

MAR 21 1969

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|---|--|-----|-----|-------------------------|--------------------------|---|---|--|-------------------|------------------|--|--|--|
| AID 1020-25 (7-68) | | | | SECURITY CLASSIFICATION | | | | 001 PROJECT NUMBER | | | | | |
| PROJECT APPRAISAL REPORT (PAR) (U-446) | | | | UNCLASSIFIED | | | | 730-11-750-340 (Customs) | | | | | |
| 002 PAR | | MO. | DAY | YR. | 003 U.S. OBLIGATION SPAN | | | | 004 PROJECT TITLE | | | | |
| AS OF: | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | FY 67 Thru FY 72 | | | |
| 008 COOPERATING COUNTRY - REGION - AID/W OFFICE | | | | | | | | Improvement of Fiscal Administration (Customs Administration) | | | | | |
| Vietnam (PA) | | | | | | | | | | | | | |

| AID DOLLAR FINANCING-OBLIGATIONS (\$000) | TOTAL | CONTRACT (NON-ADD) | PERSONNEL SERVICES | | | PARTICIPANTS | | COMMODITIES | | OTHER COSTS | |
|---|-------|--------------------|--------------------|-------|----------|--------------|----------|-------------|----------|-------------|----------|
| | | | AID | PASA | CONTRACT | DIR. PASA | CONTRACT | DIR. PASA | CONTRACT | DIR. PASA | CONTRACT |
| CUMULATIVE NET THRU ACTUAL YEAR (FY 1968) | 7,513 | -0- | 98 | 1,137 | -0- | 51 | -0- | 1,227 | -0- | -0- | -0- |
| PROPOSED OPERATIONAL YEAR (FY 1969) | 560 | -0- | 98 | 493 | -0- | 16 | -0- | 13 | -0- | -0- | -0- |

CCC VALUE OF P.L. 480 COMMODITIES (\$000) → Thru Actual Year : Operational Year Program :

007 IMPLEMENTING AGENCY TABLE

If contractors or participating agencies are employed, enter the name and contract or PASA number of each in appropriate spaces below; in the case of voluntary agencies, enter name and registration number from M.O. 1551.1, Attachment A. Enter the appropriate descriptive code in columns b and c, using the coding guide provided below.

| TYPE CODE b | TYPE CODE c | 0. IMPLEMENTING AGENCY | TYPE CODE | | d. CONTRACT/PASA/VOLAG NO. | e. LEAVE BLANK FOR AID/W USE |
|---|---|------------------------|-----------|----|----------------------------|------------------------------|
| | | | b. | c. | | |
| 1. U.S. CONTRACTOR 2. LOCAL CONTRACTOR 3. THIRD COUNTRY CONTRACTOR 4. PARTICIPATING AGENCY 5. VOLUNTARY AGENCY 6. OTHER: | 0. PARTICIPATING AGENCY 1. UNIVERSITY 2. NON-PROFIT INSTITUTION 3. ARCHITECTURAL & ENGINEERING 4. CONSTRUCTION 5. OTHER COMMERCIAL 6. INDIVIDUAL 7. OTHER: | 1. Bureau of Customs | 4 | 0 | PASA FE (TC) | 13-67 |
| | | 2. | | | | |
| | | 3. | | | | |

PART I - PROJECT IMPACT

I-A. GENERAL NARRATIVE STATEMENT ON PROJECT EFFECTIVENESS, SIGNIFICANCE & EFFICIENCY.

This summary narrative should begin with a brief (one or two paragraph) statement of the principal events in the history of the project since the last PAR. Following this should come a concise narrative statement which evaluates the overall efficiency, effectiveness and significance of the project from the standpoint of:

- (1) overall performance and effectiveness of project implementation in achieving stated project targets;
- (2) the contribution to achievement of sector and goal plans;
- (3) anticipated results compared to costs, i.e., efficiency in resource utilization;
- (4) the continued relevance, importance and significance of the project to country development and/or the furtherance of U.S. objectives.

Include in the above outline, as necessary and appropriate, significant remedial actions undertaken or planned. The narrative can best be done after the rest of PART I is completed. It should integrate the partial analyses in I-B and I-C into an overall balanced appraisal of the project's impact. The narrative can refer to other sections of the PAR which are pertinent. If the evaluation in the previous PAR has not significantly changed, or if the project is too new to have achieved significant results, this Part should so state.

008 NARRATIVE FOR PART I-A (Continue on form AID 1020-25 if as necessary):

Brief History:

The current PASA, effective since FY 1967, is in essence a conversion from a direct-hire project initiated in 1964. This on-going project provided principally for a Boat Patrol to prevent critical goods from falling into enemy hands, for elimination of port congestion and for monitoring of CIP shipments. Under the PASA, the project has been converted from an empirically oriented operational project into a long-term program emphasizing institu-

| | | |
|-----------------------------|----------------------------------|-----------------------|
| MISSION DIRECTOR APPROVAL → | SIGNATURE <i>James Donald</i> | DATE Mar. 11, 1969 |
|-----------------------------|----------------------------------|-----------------------|

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tional development, the CIP monitoring activity continued with reduced US staff time. The para-military Boat Fleet objective has been substantially eliminated. This activity originally involved providing 29 boats to establish a Boat Fleet which would be integrated into the para-military resource control system and equipping maintenance shops under the authority of the Customs Directorate to meet an immediate military need. By the time the commodities were received and the Boat Fleet was established, the military had largely fulfilled the need. Customs, however, would in normal circumstances require a water-borne capacity to prevent illegal movement of taxable goods. Hence, the Boat Fleet is being converted into an anti-smuggling unit. Eighty-three percent of the boats provided are on site.

Concomitant with the transformation of the nature and objectives of the project, a change in the type and level of personnel has occurred. Operating with a staff of 25 US technicians originally, which included on the rolls of the PASA former direct-hire incumbents, the eleven man PASA staff currently operates with seven advisors working on institutional development in the Public Administration Division and four US technicians assigned to the Commodity Import Program. The PASA project has accomplished this shift successfully, and for the last calendar year has been predominantly an institutional development program with primarily qualitative targets in the areas of Training, Systems and Procedures, and Law Enforcement or Fraud Repression with the CIP-monitoring function continued as a matter of USAID policy so long as there is a substantial US input into the CIP.

(1) Overall Performance and Effectiveness:

A measurement of the effectiveness of the CIP monitoring function is to be found in the decreased incidence of shipments requiring further investigation by other Mission units. Monthly averages of such shipments are as follows: first half of 1967, \$900,000; second half of 1968, \$23,000. Of the 7,200 shipments in the first quarter of 1967, 11% were examined while in the fourth quarter of 1968, of the 1,600 shipments a minimum of 40% were examined but frequently a 70% average was attained. The close surveillance by this unit has paralleled a greatly decreased number of attempted violations.

Training targets have been substantially met with the implementation of six in-country training programs developed by US advisors. With the exception of one course for which preparatory action is completed and another pending assignment of advisors from the US, classes have been initiated and to date 258 customs officials have completed courses. Ten Customs officials have completed participant training in the United States and are presently employed in the Customs Directorate.

Work has moved forward and continues in improvement of systems and procedures. A plan has been submitted to the Director General for reorganization of one of the five sections of the Directorate. Modernization of the data control and reporting system is being progressively accomplished, augmented by supplying modern data processing equipment. A joint research and planning committee has been established which is now handling a wide range of administrative and systems-and-procedures problems. Progress has been made also on simplification of forms and paper flow.

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Operations in many cases have been simplified while at the same time achieving better physical and documentary control. GVN Customs has readily accepted technical advice in these areas, working out the operational details and implementing advisory proposals.

Quantitative indices of progress have not been fully developed. It is, however, anticipated that if the recommendations in Pt. IV are accomplished, by next year better targets and hence indices of progress can be utilized. In the meantime, although GVN Customs collections obviously are affected by many variables, it is felt that the increases might be attributable in part to recently improved systems and procedures. CY 1967 and CY 1968 collections represent 176% and 196% respectively of the CY 1966 collections. In money terms, customs collections in CY 1965 were 5.6 billion piasters and in CY 1968 were 17.5 billion piasters. Furthermore, the average number of days from cargo discharge to customs release has decreased from 30 in 1966 to 4 in the last half of 1968, during which period GVN Customs manpower has remained almost at the same level, 1709 employees in 1966 to 1720 employees in 1968. In 1968, imports increased 7 percent over 1967 while Customs collections went up 11.5 percent. Piasters collected per 100 piasters of imports were 36.5 in CY 1967 and 38.0 CY 1968, with 39.0 per 100 anticipated in CY 1969. While the value of goods entered with Customs has increased from VN\$12 billion in 1965 to VN\$46 billion in 1968, manpower levels have remained approximately constant. Results have been both good and bad: bad, in that control procedures necessarily were in the direction of "calculated risks" embodying some danger to the revenue; good, in that streamlining has been forced by necessity; and, since revenues have in fact kept pace with imports, it is demonstrated that certain tedious French colonial systems and procedures serve no practical purposes.

Progress also has been made in improving and upgrading the Fraud Repression Service. A general plan has been formulated and implemented and efforts are underway to centralize fraud repression activities, now scattered among operational units, under the Director General. The following table reflects to some degree the effectiveness of this activity:

Law Enforcement

| | <u>Value of Seizures</u> (VN\$) | <u>Cases</u> <u>Instituted</u> | <u>Convictions</u> | <u>Fines</u> <u>Collected</u> |
|---------------------|------------------------------------|-----------------------------------|--------------------|----------------------------------|
| 1966 | 217,238,621 | 2511 | 76 | 43,159,309 |
| 1967 | 515,626,947 | 3556 | 72 | 83,110,687 |
| 1968 | 1,344,795,986 | 3117 | 98 | 141,873,040 |
| Change 1966-1968 | up 519% | up 24% | up 30% | up 229% |

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(2) The Contribution to Achievement of Sector and Goal Plans:

Directly relevant to the US objective of maintaining a viable economy, the Customs project, by facilitating availability of imported commodities, has relieved the pressure of accelerated purchasing power upon solely domestic production; and simultaneously has withdrawn purchasing power for settlement of customs duties, thus contributing to the sub-objective of controlling inflationary forces. Through increased customs collection, the project increases government revenue, thus helping the GVN support both pacification and war-related efforts. Secondly, the project assists in denying the enemy goods through improved safeguarding techniques and inspection. Specifically through the CIP monitoring activity, the project has substantially corrected former practices which has resulted in loss of US financed imports. Finally, through activities in the last year directed towards institutional development of the Customs Directorate, the project is directly contributing to the US objective of nation-building. Improvement of the institutional structures and procedures as well as upgrading personnel and facilities of a central government revenue agency which contributes nearly half of the government's revenue is helping to create a foundation for future development of the GVN.

(3) Anticipated Results Compared to Costs, i.e., Efficiency in Resource Utilization.

In the CIP monitoring activity, clearly the inputs of one inspector for each fifty million dollars of AID financed imports, with the result of effectively reducing loss and reducing delay, marks this as a substantially high benefit/low input activity. Concerning the institutional development function, it is difficult to develop cost-benefit information. Apart from an appraisal on an investment-return basis, and assuming a peace-time situation sometime in the future, GVN Customs will have a significant role in the economic development of the nation in terms of foreign trade. Because of the basic imbalance and lack of self-sufficiency in its physical resources, Vietnam will always be heavily engaged in international trade. Peace-time tariff policies will need to be carefully gauged to encourage domestic production, develop industry, and encourage exports. Therefore, in the long run, the benefit of a highly professional and competent Customs Service far outweighs currently planned resource inputs. Finally, in direct relation to U.S. costs, through assistance by which administrative improvements result in increased GVN revenue collections, the GVN will be in a position to assume more development costs which would otherwise require continued external assistance.

(4) Continued Relevance, Importance and Significance of the Project to Country Development and/or the Furtherance of U.S. Objectives.

As a matter of USAID policy so long as there is a substantial U.S. input into the CIP, the monitoring activity will continue to be significant and relevant. This unit is now an integral part of the Mission CIP monitoring apparatus and performs Mission Servicing functions which GVN Customs could not practically

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be asked to assume. Conversely, until the GVN considers it practical to establish a greater presence in the waterways of Vietnam, the boat fleet activity will henceforth have to be a holding operation, confined to safeguarding commodity inputs.

As has been stated in prior sections of the PAR, sound and permanent operational improvement of the Customs Service is significant, relevant and important in terms of Vietnam's development needs and furtherance of U.S. objectives. This project historically was first an operational activity which gradually - particularly over the past calendar year - is being transformed into an advisory project. As an advisory project, it has just begun institutional development efforts as its primary thrust. The Customs Directorate is slowly but steadily building its organization, personnel and procedures, as well as its internal capacity for self-improvement, to a level which at project termination will enable it not only to maintain current momentum but also to meet the increased problems and demands of peacetime which will place heavy reliance upon customs revenue as well as upon the maintenance of a healthy and balanced import trade.

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SECURITY CLASSIFICATION

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PART I-B - PROJECT EFFECTIVENESS

009

I-B-1 - OUTPUT REPORT AND FORECAST - (See detailed instructions)

| 1. CODE NO. AID/W USE ONLY | 2. This section is designed to record progress toward the achievement of each project output target which was scheduled in the PIP Part II. Where progress toward a target is significantly greater or less than scheduled, describe reason(s) beneath the target. | ACTUAL AND PLANNED OUTPUTS (ALL DATA CUMULATIVE) | | | | |
|---|---|--|------------------------------|--------------|-------------------------------------|--|
| | | 3. ACTUAL CUM. TO DATE | 4. AS OF PRIOR JUNE 30 | | 5. PLANNED BY NEXT JUNE 30 | 6. PROJECTED TOTAL FOR PROJECT LIFE |
| | | | a. PLANNED | b. ACTUAL | | |
| | <p>See attached sheets.</p> <p>Because a PIP for this project does not exist, target and progress statements were taken from the most recent (FY1969/70) Program Budget Submission (see also narrative for Part II A)</p> | | | | | |

TARGETS

1. To implement six in-country training programs in:
 - A. Skills Development for approximately 1000 employees;
 - B. Basic Administrative Management course for 30;
 - C. Discussion Leading Courses;
 - D. Investigative Techniques (Fraud Repression) for approximately 170 personnel;
 - E. Appraisal Courses for 120 officers;
 - F. Courses for Customs Brokers.
2. Systems and Procedures:
 - A. Reorganize Classification and Value Section according to the speciality concept.
 - B. Study and make recommendations for enactment of laws and changes in regulations to improve tax collection capabilities.

PROGRESS

1. An Office of Training was established by GVN Customs.
 - A. Research, development and reproduction completed and course presented to 40 employees. Introductory course was given to instructors.
 - B. B.A.M. presented to the Director of Training and four instructors. They in turn presented it to 44 middle and top management personnel at a total man hours of 1,584.
 - C. Discussion Leading course not started yet.
 - D. Introductory course presented to 74 employees at a total man hours of 3,325.
 - E. Courses in appraisal have not been started yet.
 - F. During CY 1967 and 1968 Customs trained approximately 100 brokers at a total man hours of about 5000. Self-sustained by Customs without advisory assistance.
- A. Reorganization plan submitted to the Director General. Partial reorganization involving specialities by warehouse completed. Six commodity specialists have been trained in the U.S. out of 10 needed. Value records have been upgraded.
- B. Recommendations made to assign Customs personnel value representatives abroad and to substitute customs for M.O.E. Price control in approving imported values.

TARGETS

- C. Modernize the Reporting and Data Control System.
- D. Perfect the Operations of the Research and Planning Committee.
- E. Implement changes in operational procedures to expedite and control the importation of merchandise.
- F. Perform liaison with other mission offices on Customs activities.

PROGRESS

- C. Modern equipment has been supplied with American Aid Chapter funds; office space has been renovated; backlogs have been transferred to other agencies in order to put Customs on a current basis.
- D. In January 1968 the DG Customs established this office and in March 1968 the committee was incorporated in the organization as a staff function. Meetings were established on a weekly basis. Instructions issued by the DG for the Director of Planning to organize and co-ordinate with the advisory team. Perfecting the committee is on a continuing basis.
- E. A study was made and completed and recommendations made to improve on the laborious hand-entry method of keeping credit books. A system was devised and automatic N.C.R. machines were purchased and installed. A study was made and a recommendation submitted to shorten the paper flow procedure involved in the initial document submission and the subsequent payment of monies due. This was submitted to the Ministry, approved and will be fully operational soon.
- A recommendation was made concerning the control of warehoused commodities and the clearance of manifests. The study for adoption has not yet been completed. There have been approximately 10 additional studies and recommendations made that are in various stages of review.
- F. Liaison established with ADCCA, ADFM Logistics, program surveillance, and EES for enforcement of laws and regulations of Commodity Import Program. System of referrals devised for investigation of violations.

TARGETSPROGRESS

3. Convert the Customs Boat Fleet from a water transportation unit into a unit of the anti-smuggling and resources control operations.

4. Continuation of CIP Inspection Program.

Liaison established with OSI, CID, NISO, and MACV for law enforcement. Co-operative participation methods established for investigations and raids in areas of Customs responsibility.

Appointed U.S. Navy officer as a co-ordinator with that unit, the GVN Navy and the Customs Boat Fleet. Appointed training office of advisory unit as co-ordinator with JUSPAO and AID offices for purposes of supplying GVN Customs with training aids and reproductions.

3. Twenty-nine boats have been delivered and 83% are on site. Most equipment for maintenance shops is in place although pipeline commodities include some shop equipment and spare parts. The conversion to "resource control" operations (denial of commodities to the enemy) has been dropped because of the disinclination of the Directorate to become involved in para-military operations. Work with anti-smuggling operations (illegal movement of taxable goods) is temporarily deferred although all boats are engaged in this activity. The Directorate while recognizing the necessity for a water-borne enforcement capability is deterred from developing the boat fleet by factors stemming from the military situation and tends to give higher priority to other customs activities, withdrawing some manpower from the boat fleet, pending altered circumstances.

4. A system of merchandise inspection devised. Co-ordination with other AID offices established for referrals of violations. Catalogue and value record files established. Established a liaison with GVN Customs in the event of a future take-over by them. Value records duplicated and indoctrination given. Program is continuous. 40% level of examinations maintained.

TARGETS

PROGRESS

5. Upgrade, improve and re-organize the Fraud Repression Service:

A. Upgrade Personnel

1. Conduct training for approximately 200 personnel.

2. Improve personnel practices by assignment and development.

B. Improve Administrative practices and enlarge the field of activity of FRS.

5A1. Introduced law enforcement training classes. 74 covered so far with 3,325 man hours. On-the-job-training introduced during raids and investigations. English classes conducted on continuing basis.

2. Recommendations made to DGC for most efficient assignment of personnel. Better men were assigned to squads on sensitive assignments. A Code of Conduct was developed and introduced to Customs, adopted and made part of the training program. A competitive "squad" system was introduced and adopted. The effectiveness of these squads is reflected in the increase in the value of seizures and the fines collected.

B. Practice of the use of "informers" has been introduced. Suggestions for development of an escort service provided. Some features adopted by Customs - there is now developing an escort service working with CID. Submitted plan to revise the reward system. No adoption as yet. Investigation activity started in major cities outside Saigon. Suggested methods for investigating personnel derelictions. Response has been minimal.

TARGETS

C. Re-organize Fraud Repression Service.

PROGRESS

C. Plans submitted for better co-ordination of Customs Boat Fleet with FRS. The response has been slight. Suggestions made to DGC in order to place the FRS more on a national basis. As a result Customs is now conducting raids and seizures in cities other than Saigon and reporting to the Central Office; enforcement personnel at the airport are now working more directly under the Central Office.

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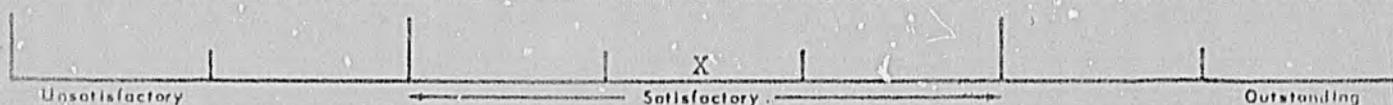
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PART I-B - Continued

010 B.2 - OVERALL ACHIEVEMENT OF PROJECT TARGETS

Place an "X" within the bracket on the following seven-point scale that represents your judgment of the overall progress towards project targets:



PART I-C - PROJECT SIGNIFICANCE

011 C.1 - RELATION TO SECTOR AND PROGRAM GOALS (See detailed instructions M.O. 1026.1)

This section is designed to indicate the potential and actual impact of the project on relevant sector and program goals. List the goals in col. b and rate potential and actual project impact in cols. c and d.

| a. CODE NO. (AID/W USE ONLY) | SCALE FOR COLUMN c: 3= Very Important; 2= Important; 1= Secondary Importance SCALE FOR COLUMN d: 3= Superior/Outstanding; 2= Adequate/Satisfactory/Good; 1= Unsatisfactory/Marginal | c. POTENTIAL IMPACT ON EACH GOAL IF PROJECT ACHIEVES TARGETS | d. ACTUAL IMPACT ON GOAL TO DATE RELATIVE TO PROGRESS EXPECTED AT THIS STAGE |
|--|--|--|--|
| | b. SECTOR AND PROGRAM GOALS (LIST ONLY THOSE ON WHICH THE PROJECT HAS A SIGNIFICANT EFFECT) | | |
| | (1) COUNTRY GOAL: MAINTAIN A VIABLE ECONOMY a. Control of inflationary pressures | 2 3 | 2 2 |
| | (2) COUNTRY GOAL: WAR SUPPORT AND RELIEF | 1 | 1 |
| | (3) COUNTRY GOAL: NATIONAL DEVELOPMENT (NATION BUILDING) a. Improving government operations (Natl/Local) | 2 2 | 2 2 |
| | (4) PUBLIC ADMINISTRATION SECTOR GOAL: STRENGTHENING THE CAPABILITY OF CENTRAL GOVERNMENT a. Improving Capability of Central Finance Agencies | 2 2 | 2 2 |

For goals where column c. is rated 3 or 2 and column d. is rated 1, explain in the space for narrative. The narrative should also indicate the extent to which the potential impacts rated 3 or 2 in column c. are dependent on factors external to the achievement of the project targets, i.e., is there a substantial risk of the anticipated impact being forestalled by factors not involved in the achievement of project targets. If possible and relevant, it also would be useful to mention in the narrative your reading of any current indicators that longer-term purposes, beyond scheduled project targets, are likely or unlikely to be achieved. Each explanatory note must be identified by the number of the entry (col. b) to which it pertains.

012 NARRATIVE FOR PART I-C.1 (Continue on form AID 1020-25 1):

(1) Maintain a Viable Economy

(a) Control of Inflationary Pressures

This project is directed principally to the goal of Maintaining a Viable Economy. A primary country objective is "to control the powerful inflationary pressures within the Vietnamese economy. The principal courses of action include the financing of imports of needed commodities, encouraging local production of protein foods and other important commodities the demand for which cannot be readily met by imports, increasing budget revenues, increasing domestic saving, maintaining the flow of commodities between the urban and rural areas, and encouraging the adoption by the GVN of appropriate economic and manpower allocation policies.

In the recent past the money supply in Vietnam has been greatly increased by GVN and U.S. military and pacification expenditures. Domestic production, often diminished, does not meet increasing demand and the result is the classical inflationary spiral of too-much-money pursuing to-few-goods.

The control of inflation thus becomes a problem of absorbing these new monetary injections. The first remedy is absorption of as much as possible of these excess piasters by means of import and domestic taxes. By recirculating such taxes through the Treasury, the amount of new money produced is diminished. Secondly, imports have the virtue of both absorbing excess piasters in large quantities, and adding to the supply of goods. Thus they move both supply and demand elements of the maladjusted economy toward a balance. Finally the anti-inflationary impact of imports is maximized when duties are collected promptly and the goods arrive quickly at the market place.

The Project's contribution is toward:

- (1) Maximizing GVN Customs revenues;
- (2) Encouraging imports by removing obstacles and improving the techniques and efficiency of GVN Customs; and
- (3) Expediting the flow of GVN and U.S. financed goods. Further with respect to CIP shipments, to monitor them in terms of quality and quantity as a safeguard to the U.S. interest.

Obviously, the control of inflationary pressures is not wholly dependent upon this project. The National Budget gap of expenditures over revenues is financed, in great part, by advances from the National Bank. Determination of the policy to be followed on the amount of the advances, the level of imports (either U.S. or GVN financed), utilization or non-utilization of foreign exchange reserve, tax-based industrial development incentives, and many other factors much beyond the scope of

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012 NARRATIVE FOR PART 1-C-1 (Cont'd)

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this project have a considerable bearing on the attainment of the basic US/GVN joint goal.

The escalated hostilities during 1968 (and the continuing threat of renewed acceleration) has affected the project output substantially by restricting business activity and clouding the economic outlook.

(2) War Support and Relief

The Customs Project contributes assistance in keeping war-related goods from reaching the enemy by means of its CIP inspection and surveillance, its advisory assistance to GVN Customs border stations in control of out-bound goods, and through Boat Fleet operations in Vietnamese waters.

(3) National Development

(a) Improving Government Operations (National/Local)

(4) Strengthening the Capability of Central Government

(a) Improving the Capability of Central Finance Agencies

Goals (3) (a) and (4) (a) are treated jointly as they are overlapping in nature, the latter being the "Sector" goal, pursuant to the preceding "National" goal.

The Customs Project is concerned with improving the institutional structures and procedures as well as the personnel capabilities of a central revenue agency developing approximately half of the government's total revenues.

Many non-project factors also bear upon the goal of "Improving Capability of Central Revenue Agencies". The reform of personnel administration and the associated pay scale, including establishment of adequate standards for entrance to and promotion in the service, may assist the improvement of capability in any agency which needs to be sustained by a cadre of professional, efficient, well-paid and well-motivated civil servants. Training efforts by the GVN Civil Service or the National Institute of Administration also will bear upon the progress of any one service.

As with attempts to Control Inflationary Pressures (1a, above) escalated hostilities has been a negative factor by restricting normal business activity and clouding the economic outlook. A limited number of Customs records and Customs Stations were destroyed in some of the provincial area. Accelerated mobilization, with its rather inflexible attitude toward deferments of key personnel, has had the effect of severely handicapping the administrative machinery.

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PART I-C - Continued

C.2 - GENERAL QUESTIONS

| These questions concern developments since the prior PAR. For each question place "Y" for Yes, "N" for No, or "NA" for Not Applicable in the right hand column. For each question where "Y" is entered, explain briefly in the space below the table. | MARK IN THIS COL. |
|---|----------------------------|
| 013 Have there been any significant, unusual or unanticipated results not covered so far in this PAR? | N |
| 014 Have means, conditions or activities other than project measures had a substantial effect on project output or accomplishments? | N |
| 015 Have any problems arisen as the result of advice or action or major contributions to the project by another donor? | NA |
| 016 If the answer to 014 or 015 is yes, or for any other reason, is the project now less necessary, unnecessary or subject to modification or earlier termination? | N |
| 017 Have any important lessons, positive or negative, emerged which might have broad applicability? | Y |
| 018 Has this project revealed any requirement for research or new technical aids on which AID/W should take the initiative? | N |
| 019 Do any aspects of the project lend themselves to publicity in newspapers, magazines, television or films in the United States? | N |
| 020 Has there been a lack of effective cooperating country media coverage? (Make sure AID/W has copies of existing coverage.) | N |

021 NARRATIVE FOR PART I-C.2 Identify each explanatory note by the number of the entry to which it pertains. (Continue on form AID 1020-25 I as necessary): 017: While this project, under PASA Implementing Agency since FY 1967, has been appraised as being satisfactorily operated, this interpretation has been applied to the Implementing Agency's capacity to accomplish stipulated objectives and to make practicable adjustments to externally stipulated changes in objectives, magnitudes and policies. The total project, including its pre-PASA and Pasa periods, is not an example of careful project definition, planning, and execution. On the contrary, it has not been economical in terms of accomplishments commensurate with full time and effort applied. It appears to have been started and later expanded without a thorough thinking through of objectives and methods. Begun as a Direct Hire, it was changed over to a PASA project--but without the full and typical PASA freedom of staff selection since the PASA operation picked up the Direct Hire leadership and rank-and-file, with completion of tours required before restaffing in terms of newly-defined objectives and emphases could be accomplished. In addition to change from DH to PASA and changes in objectives, the project waxed both hot and cold respecting allowable magnitudes of manpower and commodities, with consequent program modification, hampered in turn by the typical lags in permissible adjustment to accommodate such shifts.

There are indications that the project initially was unilaterally conceived and motivated, with minimal mutual consideration, understanding and agreement between USAID and the host government.

Again, the initial project was operationally oriented in high degree (notably in Boat Fleet operation and partially in CIP-Monitoring), overlooking the tendencies of empirical orientation to induce empirical solutions. There is increasing evidence that sound and permanent operational improvement is most likely to arise from longer term orientations toward institutional and staff development. Although we believe the project now to be appropriately oriented, adequately planned for the attainment of relevant objectives, satisfactorily manned and practically implemented, this status has been reached by a circuitous and uneconomical route, marked by false starts, back-ups and some abandonments. Project appraisal in these terms reinforces the validity of present USAID leanings toward more precise and orderly project formulation, planning, targeting, and activity scheduling, based on mutual understanding and bona fide bilateral agreement.

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PART II - IMPLEMENTATION REPORT

II-A - STATUS OF SCHEDULE

022 A-1 - INDIVIDUAL ACTIONS (See detailed instructions M.O. 1026.1). This is a listing of major actions or steps which were scheduled for physical start or continuing implementation in the reporting period as reflected in the Project Implementation Plan, Part I.

| (a) PIP ITEM NO. | MAJOR ACTIONS OR STEPS, CAUSES AND RESULTS OF DELAYS; REMEDIAL STEPS | (b) STATUS - PLACE AN "X" IN ONE COLUMN | | |
|---------------------------|---|--|-----------------------|-----------------------------|
| | | (1) BEHIND SCHEDULE | (2) ON SCHEDULE | (3) AHEAD OF SCHEDULE |
| | <u>I. TRAINING</u> | | | |
| | <u>A. Basic Administrative Management Courses</u> | | | |
| | 1. Train Advisor and Training Coordinator | | X | |
| | 2. Course presented to instructors | | X | |
| | 3. Course material provided to coordinator | | X | |
| | 4. Obtain approval of course and material | | X | |
| | 5. Choose participants | | X | |
| | 6. Prepare and reproduce material for course | | X | |
| | 7. Give course to all participants | | X | |
| | <u>B. Skills Training</u> | | | |
| | 1. State need for course | | X | |
| | 2. Choose participants | | X | |
| | 3. Prepare material for course | | X | |
| | 4. Obtain administrative approval of material | | X | |
| | 5. Reproduce material | X | | |
| | 6. Choose instructors | | X | |
| | 7. Train instructors | | X | |
| | 8. Prepare visual aids | | X | |
| | 9. Prepare training room | | X | |
| | 10. Prepare schedule | | X | |
| | 11. Give course to participants | | X | |
| | <u>C. Investigative Techniques</u> | | | |
| | <u>Prior</u> | | | |
| | 1. Obtain administrative approval | | X | |
| | 2. Prepare POI or similar document | | X | |
| | 3. Select instructors | | X | |
| | 4. Select assistants for Training Director (if necessary) | | X | |
| | 5. Estimate expenses | | X | |
| | 6. Prepare schedule showing dates and times | | X | |
| | 7. Meet with instructors | X | | |
| | 8. Select, arrange training room | | X | |
| | 9. Prepare evaluation forms, examinations | X | | |
| | 10. Reproduce needed charts, posters, handouts, etc. | | X | |
| | 11. Designate participants | | X | |
| | 12. Send circular with schedule & roster to participants | | X | |
| | 13. Arrange for opening ceremony | | X | |
| | 14. Check instructors' lesson plans | X | | |
| | 15. Arrange for reception, introduction of visitors, opening | | X | |

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PART II - IMPLEMENTATION REPORT

II-A - STATUS OF SCHEDULE

022 A-1 - INDIVIDUAL ACTIONS (See detailed instructions M.O. 1026.1). This is a listing of major actions or steps which were scheduled for physical start or continuing implementation in the reporting period as reflected in the Project Implementation Plan, Part I.

| (a) PIP ITEM NO. | MAJOR ACTIONS OR STEPS, CAUSES AND RESULTS OF DELAYS; REMEDIAL STEPS | (b) STATUS - PLACE AN "X" IN ONE COLUMN | | |
|---------------------------|---|--|-----------------------|-----------------------------|
| | | (1) BEHIND SCHEDULE | (2) ON SCHEDULE | (3) AHEAD OF SCHEDULE |
| | <u>C. Investigative Techniques (Cont'd)</u> | | | |
| | <u>During</u> | | | |
| | 1. Introduce instructors | | X | |
| | 2. Observe classes in session | | X | |
| | 3. Maintain attendance record | | X | |
| | 4. Organize skits, role-playing | X | | |
| | 5. Critique course | X | | |
| | 6. Prepare certificates | X | | |
| | 7. Grade examinations | X | | |
| | 8. Prepare closing ceremony | | X | |
| | <u>After</u> | | | |
| | 1. Send test scores to participants | X | | |
| | 2. Analyze test results and evaluation forms | X | | |
| | 3. Prepare final report on course | | X | |
| | 4. Formulate follow-up plans | X | | |
| | 5. Schedule conference to discuss courses' strong and weak points | X | | |
| | <u>D. Discussion-Leading Course</u> | | | |
| | 1. State need | | X | |
| | 2. Choose participants | | X | |
| | 3. Select course material | | | X |
| | 4. Obtain administrative approval of material | X | | |
| | 5. Reproduce material for course | | | X |
| | 6. Choose instructors | X | | |
| | 7. Prepare visual aids | | X | |
| | 8. Prepare training room | X | | |
| | 9. Prepare schedule for classes | | X | |
| | <u>E. Appraisalment of Merchandise</u> | | | |
| | 1. Obtain administrative approval | | X | |
| | 2. Prepare POI or similar document | X | | |
| | 3. Select instructors | X | | |
| | 4. Select assistants for Training Director (if necessary) | X | | |
| | 5. Estimate expenses | X | | |
| | 6. Prepare schedule showing dates and times | X | | |
| | 7. Meet with instructors | X | | |
| | 8. Select, arrange training room | X | | |
| | 9. Prepare evaluation forms, examinations | X | | |
| | 10. Reproduce needed charts, posters, handouts, etc. | X | | |
| | 11. Designate participants | | X | |
| | 12. Send circular with schedule & roster to participants | X | | |
| | 13. Arrange for reception, introduction of visitors, opening | X | | |

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PART II - IMPLEMENTATION REPORT

II A STATE OF SCHEDULE

022 A-1 - INDIVIDUAL ACTIVITY (See detailed instructions M.G. 1026.11. This is a listing of major actions or steps which were scheduled for physical start or continuing implementation in the reporting period as reflected in the Project Implementation Plan, Part I.

| (A) ITEM NO. | (B) MAJOR ACTIONS OR STEPS, CAUSES AND RESULTS OF DELAYS, REMEDIAL STEPS | (C) STATUS - PLACE AN "X" IN ONE COLUMN | | |
|-----------------------------|---|---|-----------------|-----------------------|
| | | (1) BEHIND SCHEDULE | (2) ON SCHEDULE | (3) AHEAD OF SCHEDULE |
| I. TRAINING (cont'd) | | | | |
| | All the foregoing (A, B, C, D, and E) activities that are behind schedule can be attributed to the advisors' workload. Although there is no unmanageable workload, advisors have a full schedule. New advisors scheduled as replacements will relieve this situation. | | | |
| | F. Accounting, Bookkeeping, Typing | | | |
| | 1. Obtain administrative approval | | X | |
| | 2. Prepare program of instruction or similar document | X | | |
| | 3. Select instructors | X | | |
| | 4. Select assistants for Training Director (if necessary) | X | | |
| | 5. Estimate expenses | X | | |
| | 6. Prepare schedule showing dates and times | X | | |
| | 7. Meet with instructors | X | | |
| | 8. Select, arrange training room | X | | |
| | 9. Prepare evaluation forms, examinations | X | | |
| | 10. Reproduce needed charts, posters, handouts, etc. | X | | |
| | 11. Designate participants | | X | |
| | 12. Send circular with schedule & roster to participants | X | | |
| | 13. Arrange for opening ceremony | X | | |
| | 14. Check instructors' lesson plans | X | | |
| | 15. Arrange for reception, introduction of visitors, opening | X | | |
| | These classes have not been started due to insufficient advisory time. | | | |
| | G. Participant training program which will further the in-country training plans by providing the opportunity for selected personnel to study the same procedures abroad. | | | |
| | 1. Establish an organized plan of sending men abroad and post utilization of training | | X | |
| | 2. Choose personnel with a view to long-range planning | | X | |
| | 3. Obtain Customs approval of plan | | X | |
| | 4. Obtain Customs approval of groups of men desired | X | | |

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PART II - IMPLEMENTATION REPORT
II-A - STATUS OF SCHEDULE

Part II - INDIVIDUAL ACTIONS (See Special Instructions (M.O. 1026.1). This is a listing of major actions or steps which were scheduled for physical start or completion in the reporting period as reflected in the Project Implementation Plan, Part I.

| ACTIVITY NO. | MAJOR ACTION OR STEP; CAUSES AND RESULTS OF DELAYS; SPECIAL STEPS | STATUS - PLACE AN "X" IN ONE COLUMN | | |
|--|--|-------------------------------------|-----------------|-----------------------|
| | | (1) BEHIND SCHEDULE | (2) ON SCHEDULE | (3) AHEAD OF SCHEDULE |
| II. SYSTEMS AND PROCEDURES (Cont'd) | | | | |
| | 1. Draw up plan of reorganization of Directorate | | | X |
| | 2. Obtain Ministry approval of plan (Customs has not adequately sold this plan to the Ministry. It is believed that this is primarily because of their desire to proceed in stages rather than make one large reorganization. The project continues, however, its efforts toward this reform.) | X | | |
| | 3. Participant training | | X | |
| | 4. In-country training | | X | |
| | 5. Draw up plan of new value record system | | | X |
| | 6. Physical location of unit | X | | |
| | 7. Alter warehousing system | X | | |
| | 8. Alter document flow (Custom's actions on Steps 6, 7 and 8 are deferred pending adoption of a plan of reorganization; however, advisory studies have been completed and recommendations await the reorganization.) | X | | |
| | 9. Ministry's approval for stationing officers abroad | | X | |
| | 10. Devise new documents | | X | |
| | 11. Identify personnel to man new offices | | X | |
| | 12. Identify personnel assigned abroad (Identifying Customs personnel to be assigned abroad would be premature until the program of assignment is approved.) | X | | |
| | <u>Improve Airport Passenger and Cargo Procedures</u> The following major steps are planned in order to accomplish. | | | |
| | 1. Complete study of present procedures | | | X |
| | 2. Make recommendations for procedural changes | | X | |
| | 3. Procedural changes made | X | | |
| | 4. Enlarge cargo and baggage areas | X | | |
| | 5. Obtain acceptance and use of forms by Customs | X | | |
| | 6. Separate areas and procedures of Military and Domestic passengers (Items Nos. 3, 4, 5 and 6 can be grouped as having minimal success due to many factors, but primarily attributable to condonation of fraudulent practices on the part of importers and passengers. Advisors have been encouraging Customs officers to vigorously | X | | |

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PART II - IMPLEMENTATION REPORT

II-A - STATUS OF SCHEDULE

202 A-1 - INDIVIDUAL ACTIONS (See detailed instructions M.C. 1026.2). This is a listing of major actions or steps which were scheduled for physical start or continuous implementation in the reporting period as reflected in the Project Implementation Plan, Part I.

| 210 ACTION NO. | MAJOR ACTIONS OR STEPS, CAUSES AND RESULTS OF DELAYS; REMEDIAL STEPS | 205 STATUS - PLACE AN "X" IN ONE COLUMN | | |
|----------------------|--|--|-----------------------|-----------------------------|
| | | 211 BEHIND SCHEDULE | 212 ON SCHEDULE | 213 AHEAD OF SCHEDULE |
| | <u>Perfect the Research and Planning Office</u> | | | |
| | 1. Have office established and personnel appointed | | X | |
| | 2. Place the office in a status position | | X | |
| | 3. Develop the office into a going project | X | | |
| | (Although the office is accepted and recommendations coming out of this committee have received acceptance, its effectiveness could be enhanced by the appointment of a more dynamic leader. The original inspector in charge was considered by this project to be a very adequate leader.) | | | |
| | <u>Upgrade Facilities and Equipment</u> | | | |
| | 1. Assist in the utilization of these funds by construction and renovation of facilities | X | | |
| | (Customs has not, as yet, established its construction services department to the point where it is effectively utilizing those allocated funds on an organized basis. Projects are slow in being started. In some cases funds have been reduced over previous years. In other cases, funds have been transferred to other projects that can be started sooner.) | | | |
| | <u>B. Law Enforcement</u> | | | |
| | The following major steps will be necessary in order to assist this unit in enlarging its field of activity and develop a more versatile, responsive unit. | | | |
| | 1. <u>Enlarge the Field of Activity</u> | | | |
| | a. Increase interest in actual customs violations | | X | |
| | b. Develop all squads into working units | | X | |
| | c. Nationalize the service | | X | |
| | d. Begin narcotics squad | X | | |
| | (New laws are needed for marihuana. It is planned to encourage the recruitment of an expert from the U.S. to form this squad and generate interest.) | | | |
| | e. Develop ability to use informers | | X | |

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PART II - IMPLEMENTATION REPORT

II-A - STATUS OF SCHEDULE

102 A-1 - INDIVIDUAL ACTIONS (See detailed instructions M.O. 1026.1). This is a listing of major actions or steps which were scheduled for physical start or continuing implementation in the reporting period as reflected in the Project Implementation Plan, Part I.

| (1) P.P. NO. | (2) MAJOR ACTIONS OR STEPS, CAUSES AND RESULTS OF DELAYS; REMEDIAL STEPS | (3) STATUS - PLACE AN "X" IN ONE COLUMN | | |
|--------------------|--|--|-----------------------|-----------------------------|
| | | (1) BEHIND SCHEDULE | (2) ON SCHEDULE | (3) AHEAD OF SCHEDULE |
| | <u>B. Law Enforcement (Cont'd)</u> | | | |
| | <u>1. Enlarge Field of Activity (Cont'd)</u> | | | |
| | f. Encourage investigations on personnel derelictions (A major change in the Customs structure is needed to accomplish this. This is far more long-range and may not be accomplished in the lifetime of the project.) | X | | |
| | g. Work jointly with the Customs Boat Fleet in order to enlarge the field of law enforcement (There has not been sufficient time to start this) | X | | |
| | <u>2. Increase the Amount of Seizures</u> | | | |
| | a. Increase interest in actual Customs violations | | X | |
| | b. Develop all squads into working units | | X | |
| | c. Develop a sense of competition between squads | | X | |
| | d. Increase and improve investigative techniques | | X | |
| | e. Encourage closer coordination with U. S. and other enforcement agencies | | X | |
| | f. Nationalize the service | | X | |
| | g. Encourage investigations of third country nationals doing business in Vietnam | | X | |
| | h. Develop a detailed examination technique for books and records seized | | X | |
| | <u>3. Upgrade Airport Fraud Repression Activities</u> | | | |
| | a. Encourage the placement of Fraud Repression personnel under the Nat'l Fraud Repression Service | | | X |
| | b. Develop a plan of action for best utilization of Fraud Repression airport personnel | | | X |
| | c. Prepare a code of conduct, a job description and a revised reward system | | X | |
| | d. Encourage the implementation of "c" above. (Associated with Item II-1-5) | X | | |
| | e. Prepare and give training classes to personnel | | | X |

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PART II - IMPLEMENTATION REPORT

II-A - STATUS OF SCHEDULE

102 II-A - INDIVIDUAL ACTIONS (See General Instruction No. 1025.1). This is a listing of major actions or steps which were scheduled for physical start or completion implementation in the reporting period as reflected in the Project Implementation Plan, Part I.

| MAJOR ACTIONS OR STEPS, CAUSES AND RESULTS OF DELAYS, REMEDIAL STEPS | (A) STATUS - PLACE AN "X" IN ONE COLUMN | | |
|---|---|-----------------|-----------------------|
| | (1) BEHIND SCHEDULE | (2) ON SCHEDULE | (3) AHEAD OF SCHEDULE |
| 3. <u>Upgrade Airport Fraud Repression Activities (Cont'd)</u> | | | |
| F. Return control of airport to civilian agencies (This is retarded due to wartime activities.) | X | | |
| g. Obtain strong leadership of this unit (Political connections of various personnel tend to overcome most efforts. This is an area that seems to be beyond normal efforts.) | X | | |
| h. Develop strong liaison with leadership (Personal antagonisms are strong and must be overcome.) | X | | |
| 4. <u>Revise the Reward System</u> | | | |
| a. Make a complete study of present systems | | | X |
| b. Prepare and present recommended replacement | | | X |
| c. Make a study of seizures, fines and penalties from each section and correlate with rewards | | X | |
| d. Introduce procedure of equitable prosecution and settlement of violations | | X | |
| 5. <u>On-the-Job Training</u> | | | |
| a. Teach better procedures for planning and conduct of raids | | X | |
| b. Instruct in proper use of surveillance as a technique | | X | |
| c. Instruct in the utilization of technical aids | | X | |
| d. Conduct classes on interviewing and interrogation | | X | |
| e. Teach methods of utilizing informers | | X | |
| f. Demonstrate methods of handling of prisoners | | X | |
| g. Instruct in the handling of weapons (Delays are due to difficulties in obtaining weapons and setting up a range. Attempts to purchase weapons through the piaster fund were stymied; this was viewed as a Vietnamese responsibility; the GVN doesn't view it this way.) | X | | |
| h. Instruct in techniques of searching | | X | |
| i. Demonstrate the proper use of vehicles during field operations. (A shortage of vehicles has caused the | X | | |

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PART A - IMPLEMENTATION PLAN

II-A - STATUS OF SCHEDULE

104-2 (17-70) - INDIVIDUAL ACTIONS (See detailed instructions (A.O. 1029.1). This is a listing of major actions or steps which will be completed or physical start or continuing implementation in the reporting period as reflected in the Project Implementation Plan, Part I.

| NO. | MAJOR ACTIONS OR TYPES, CAUSES AND RESULTS OF DELAYS; REMEDIAL STEPS | (C) STATUS - PLACE AN "X" IN ONE COLUMN | | |
|-----|--|---|-----------------|-----------------------|
| | | (1) BEHIND SCHEDULE | (2) ON SCHEDULE | (3) AHEAD OF SCHEDULE |
| 5. | <u>On-the-Job Training</u> (Cont'd) the delay; however, requisitioned vehicles will soon arrive.) | | | |
| | j. Encourage the concentration of efforts on Customs violations as opposed to exchange control violations | | X | |
| 6. | <u>Develop an Escort Service</u> | | | |
| | a. Convince other than USAID, U.S. agencies of its need | | | X |
| | b. Get approval for Fraud Repression men to accompany MP's and CID agents on escort duty (Complete cooperation does not exist with Customs Fraud Repression Unit and CID Special Squads.) | X | | |
| | c. Arouse Customs interest in this endeavor (The lack of a reward for their efforts dulls incentives.) | X | | |
| | d. Develop the unit at the point of origin - the harbor (Both Customs and advisors are too busy with other duties.) | X | | |
| 7. | <u>Improve Liaison with U. S. Law Enforcement Agencies</u> | | | |
| | a. Point out the advantages of working with Customs Fraud Repression Unit | | X | |
| | b. Distribute information uncovered by Customs to U.S. Agencies | | X | |
| | c. Nationalize the Customs Fraud Repression Service | | X | |
| | d. Improve the professional image of the Service | | X | |
| 8. | <u>Assist in reducing the smuggling into Viet-Nam and the attendant collusion.</u> | | | |
| | a. Coordinate Customs Fraud Repression activities with U.S enforcement agencies | | X | |
| | b. Nationalize the Customs Fraud Repression Service | | X | |
| | c. Establish a unit of the Fraud Repression Service at the airport | | X | |
| | d. Assist Customs Fraud Repression in establishing a periodic spot check of Customs employees | | X | |

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PART II - IMPLEMENTATION REPORT

II-A - STATUS OF SCHEDULE

022 A-1 - INDIVIDUAL ACTIONS (See detailed instructions M.O. 1026.1). This is a listing of major actions or steps which were scheduled for physical start or continuous implementation in the reporting period as reflected in the Project Implementation Plan, Part I.

| 10 M.O. NO. | MAJOR ACTIONS OR STEPS, CAUSES AND RESULTS OF DELAYS/ REMEDIAL STEPS | 11 STATUS - PLACE AN "X" IN ONE COLUMN | | |
|-------------------|--|--|-----------------|-----------------------|
| | | 111 BEHIND SCHEDULE | 112 ON SCHEDULE | 113 AHEAD OF SCHEDULE |
| | 8. Assist in reducing smuggling, etc. (Cont'd) | | | |
| | e. Convince Customs to de-emphasize currency violations and transfer their energies to smuggling violations | | X | |
| | f. Promote within the unit and within the squads of the unit a healthy competitive spirit | | X | |
| | g. Establish training program in basic accounting procedures in order that enforcement personnel might be sufficiently trained to conduct investigations | | X | |
| | h. Create a line of coordination between the Police, Resource Control and Customs (The large stumbling block here is the mutual distrust that is generated by overlapping jurisdictions and a reluctance of each to relinquish any.) | X | | |
| | i. Determine the use that the Boat Fleet will play as it relates to the Fraud Repression Service, under which it operates, and the problems of smuggling (The primary problem here is a conflict of personalities between the Chief of the Customs Boat Fleet and the Chief of the Fraud Repression Service. It does not appear soluble without the replacement of either or both men.) | X | | |
| | 9. Assist in converting the Customs Boat Fleet into Effective Arm of the Fraud Repression Service | | | |
| | a. Attempt to create an understanding between Chiefs of both units (It appears that the system of rewarding employees for work accomplishments (cash) is one of the basic problems. Adjustment of this practice, then, will be the first order of business.) | X | | |
| | b. Place the Fraud Repression Service and the Boat Fleet together on enforcement work in the Delta area (Up to the present time the Fraud Service has been too occupied in the Saigon area to send personnel to the Delta.) | X | | |

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PART II - IMPLEMENTATION REPORT

II-A - STATUS OF SCHEDULE

II-A - INDIVIDUAL ACTIONS (See detailed instructions M.O. 1026.1). This is a listing of major actions or steps which were scheduled for physical start or continuing implementation in the reporting period as reflected in the Project Implementation Plan, Part I.

| MAJOR ACTIONS OR STEPS, CAUSES AND RESULTS OF DELAYS, REMEDIAL STEPS | (B) STATUS - PLACE AN "X" IN ONE COLUMN | | |
|--|---|-----------------|-----------------------|
| | (1) BEHIND SCHEDULE | (2) ON SCHEDULE | (3) AHEAD OF SCHEDULE |

9. Assist in Converting Customs Boat Fleet, etc. (Cont'd)

c. Detail Fraud personnel to work with the Boat Fleet Special Squad (Insufficient manpower (GVN) will not at present allow the assignment.)

X

d. Attempt to establish both units on Saigon Harbor patrol duty (Customs has been forbidden to patrol Saigon harbor by the Nat'l Police and the Resources Control.)

X

e. Coordinate activities of Fraud Repression and the Boat Fleet on vessel search (The root of this problem is related back to a. above, the reward system. Disputes arise as to who is entitled to participate in the reward.)

X

f. Supply both units with a common radio network in order to establish a point of common interest (The problem is bogged down in the actual purchase of the radio, but seems to be near completion.)

X

g. Establish the Boat Fleet as a separate Directorate. (There are too many political considerations at the present to consider this soluble in the near future. The Ministry will make the decision on this action.)

X

h. Give the Boat Fleet arrest powers and ability to share in rewards (This is now in the planning stage, a submission will be formulated soon.)

X

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PART II -- Continued

023

II-A.2 - OVERALL TIMELINESS

In general, project implementation is (place an "X" in one block):

(a) On schedule

X

(b) Ahead of schedule

(c) Behind schedule

BLOCK (c): If marked, place an "X" in any of the blocks one thru eight that apply. This is limited to key aspects of implementation, e.g., timely delivery of commodities, return of participants to assume their project responsibilities, cooperating country funding, arrival of technicians.

(1) AID/W Program Approval

(2) Implementing Agency (Contractor/Participating Agency/Voluntary Agency)

(3) Technicians

(4) Participants

(5) Commodities (non-FFF)

(6) Cooperating Country

(7) Commodities (FFF)

(8) Other (specify):

II-B - RESOURCE INPUTS

This section appraises the effectiveness of U.S. resource inputs. There follow illustrative lists of factors, grouped under Implementing Agency, Participant Training and Commodities, that might influence the effectiveness of each of these types of project resources. In the blocks after only those factors which significantly affect project accomplishments, write the letter P if effect is positive or satisfactory, or the letter N if effect is negative or less than satisfactory.

1. FACTORS-IMPLEMENTING AGENCY (Contract/Participating Agency/Voluntary Agency)

| | | | |
|-----|--|---|---|
| 024 | IF NO IMPLEMENTING AGENCY IN THIS PROJECT. PLACE AN "X" IN THIS BLOCK: | 032 Quality, comprehensiveness and candor of required reports | |
| | | 033 Promptness of required reports | |
| 025 | Adequacy of technical knowledge | 034 Adherence to work schedule | P |
| 026 | Understanding of project purposes | 035 Working relations with Americans | P |
| 027 | Project planning and management | 036 Working relations with cooperating country nationals | P |
| 028 | Ability to adapt technical knowledge to local situation | 037 Adaptation to local working and living environment | N |
| 029 | Effective use of participant training element | 038 Home office backstopping and substantive interest | P |
| 030 | Ability to train and utilize local staff | 039 Timely recruiting of qualified technicians | P |
| 031 | Adherence to AID administrative and other requirements | 040 Other (describe): | |

2. FACTORS-PARTICIPANT TRAINING

| | | | |
|-----|--|--|---|
| 041 | IF NO PARTICIPANT ELEMENT IN PROJECT. PLACE AN "X" IN THIS BLOCK: | TRAINING UTILIZATION AND FOLLOW UP | |
| | | 052 Appropriateness of original selection | P |
| | PREDEPARTURE | 053 Relevance of training for present project purposes | P |
| 042 | English language ability | 054 Appropriateness of post-training placement | P |
| 043 | Availability of host country funding | 055 Utility of training regardless of changes in project | |
| 044 | Host country operational considerations (e.g., selection procedures) | 056 Ability to get meritorious ideas accepted by supervisors | P |
| 045 | Technical/professional qualifications | 057 Adequacy of performance | P |
| 046 | Quality of technical orientation | 058 Continuance on project | P |
| 047 | Quality of general orientation | 059 Availability of necessary facilities and equipment | |
| 048 | Participants' collaboration in planning content of program | 060 Mission or contractor follow-up activity | P |
| 049 | Collaboration by participants' supervisors in planning training | 061 Other (describe): | |
| 050 | Participants' availability for training | | |
| 051 | Other (describe): | | |

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PART II-B - Continued

3. FACTORS-COMMODITIES

| PLACE AN "X" IN APPROPRIATE BLOCK: | 062 FFF | 063 NON-FFF | 064 NO COMMODITY ELEMENT | 072 Control measures against damage and deterioration in shipment. | P |
|--|------------|----------------|--------------------------------|---|---|
| 065 Timeliness of AID/W program approval (i.e., PIO/C, Transfer Authorization). | | | | 073 Control measures against deterioration in storage. | P |
| 066 Quality of commodities, adherence to specifications, marking. | | | P | 074 Readiness and availability of facilities. | |
| 067 Timeliness in procurement or reconditioning. | | | N | 075 Appropriateness of use of commodities. | P |
| 068 Timeliness of shipment to port of entry. | | | | 076 Maintenance and spares support. | N |
| 069 Adequacy of port and inland storage facilities. | | | P | 077 Adequacy of property records, accounting and controls. | P |
| 070 Timeliness of shipment from port to site. | | | P | 078 Other (Describe): | |
| 071 Control measures against loss and theft. | | | P | | |

Indicate in a concise narrative statement (under the heading a. Overall Implementation Performance, below) your summary appraisal of the status of project implementation, covering both significant achievements and problem areas. This should include any comments about the adequacy of provision of direct hire technicians as well as an overall appraisal of the comments provided under the three headings (b, c & d) which follow. For projects which include a dollar input for generation of local currency to meet local cost requirements, indicate the status of that input (see Detailed Instructions).

Discuss separately (under separate headings b, c & d) the status of Implementing Agency Actions, Participants and Commodities. Where above listed factors are causing significant problems (marked N), describe briefly in the appropriate narrative section: (1) the cause and source of the problem, (2) the consequences of not correcting it, and (3) what corrective action has been taken, called for, or planned by the Mission. Identify each factor discussed by its number.

079 NARRATIVE FOR PART II-B: (After narrative section a. Overall Implementation Performance, below, follow, on form AID 1020-25 I as needed, with the following narrative section headings: b. Implementing Agency, c. Participants, d. Commodities. List all narrative section headings in order. For any headings which are not applicable, mark them as such and follow immediately below with the next narrative section heading.)

a. Overall Implementation Performance.

This project over its entire life, to a greater extent than usual, has been subject to significant changes in policy, in objectives, and in magnitudes emanating primarily from USAID and ADPA, rather than from the implementing agency itself. However, the latter has been called upon to execute and implement these changes and

has been quite satisfactorily responsive to them, demonstrating PASA flexibility and adaptability in adjusting to changing circumstances.

Parts I-B-1 (Output Report and Forecast) and II-A-1 (Status of Schedule) herein are based upon and tied particularly to the most recently prepared Project Budget Submission (that in the CAP for FYs '69/'70), prepared after the emergence of Institutional Development as the dominant project objective. Earlier CAPs reflected, particularly, Institutional Development targets (expected accomplishments and completion dates) which were not accordingly attained and which are now rescheduled in the FY'69/'70 PBS (and herein) for accomplishment at later dates than those anticipated in the initial CAPs. Although it was USAID and PASA determined policy to transfer emphasis from Operational to Institutional Development aspects (which change the earlier CAP targets reflected), the realities of project transformation, the precise degree of decrease in operational activities, and the actual accomplishment of personnel replacement to accommodate the changeover thwarted the attainment of Institutional Development targets on the optimistic time schedule first projected. Thus, a policy to change project emphases, followed shortly by a drastic reduction

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079 NARRATIVE FOR PART II-B:

a. Overall Implementation Performance.

in project magnitudes (personnel being reduced 60 per cent), proved not to be an adequate substitute for project re-formulation, re-planning, and re-scheduling. The latter processes have partially and informally taken place progressively in formulating the final FYs '68/'69 PBS, and particularly in that for FY '69/'70, and in the preparation therefrom, for the first time, of the "targets" and associated "actions" schedules of this PAR. This significant degree of project change thus has been accomplished and approved in stages, unaccompanied by official and formal recognition in ProAg and other documentation of the total overall re-direction. The evaluation and appraisal herein of this project is primarily in terms of the targets and actions of its current (or Institutional Development) phase, based on the most recent--rather than the historical--CAP and other documentation.

While current project program and emphases are scarcely a year old, project leadership and staff are providing adequate implementation thereof. Although a number of specific activities are indicated as being "behind schedule" for explainable causes, others are "ahead of schedule" and the overall status of implementation actions, on balance, is at a satisfactory level and team momentum is satisfactorily paced and being maintained. Both the field team and the Washington backstop office have responded to project changes satisfactorily, and are providing effective levels of leadership and support to new policies and objectives. Participant training has had to work an uphill road because of GVN war-time conditions and slipped behind schedule; but the basic plan now appears to be back in line for completion in time to meet associated activity deadlines. Early commodity application was primarily to the Boat Fleet Operation, now reduced in importance among project objectives, and inputs thereto still being received still requiring monitoring. Current commodity levels are nominal and not a source of project problems.

b. Implementing Agency

Performance and effectiveness of the implementing agency is first treated here in terms of the three major project emphases set forth below:

(1) Boat Fleet: Concepts for upgrading the Customs Boat Fleet had their origins in Public Safety Division (PSD) in 1964, with the objective of incorporating that unit in the Resources Control Program. It is now clear that, despite large inputs of technical assistance and commodities, the desired result has not been obtained because of a basic lack of acceptance of this generally unilateral objective on the part of GVN Customs. The endeavor to convert the Boat Fleet into a para-military unit is at odds with the concept held by GVN Customs management that Customs is essentially a civil agency concerned with collection of the revenue. Being hard pressed to attend to this function, they have rejected major involvement in a national security effort which they consider to be the province of the National Police and the military. This has been evidenced by their failure to enlarge the legal authority of the Boat Fleet, to provide for its manpower needs, and to utilize support commodities to the maximum in furtherance of Resources Control objectives. This basic rejection of the para-military concept appears to be beyond any remedial action available to the PASA unit, as well as irrelevant to typical Customs' activity scope.

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079 NARRATIVE FOR PART II-B; b. Implementing Agency (con't)

(2) Commercial Import Program Monitoring: The primary purpose of establishing the PASA was initially to develop a system of commodity inspection which would assure that AID-financed importations conformed to the specifications under which the financing was undertaken. This involved development of systems and procedures, in conjunction with the GVN Customs on the one hand and with the Mission CIP apparatus on the other. By the second quarter of 1967, documentary inspections were being made on 100% of these CIP shipments, and physical inspection were being made on 40% of these shipments deemed to have the highest potentiality for violation. The 18-month period, from 1 January 1967 to 1 July 1968, saw the PASA unit dedicating the major part of its manpower to this objective, with as many as 17 men directly involved in inspections and follow-up investigations of CIP and PL 480 shipments. This level of implementation brought about a dramatic decline in the incidence of violation and has since been considered sufficient.

With respect to PL 480 cargoes, this unit also assumed the role of Contract Representative from March 1967 to March 1968 in relation to a commercial maritime surveyor, Societe de Surveillance, which tallied such commodities on discharge.

(3) Institutional Development: The second objective in establishing the PASA was to increase the efficiency and revenue-producing capabilities of GVN Customs. Accelerated progress along all these lines followed the arrival of a new GVN Director General of Customs in January 1968. During CY 1968 and continuing, the main thrusts within Institutional Development are as follows:

(a) Systems and Procedures. The new Director General of Customs established a joint Planning and Research Committee composed of American advisors and their GVN counterparts. This establishment has provided a mechanism for studies on procedures and an avenue for recommendations for improvement. Subject material (problems) is generally introduced from the GVN side, and typically coincides with a target previously documented by this unit as a sub-project. Weekly committee round table discussions lead to recommendations which are reviewed by top GVN management and generally accepted and implemented.

(b) Training. Training efforts in 1967 could be described as hit and miss. However, early in 1968 an office of Director of Training, consisting of three GVN Customs Officers, was established. During 1968, training was conducted in 12 separate courses, with a total of 179 students completing the courses at a total of 13,954 man hours of training. 1969 appears to be equally as promising.

(c) Fraud Repression. The principal customs law enforcement jurisdictions, that is, currency transactions and smuggling, are still being notoriously violated at this time. Two PASA advisors are now assigned to this work area. By means of both classroom work and direct field observation, they are steadily remedying the serious professional shortcomings of GVN Customs law enforcement. This activity also has an important and increasing liaison function in bringing together the U.S. Military (who possess useful intelligence) and the GVN Customs (who have the legal jurisdiction).

While these subdivisions of Institutional Development are primarily directed toward qualitative targets, it is believed that these activities have also played a part in

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079 NARRATIVE PART II-Bb. Implementing Agency (con't)

such quantitative improvement as the rising curve of Customs collections; in the improved ratios of piastres of Customs collections per 100 piastres of imports; and in the increase in absolute collections in the face of declining volumes of import value. The implementing agency has collaborated successfully with the Customs Directorate in encouraging the establishment of program components in systems-and-procedures and in in-service training; in establishing viable permanent units for the development, the conducting, and the expansions of these component areas; and in implementing appropriate activities within them.

In stressing the importance of fraud repression and equitable and impartial law enforcement, the PASA team has succeeded in arousing increased GVN concern, not only in terms of its revenues but also in the validity of its currency and the public image and prestige of the Customs service and the government as a whole. In all primary areas, training, systems and procedures and law enforcement, GVN is showing an accelerated initiative.

Considering overall performance and effectiveness, the PASA field staff is currently fully and competently staffed, and maintaining a satisfactory level of accomplishment in both Institutional Development and CIP monitoring, as well as in maintenance of the revenue level despite a decrease in import volume from CY 1967 and a number of other adverse factors on the GVN side, notably continued loss of technical personnel. The program in its "Institutional Development (ID)" phase generally calls for technicians in the upper grades. This has not been fully attainable in the past, partly because of the adverse publicity respecting local working and living conditions. The increase in hostilities during 1968 deteriorated the situation still further. However, in general, as the emphasis of the project changed, the Bureau of Customs has not only made corresponding changes in the type of personnel recruited, but insofar as possible it has also attempted to anticipate and provide for such changes in advance.

Current team members represent generally the retention of the more talented personnel of the original group after winnowing caused by the staff reduction policy, plus the addition of selected specialists. Technicians spent almost their entire time with the GVN counterparts, and there is evidence of good relationships, both professional and personal. The PASA leadership and team have rebuilt a good level of rapport with their counterpart GVN leadership and staff, which had previously suffered from changing objectives and levels of support as well as sensitivity to project emphasis on anti-corruption. The support and cooperation of the GVN Customs leadership and hierarchy is seen as an important element in the level of current accomplishment and progress, as well as increasing hopefulness for the future steps in the project.

Washington office backstopping, visitation, and assistance has been generally adequate and useful. The Bureau has established a special U.S. Customs School for Latin American participants, equipped also to conduct courses for participants from other parts of the world, and the training of thirteen Customs participants from Vietnam has been supervised by the school.

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079 NARRATIVE FOR PART II-B

b. Implementing Agency (con't)028 - Ability to adapt technical knowledge to local situation

Problem - Technicians employed in the DH period (pre 1967) were of operational type, many of whom were later blanketed in under the PASA. The emphasis of the project through 1967 was largely CIP/Operational and the project demands were for operational type personnel. Some of these were not especially fitted for the shift of emphasis from Operational to "ID".

Impact - The CIP problem was seen as transitory and the ultimate need was for ID-type technical advisors. Recruitment for a simple operational basis project did not adequately equip the project to deal with its ultimate objective.

Action - Anticipating this shift in emphasis, the Bureau of Customs more recent recruitment has been with the ID objective in mind. As manpower reductions were made in 1968, operational positions were eliminated to the greatest extent possible and technicians having ID capabilities were retained.

034 - Adherence to Work Schedule

Problem - As indicated, particularly in Part II-A - Status of Schedule, and elsewhere, a number of actions and targets are behind schedule for a variety of reasons--including changing policies and goals emphases in USAID, reduction of project magnitudes, and project and host country personnel and procedural shortcomings.

Impact - The sharp reduction in FY 1968 and 1969 magnitudes and de-emphasis upon Boat Fleet and CIP resulted in the elimination of a number of initial targets. But a number of planned targets and activities are behind schedule.

Action - As indicated, the scope of the initial project has been reduced. The reduction from an initial 27-man to a present 11-man project has reduced Boat Fleet and CIP operations considerably, and the behind-schedule status of some targets and activities can still be met without project prolongation. On the constructive side, greater reliance upon the performance by GVN personnel has been the major direction of project adjustment throughout the ID area--Systems and Procedures, Training, and Law Enforcement.

037 - Adaptation to Local Working and Living Environment

Problem - The inconveniences and difficulties (living accommodations, transportation lacks, communication with locals, employee attitudes, etc.) of day-to-day living and working in Vietnam.

Impact - Actual results tend to be less than targeted.

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079 NARRATIVE FOR PART II-B

b. Implementing Agency

Action - The parent organization is now fully cognizant of these problems and has increased its effort to identify and recruit these persons who have a high resistance to Saigon hardships and frustrations.

c. Participants

The participant factor in the project is critical to the effort to improve the competence of GVN Customs in appraisalment of merchandise. There is no adequate substitute for the high intensity training program developed in the U.S. Bureau of Customs. Further, the very important target of reorganizing the GVN appraisalment section along lines of specialization is dependent upon having an adequate staff of commodity specialists. Approximately three-fourths of the customs value specialists identified for U.S. training have now been trained, preparatory to a reorganization of that section of the Directorate. Completed training to date is on schedule and the current years participant program is now being implemented as planned.

The Director General of Customs previously participated in this program in 1965 and was spotlighted in the Mission's "Returned Participants Follow-Up Activities Report for FY 1968". The success of our participant program generally is attributable to the Director General's belief in its effectiveness, after having viewed it first-hand. The effectiveness of the post-training utilization of participants is testimony to its high degree of acceptance. On the whole, returned participants have been placed in supervisory positions which utilize their increased talents.

050 Participants' Availability for Training

Problem - Constraints during 1968, namely, the draft and a negative GVN policy regarding participant training, restricted our ability to obtain releases on some of the better men in Customs, inasmuch as their draft status precludes the use of these men.

Impact - GVN Customs is reluctant to reorganize its appraisalment function until such time as it has a full corps of commodity specialists.

Action - Exhaustive search has produced four additional participants and a PIO/P for FY 1969 is now in process.

d. Commodities

The commodity element of this project reflects USAID policies rather than the PASA team's decision. Initially it was principally and heavily in support of the Boat Fleet-- now greatly de-emphasized in the current program. However, after receipt of these commodities, particularly vessels, GVN maintenance capabilities were found unavailable or lacking. FY 1969 and FY 1970 commodity elements are very limited amounts, and commodity activity currently and in the future will be principally checking and receipt

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079 NARRATIVE FOR PART II-B

d. Commodities (con't)

and application of commodity receipts of prior years' schedules, most of which are the Boat Fleet.

067 Timeliness in Procurement and Reconditioning

Problem - Excessive time lapse between order and delivery, particularly in items from FYs 65, 66 and 67, principally for the Boat Fleet.

Impact - This lag slowed down the then on-going Boat Fleet operations and lessened the extent of its patrol and communications work. (To meet staff reduction and shifting emphasis to Institutional Development, the PASA project now has diminished concern with the Boat Fleet operation, the U.S. Navy having assumed a portion of its interest in the fleet's para-military operation. However with the diminishment or cessation of hostilities, the civil functions of the Boat Fleet will become increasingly important to the Customs Directorate as it resumes its full civil role over all borders and waterways.)

Action - This impact is historical and remedy is largely beyond the project's jurisdiction. Reference is made to it primarily to indicate that procurement paper processing within USAID has been quite lengthy to the point of slowing project progress.

067 Appropriateness of Use of Commodities

Problem - Inadequate maintenance and spare parts for Boat Fleet.

Impact - Diminished utilization of Boat Fleet.

Action - This project has taken the initiative in incorporating the Boat Fleet in the National Inventory Control Point system and has obtained for GVN Customs arrangements with the U.S. Army and Navy on Inter-Service Support Agreements. An internal logistics system has now been effected. The GVN Boat Fleet Chief and his assistant have been given training in the U.S. on maintenance. On-the-job training is an ongoing process. Steps are being taken to have members of the General Motors Corporation training staff conduct onsite training courses in engine maintenance for a 20-day period.

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PART III - ROLE OF THE COOPERATING COUNTRY

The following list of illustrative items are to be considered by the evaluator. In the block after only those items which significantly affect project effectiveness, write the letter P if the effect of the item is positive or satisfactory, or the letter N if the effect of the item is negative or less than satisfactory.

SPECIFIC OPERATIONAL FACTORS:

| | |
|--|---|
| 080 Coordination and cooperation within and between ministries. | P |
| 081 Coordination and cooperation of LDC gov't. with public and private institutions and private enterprise. | P |
| 082 Availability of reliable data for project planning, control and evaluation. | P |
| 083 Competence and/or continuity in executive leadership of project. | P |
| 084 Host country project funding. | N |
| 085 Legislative changes relevant to project purposes. | |
| 086 Existence and adequacy of a project-related LDC organization. | P |
| 087 Resolution of procedural and bureaucratic problems. | N |
| 088 Availability of LDC physical resource inputs and/or supporting services and facilities. | N |
| 089 Maintenance of facilities and equipment. | |
| 090 Resolution of tribal, class or caste problems. | |
| 091 Receptivity to change and innovation. | P |
| 092 Political conditions specific to project. | |
| 093 Capacity to transform ideas into actions, i.e., ability to implement project plans. | P |
| 094 Intent and/or capacity to sustain and expand the impact of the project after U.S. inputs are terminated. | P |
| 095 Extent of LDC efforts to widen the dissemination of project benefits and services. | |
| 096 Utilization of trained manpower (e.g., participants, counterpart technicians) in project operations. | P |
| 097 Enforcement of relevant procedures (e.g., newly established tax collection and audit system). | N |
| 098 Other: | |

HOST COUNTRY COUNTERPART TECHNICIAN FACTORS:

| | |
|---|---|
| 099 Level of technical education and/or technical experience. | P |
| 100 Planning and management skills. | P |
| 101 Amount of technician man years available. | N |
| 102 Continuity of staff. | N |
| 103 Willingness to work in rural areas. | |
| 104 Pay and allowances. | N |
| 105 Other: | |

In the space below for narrative provide a succinct discussion and overall appraisal of the quality of country performance related to this project, particularly over the past year. Consider important trends and prospects. See Detailed Instructions for an illustrative list of considerations to be covered.

For only those items marked N include brief statements covering the nature of the problem, its impact on the achievement of project targets (i.e., its importance) and the nature and cost of corrective action taken or planned. Identify each explanatory note.

106 NARRATIVE FOR PART III (Continue on form AID 1020-25 I):

At the outset, U.S. objectives dominated this project--decongestion of the harbor, monitoring of CIP and PL 480 commodities, and control and surveillance activities by the Boat Fleet. With the shift, over the last year, to Institutional Development, the role of the cooperating country has become more significant than formerly.

GVN Customs co-operation toward this project is reflected broadly by (1) the establishment of a training office to work closely with the Project, (2) the adoption and implementation of Mission training programs as developed jointly by project and Host Country advisors, (3) the establishment of a Research and Planning Office that works jointly with the advisors to study and implement change, and (4) the creation of squads of law enforcement personnel with which advisors work, co-ordinating the efforts of U.S. and GVN enforcement personnel. Shortcomings have been principally the ones common to LDCs--inadequate numbers and skills in personnel,

conventional and out-worn attitudes and procedures, and unprecedented glut of business, and inadequate project budgetary support, all aggravated and in part caused by the on-going military operation.

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106 NARRATIVE FOR PART III

Highly significant in terms of implementing the ID element was the development of the training office. The Director General established the office of Director of Training as a staff function. Personnel of this office have attended the Basic Administrative Management (BAM) course, and have subsequently conducted classes in that material for 46 top and middle management officers. During 1968, there has been gradually developed within GVN Customs a largely self-sufficient capability to devise and implement internal training programs.

Equally important as an implementation mechanism was the establishment of the joint Research and Planning Committee, made up of advisors and their counterparts. Here systems and procedures problems are introduced from the GVN side. The end result of these discussions and studies is reported to the Director General and contain the Committee's recommendations. A good degree of acceptance has been obtained in the use of this channel of procedural reform.

The development of the In-Service Training institution and program has been rapid, enthusiastic and significant. Both trainee turn-out and results have been at satisfactory levels. Organization and procedures, as well as results in terms of approval and implementation, for Systems and Procedures Improvement, likewise are at satisfactory levels. The Directorate has supported adequately the training of commodity evaluation specialists through the Participant Training Program, and the plans for eventual reorganization of evaluation work along commodity lines.

Constructive changes in composition and attitude of the GVN Central Government with its various decrees aimed at reforms has had no small effect on subsequent Customs reaction. A new "sense of urgency" has infiltrated government and Customs has found that it was at various times the "guinea pig" for change. The Customs Directorate has come to the realization that it must be an effective organization, and it has been in the front lines in producing this "new image" of the government. The changing governmental attitudes were reflected primarily in (1) efforts to increase the revenues, and (2) elimination of corruption; and these have opened the door to greater PASA participation in Customs activity.

Customs Directorate leadership's support of the project has improved markedly during CY 1968 and is regarded as very satisfactory, with excellent rapport between the entire PASA team and their counterpart levels. In summary, we believe the Customs Directorate is slowly but steadily building its organization, personnel and procedures, as well as its internal capacity for self-improvement, to a level which at project termination will enable it not only to maintain current momentum but also to meet the increased problems and demands of peacetime which will place heavy reliance upon customs revenues as well as upon the maintenance of a healthy and balanced import trade.

084 Host Country Project Funding

Problem - As in 088 (below), GVN budgetary limitations prevent adequate response in this area.

Impact - Over the past two-year period, while the work load for Customs doubled, the budget increased only 70%. Existing manpower is inadequate to coverage of

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006 NARRATIVE FOR PART III

the full spectrum of Customs projects.

Action - Advisory assistance in budget planning has been given to Customs which has resulted in alleviation of some problems but not all. Alleviation has been principally in the budget for servicing contracts on I.B.M., duplicating machinery, and vehicles; and additional budgeting to provide fuel for boats and vehicles. Major GVN budget shortfalls still exist for technical personnel and for improvement projects.

087 - Resolution of Bureaucratic Problems

Problem - Lack of delegation of authority, and resistance to change--primarily minor ones.

Impact - These problems have a dampening effect on project plans.

Action - This appears to be a defect common to all lesser developed countries and does not seriously hamper the project. Certain training programs are directed to correcting defects of this nature, such as the Basic Administrative Management and Skills Training Courses.

088 Availability of LDC Physical Resource Inputs, etc.

Problem - Shortage of LDC physical resource inputs.

Impact - With the existing demands placed on the economy because of the war, the budget for Customs has for years been inadequate to meet the needs of the service. Much needed new construction and renovation works have been continually delayed. Only the minimum needs have been fulfilled; e.g., units of the Boat Fleet Service have been idle because of fuel shortages.

Action - There is little the project can do to alleviate the budget situation.

097 Enforcement of Relevant Procedures

Problem - Lack of implementation of recommended/approved changes.

Impact - Supervisors lack the necessary control over the personnel they supervise. Directorate orders seem to lose effectiveness as they proceed downward through the organization.

Action - In an effort to overcome this deficiency, whether it exists primarily in the system or the individual, we have introduced courses, such as BAM, into the training program designed to overcome such tendencies as these.

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106 NARRATIVE FOR PART III

101 Continuity of Staff

Problem - Lack of staff continuity.

Impact - The present GVN practice of rotating personnel does not provide the necessary degree of specialization and continuity the project needs; it tends to put a brake on development plans, inasmuch as employees newly appointed to counterpart positions must spend a good portion of their time becoming acquainted with their new assignments.

Action - Customs believes that rotation provides an important feature--that of supplying a degree of control not otherwise present, and preventing prolonged contact with the same public clientele. For the time being, pending a sufficient number of re-organization plans being accomplished, project plans are being adjusted to fit the rotation system.

104 Pay and Allowances

Problem - Inadequate pay and allowances.

Impact - Inadequate pay is not peculiar to Customs only but to the Civil Service as a whole. Its inadequacy contributes to a multitude of ills prevalent in governments of LDCs. It greatly reduces the possibilities of making rapid advancements in all areas of Customs administration.

Action - The problem is GVN-wide and cannot be solved by the project. However, the project has been encouraging such methods as a more liberal use of overtime and of special Customs rewards systems for outstanding enforcement and collection accomplishments.

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PART IV - PROGRAMMING IMPLICATIONS

IV-A - EFFECT ON PURPOSE AND DESIGN

Indicate in a brief narrative whether the Mission experience to date with this project and/or changing country circumstances call for some adjustment in project purposes or design, and why, and the approximate cost implications. Cover any of the following considerations or others that may be relevant. (See Detailed Instructions for additional illustrative considerations.) Relevant experience or country situations that were described earlier can simply be referenced. The spelling out of specific changes should be left to the appropriate programming documents, but a brief indication of the type of change contemplated should be given here to clarify the need for change.

For example, changes might be indicated if they would:

1. better achieve program/project purposes;
2. address more critical or higher priority purposes within a goal plan;
3. produce desired results at less cost;
4. give more assurance of lasting institutional development upon U.S. withdrawal.

107 NARRATIVE FOR PART IV-A (Continue on form AID 1020-25 I):

Both in the answer above to 017 (I-C-2 General Questions) and in the prefatory remarks to 079 (II-B Narrative), reference has been made to the evolutionary as distinguished from the pre-planned nature and history of this project, and to a more or less progressive adjustment of targets through annual PBS-CAP submissions and approvals. Although the FY 1969/70 PBS (and the targets and actions herein, based thereon) presents basically an Advisory-Institutional Development project with Operational-type vestiges many degrees off-course from the initial Operational-type project with secondary Institutional Development objectives, this significant change in emphasis among objectives has been accomplished in stages without full official and formal recognition in ProAg and other documentation. Furthermore, the shift in emphasis among project objectives and the resulting redefinition of targets and their underlying implementing actions has been done more or less as the project went along, without fully conscious and deliberate formal recognition by the Mission of the full degree of change in emphasis upon Institutional Development or fully facing up to the impact of changes and developments affecting Boat Fleet, CIP, and PL 480 operational-type activities.

The FY 1969/70 PBS, and the underlying plans and schedules thereof, do present activities directed to presently more pertinent and higher-priority targets while remaining within the confines of the broad expressions of Institutional betterment found in the earlier documentation of the operational phase of the project. This latest PBS-CAP,

IV-B - PROPOSED ACTION

108 This project should be (Place an "X" in appropriate block(s)):

- | | |
|--|---|
| 1. Continued as presently scheduled in PIP. | |
| 2. Continued with minor changes in the PIP, made at Mission level (not requiring submission of an amended PIP to AID/W). | |
| 3. Continued with significant changes in the PIP (but not sufficient to require a revised PROP). A formally revised PIP will follow. | |
| 4. Extended beyond its present schedule to (Date): Mo. ___ Day ___ Yr. ___. Explain in narrative, PROP will follow. | |
| 5. Substantively revised. PROP will follow. | |
| 6. Evaluated in depth to determine its effectiveness, future scope, and duration. | |
| 7. Discontinued earlier than presently scheduled. Date recommended for termination: Mo. ___ Day ___ Yr. ___ | |
| 8. Other. Explain in narrative. | X |

109 NARRATIVE FOR PART IV-B:

Reviewed in greater depth - see last paragraph of 107 narrative (following page).

107 NARRATIVE FOR PART IV-A (Continued):

while not clearly exceeding the scope of the initial project, has certainly reflected a significant shift in emphasis among project objectives; has retained CIP and PL 480 monitoring at self-determined levels and standards; and also adjusted the target time-frame of prior issues. In summary, modification of project purposes, design and scheduling has been introduced progressively but without formal recognition. The degree of such modification has become apparent in the course of the PAR process.

The project emphases and actions as set forth in the FY 1969/70 PBS constitute the defacto present program, tacitly accepted by the Customs Directorate as indicated by their support and actions. USAID in-house review, recognition and approval of the current ad hoc project definition and Mission Director approval of firm objectives and targets is required; and, pursuant thereto, a sharpened plan of action, with more concrete expressions of anticipated accomplishments and, where practicable, quantification of expected results, is needed for the project; and appropriate bi-lateral agreement, consonant with the above, is further required. Prior to the next PBS submission, the foregoing will be accomplished.

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