOG will initially pay for the training costs and travel allowances from their own funds. They will then request reimbursement from the USAID. Reimbursement for their expenses will be made upon submission of documentation satisfactory to the USAID Controller. US\$5,000 to pay for commodities.

B. GOG Contributions

The GOG will provide 11 permanent staff Revenue Investigators for the project; a supervisor and an assistant supervisor to supervise the 22 officers, permanent and temporary; clerical support for these officers.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

**PROJECT AGREEMENT  
BETWEEN AID AND  
MINISTRY OF FINANCE**

**AN AGENCY OF THE GOVERNMENT OF  
GUYANA**

1. Project/Activity No.  
**504-11-750-053**

PAGE 3 OF 3 PAGES

2. Agreement No.  
**FY 72-1**

3.  Original or  
Revision No. 3

3. Project/Activity Title  
**TAX ADMINISTRATION**

The GOG will also establish a Trust Fund Account in an amount equivalent to US \$25,000; these funds to be used for securing the services of US Tax Advisors as needed after the current joint US/GOG project has been terminated.

OTHER

It is expected that all officers working on this project will submit daily reports of work accomplished. Monthly reports will be prepared by the supervisor summarizing accomplishments of the section with appropriate comments on the various activities.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

AID 1320  
(0-32)

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6/30/72

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

AN AGENCY OF THE GOVERNMENT OF **GUAYANA**

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:

- GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE **7/12/54**
- ECONOMIC COOPERATION AGREEMENT DATE **7/6/48**
- (other) DATE

1. PROJECT/ACTIVITY NO. **504-11-750-053** PAGE 1 OF 3 PAGES

2. AGREEMENT NO. **FZ 72-1** 3.  ORIGINAL OR REVISION NO. **4**

4. PROJECT/ACTIVITY TITLE  
**TAX ADMINISTRATION**

5. PROJECT DESCRIPTION AND EXPLANATION  
(See Annex A attached)

6. AID APPROPRIATION SYMBOL **72-1123010** 7. AID ALLOTMENT SYMBOL **295-50-504-00-69-21**

8. AID FINANCING		PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
<input type="checkbox"/> DOLLAR	<input type="checkbox"/> LOCAL CURRENCY				
(a) Total		117,700	112,000		229,700
(b) Contract Services		78,025	88,378		166,397
(c) Participants			12,000		12,000
(d) Other Costs		39,681	11,622		51,303
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT					
\$1.00 = G\$2.00					
(a) Total			3,000		3,000
(b) Technical and other Services					
(c) Commodities					
(d) Other Costs					

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

*W. Erickson*  
W. Erickson  
TAX

*R. Klein*  
R. Klein  
ADM

*E. Burns*  
E. Burns  
CONT

*C. Curtis*  
C. Curtis  
EKO

*L. Petersen*  
L. Petersen  
A/DIR

*Winston R. Devonish*  
Winston R. Devonish  
Commissioner of Inland Revenue

11. DATE OF ORIGINAL AGREEMENT **July 28, 1971** 12. DATE OF THIS REVISION **June 30, 1972** 13. ESTIMATED FINAL CONTRIBUTION DATE **8/31/75**

14. FOR THE COOPERATING GOVERNMENT OR AGENCY  
SIGNATURE: *H. Diamond Boyte* DATE: \_\_\_\_\_  
TITLE: **Minister of Finance**

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT  
SIGNATURE: *Robert C. Kiser* DATE: \_\_\_\_\_  
TITLE: **Director, USAID/GUYANA**

<p align="center"><b>PROJECT AGREEMENT BETWEEN AID AND MINISTRY OF FINANCE</b></p> <p align="center"><b>AN AGENCY OF THE GOVERNMENT OF GUYANA</b></p>	<p>1. Project/Activity No. <b>504-11-750-053</b></p>	<p>PAGE 2 of 3</p>
	<p>2. Agreement No. <b>FY 72-1</b></p>	<p>3. <input type="checkbox"/> Original or Revision No. <b>4</b></p>
<p>3. Project/Activity Title <b>TAX ADMINISTRATION</b></p>		

INTRODUCTION & NATURE AND SCOPE OF SERVICES

The original FY 1972 Agreement provided funds for the services of an IRS Tax Advisor and IRS short-term specialists to provide advice and guidance to the GOG Office of Inland Revenue for the interval July 1, 1972 - August 31, 1973. This Amendment provides funds to continue these services through August 31, 1973, the terminal date of the project. Additionally, funds are provided for participant training. The IRS Advisors will continue to provide advice and guidance in the following areas:

- 1) Audit and inspection of returns.
- 2) Appeals, protests and claims procedures.
- 3) Delinquent tax returns and delinquent accounts collection.
- 4) Processing of tax documents and other data.
- 5) Public information including taxpayer education.
- 6) Statistics.
- (7) General Administration.

Additionally, the advisors will provide assistance to the special group recently established in the Office of Inland Revenue to collect accounts in arrears.

While progress has been made in upgrading the services of the Office of Inland Revenue under this project it is agreed that considerable work still remains to be done. The report prepared by Mr. Theodore Controulis of the Foreign Tax Assistance Staff of the U.S. IRS still remains the basis for the project. This report indicated the following serious obstacles to effective administration:

"(1) The existing organization commingles basic functions and additionally tends to blur lines of authority.

(2) The Agency is seriously understaffed and is not in a position to execute timely (or in some cases to carry out at all) several of the important operations required for good tax administration -- i.e., audit, collection enforcement, canvassing for delinquent returns, etc.

<p>For the Cooperating Government or Agency</p> <p>SIGNATURE: _____ DATE: _____</p> <p>TITLE: _____</p>	<p>For the Agency for International Development</p> <p>SIGNATURE: _____ DATE: _____</p> <p>TITLE: _____</p>
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PROAG  
CONTINUATION  
SHEET

ANNEX A

**PROJECT AGREEMENT**

BETWEEN AID AND

**MINISTRY OF FINANCE**

AN AGENCY OF THE GOVERNMENT OF  
**GUYANA**

1. Project/Activity No.

**504-11-750-053**

PAGE **3** OF **3** PAGES

2. Agreement No.

**FY 72-1**

3.  Original  Copy

Revision No. **4**

3. Project/Activity Title

**TAX ADMINISTRATION**

(3) Space is inadequate; if additional personnel were to be assigned, there would be no room for them in the Tax Office.

(4) There appears to be no procedure or mechanism for an independent consideration of taxpayer appeals within the agency.

(5) There is no provision for the field examination of returns.

(6) Sufficient information is not available, because of the absence of a reporting system, to determine and control specific workloads, to effectively plan and program the activities of Inland Revenue, or to demonstrate clearly the need for additional resources.

(7) There is no in-service Training Unit for Inland Revenue employees.

(8) There is no internal audit personnel inspection unit.

(9) Insufficient attention is given to Taxpayer Education and Assistance and to the public image of Inland Revenue.

(10) Realistic tolerance rules have not been applied with the result that an undue amount of resources is spent on non-productive work."

FUNDING REQUIREMENTS

A. U.S. Contributions

The USAID will provide up to \$112,000 to finance the following specific services:

US \$88,378 - for the services of a senior tax advisor for 14 months, and short-term specialists for approximately 8 man-months.

US \$12,000 - for participant training (approximately 5 participants for short-term training).

US \$11,622 - for "Other Costs" associated with the in-country posting of the US advisors.

B. GOG Contribution

The GOG will provide international travel and related costs associated with participants selected under this Agreement. Additionally, office space and in-country transportation for the advisors will be provided by the GOG. It is estimated that these costs will be approximately US\$3,000.

For the Cooperating Government or Agency:

For the Agency for International Development

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

6/28/73

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AID 13.10-1 (8-64)

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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**  
**MINISTRY OF FINANCE**  
**AN AGENCY OF THE GOVERNMENT OF GUYANA**

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:

- GENERAL AGREEMENT FOR TECHNICAL COOPERATION      DATE 7/12/54  
 ECONOMIC COOPERATION AGREEMENT      DATE 7/6/48  
 (other)      DATE

1. PROJECT/ACTIVITY NO. 504-11-750-053      PAGE 1 OF 1 PAGES  
2. AGREEMENT NO. 73-2      3. ORIGINAL OR REVISION NO.  
4. PROJECT/ACTIVITY TITLE

**TAX ADMINISTRATION**

5. PROJECT DESCRIPTION AND EXPLANATION  
(See Annex A attached)  
6. AID APPROPRIATION SYMBOL 72-1131010      7. AID ALLOTMENT SYMBOL 395-50-504-00-69-31

D. AID FINANCING	<input type="checkbox"/> DOLLARS <input type="checkbox"/> LOCAL CURRENCY	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total			7,600		7,600
(b) <del>Commodities</del> PASA			7,600		7,600
(c) Commodities					
(d) Other Costs					
E. 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)

*Winston R. Devonish*  
**Winston R. Devonish**  
**Commissioner of Inland Revenue**

11. DATE OF ORIGINAL AGREEMENT June 28, 1973      12. DATE OF THIS REVISION June 28, 1973      13. ESTIMATED FINAL CONTRIBUTION DATE December 31, 1973

14. FOR THE COOPERATING GOVERNMENT OR AGENCY  
*Frank E. Hope*  
**Frank E. Hope**  
**Minister of Finance**

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT  
*Robert C. Hamer*  
**Robert C. Hamer**  
**Director, USAID/Guyana**

*af.*  
 Gayson: TAX  
 RMK  
 RM: RMKlein  
 E/B  
 MONT: Burns  
 2/8  
 WDIR  
 LPetersen

<b>PROJECT AGREEMENT BETWEEN AID AND MINISTRY OF FINANCE</b>  AN AGENCY OF THE GOVERNMENT OF <b>GUYANA</b>	1. Project/Activity No. <b>50-150-053</b>	PAGE <u>2</u> OF <u>3</u> PAGES
	2. Agreement No. <b>73-2</b>	3. <input checked="" type="checkbox"/> Original or Revision No. _____
	3. Project/Activity Title <b>TAX ADMINISTRATION</b>	

INTRODUCTION & NATURE AND SCOPE OF SERVICES

FY 1971 and FY 1972 Project Agreements provided \$86,000 and \$206,700 respectively for the services of an IRS Tax Advisor and IRS short-term specialists to provide advice and guidance to the GOG Office of Inland Revenue through August 31, 1973.

In addition, in FY 1972 \$25,000 was provided for on-the-job training of temporary personnel of the Office of Inland Revenue, and travel allowances. Simultaneously the Office of Inland Revenue agreed to establish a Trust Fund in an amount equivalent to US\$25,000, these funds to be used for securing the services of IRS Tax Advisors as needed after August 31, 1973. This Trust Fund has been established.

This Project Agreement provides funds to provide the services of one IRS Advisor for two months. This advisor will examine all operations of the Office of Inland Revenue relating to the examination of tax returns and the status of projects initiated by prior IRS advisors, specifically in the area of: (1) audit investigation of tax returns; (2) field examinations; (3) selection of returns for examination; and (4) appeals protests and claims procedures. These services are to be provided on a PASA arrangement between AID and the US Internal Revenue Service, and will be in addition to the services that the Office of Inland Revenue will seek under the aforementioned Trust Fund.

With the provision of these services the termination of the project is extended from August 31, 1973 to June 30, 1974.

The report prepared by Mr. Theodore Controulis of the Foreign Tax Assistance Staff of the US IRS still remains the basis for the project. This report indicated the following serious obstacles to effective tax administration:

- "(1) The existing organization comingles basic functions and additionally tends to blur lines of authority.
- (2) The Agency is seriously understaffed and is not in a position to execute timely (or in some cases carry out at all) several of the important operations required for good tax administration -- i.e., audit, collection enforcement, canvassing for delinquent returns, etc.
- (3) Space is inadequate; if additional personnel were to be assigned, there would be no room for them in the Tax Office.

For the Cooperating Government or Agency  SIGNATURE: _____ DATE: _____ TITLE: _____	For the Agency for International Development  SIGNATURE: _____ DATE: _____ TITLE: _____
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<b>PROJECT AGREEMENT</b> BETWEEN AID AND <b>MINISTRY OF FINANCE</b> AN AGENCY OF THE GOVERNMENT OF <b>GUYANA</b>	1. Project/Activity No. 11-750-053	PAGE 3 OF 3 PAGES
	2. Agreement No. 73-2	3. <input checked="" type="checkbox"/> Original or Revision No. _____
	3. Project/Activity Title  TAX ADMINISTRATION	

(4) There appears to be no procedure or mechanism for an independent consideration of taxpayer appeals within the agency.

(5) There is no provision for the field examination of returns.

(6) Sufficient information is not available, because of the absence of a reporting system, to determine and control specific workloads, to effectively plan and program the activities of Inland Revenue, or to demonstrate clearly the need for additional resources.

(7) There is no in-service training unit for Inland Revenue employees.

(8) There is no internal audit personnel inspection unit.

(9) Insufficient attention is given to Taxpayer Education and Assistance and to the public image of Inland Revenue.

(10) Realistic tolerance rules have not been applied with the result that an undue amount of resources is spent on non-productive work."

While considerable progress has been under this project in correcting these deficiencies, several areas need additional technical assistance in order to bring functions to peak performance. A portion of this needed technical assistance can be provided from the Government of Guyana's Trust Fund. The balance can only be provided outside the Trust Fund. This Project Agreement provides funds for this balance; and assistance to be provided relates directly to the objectives of the project as specified in the Controulis report, specifically items 4, 5 and 8.

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