

TERMINAL  
PROJECT APPRAISAL REPORT (PAR)

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1. PROJECT NO. 730-11-720-339	2. PAR FOR PERIOD: 12/31/72 TO 2/28/74	3. COUNTRY Vietnam	4. PAR SERIAL NO. 730-74-069
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5. PROJECT TITLE  
SUPPORT OF LOCAL GOVERNMENT

6. PROJECT DURATION: Began FY <u>67</u> Ends FY <u>74</u>	7. DATE LATEST PROP -	8. DATE LATEST PIP 9/12/70	9. DATE PRIOR PAR 12/31/73
10. U.S. (\$000) FUNDING	a. Cumulative Obligation Thru Prior FY: \$ 3,132	b. Current FY Estimated Budget: \$ 295 a/ (FY74)	c. Estimated Budget to completion After Current FY: \$

11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
IRS (Consultant) Mr. Donald B. Stocks	PASA
Mr. Pham Van Ich	PSC
Mr. Bui Quang Khanh	PSC

I. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
U.S. A.I.D.	A.I.D. W	HOST		
			<p>This project is scheduled to terminate June 30, 1974. Disposition of participants returning after termination date will be monitored by ADLD.</p> <p>The narrative statement attached plus PAR 730-73-054 constitutes final evaluative documentation of this activity.</p> <p><u>CLEARANCES:</u> Thomas W. Thorsen, A/ADLD <u>[Signature]</u> Date <u>11/1/74</u></p> <p>a/ FY 1974 OYB. p. 107.</p>	

D. REPLANNING REQUIRES REVISED OR NEW:	<input type="checkbox"/> PROP	<input type="checkbox"/> PIP	<input type="checkbox"/> PROAG	<input type="checkbox"/> PIO/T	<input type="checkbox"/> PIO/C	<input checked="" type="checkbox"/> PIO/P	E. DATE REVIEW PANEL MET Not Panelled
PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE				TYPED NAME, SIGNED INITIALS AND DATE			
Joseph E. Fitzpatrick, ADLD/PA				Ernest Kanrich, ADPROG			

## SUPPORT OF LOCAL GOVERNMENT

### PROJECT 339

The Support of Local Government Project evolved in 1967 after three years of informal technical assistance to the Ministry of Interior and the four regional offices of the Prime Minister. After formalization of the project the main efforts were devoted to support of the implementation of related programs of the Central Pacification and Development Council which included, among others, the establishment of responsible and responsive local government; adequate in-service training of local officials; essential administrative reforms, and most important of all - the restructuring of the revenue system throughout local governments.

Significant accomplishments have been achieved in several areas, particularly in the decentralization of authority as demonstrated in the recent "Administrative Revolution" with its far-reaching changes in provincial and city government and its attendant consolidated budget; the reorganization of the Ministry of Interior; the creation of "Development (Urban) Villages"; the improved role of province and city councillors; and the training of local officials. However, the most dramatic accomplishment has been in the design and implementation of the Local Revenue Improvement Program (LRIP). This program has been strongly supported and implemented by the GVN and has brought about a complete reversal in the concepts of local financing. The LRIP has revitalized local administration and launched localities on the road to financial self-sufficiency, reducing dependence upon central subsidies for operations and development. For example, local revenues increased from 2.1 billion piasters in 1971 to 9.8 billion piasters in 1973 and the number of self-sufficient villages rose from 105 in 1971 to 787 in 1973.

Concurrently with these gains the Support of Local Government Project endured several inhibiting factors inherent in the security/political environment and compounded by economic stresses and lack of adequate resources.

Insofar as equipment and commodities are concerned, the project has made relatively minimal contribution to the GVN being limited mainly to training aids and the construction, rehabilitation or repair of provincial training centers and dormitories.

The Participant Training Program has been designed for U.S. training in the concerned fields of administration and taxation. However, the closing program is tailored to the instruction of GVN local officials solely within the framework of the Vietnamese Decree Law governing Real Property Tax Administration. It is expected that 12 participants who will be attending this specialized course at the Institute for Tax Administration at the University of Southern California will return to Vietnam in October 1974, four months after termination of the project.

Allocations of local currency from the Foreign Aid Chapters of the GVN have been made almost solely for the purpose of institutionalizing in-service training of local officials of all levels, and for financing the initial phases of specialized property tax programs and contracts for local consultants.

The GVN local currency support from central sources should be minimal inasmuch as the local revenues to be generated under the program should be sufficient for its financial support.