

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

AN AGENCY OF THE GOVERNMENT OF VIETNAM.

Under the terms of the Economic Cooperation Agreement signed September 7, 1951, and the standard provisions annexes attached, it is agreed to carry out a project in accordance with the terms set forth herein.

1. PROJECT No. **730-11-350-297** 2. AGREEMENT No. **70-113** 3. ORG REVISION No.

4. PROJECT TITLE: **Inland Waterways Improvement (Dredging)**
 (Sub-Activity)

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

6. APPROPRIATION: **72-1101006** 7. ALLOTMENT: **056-50-730-00-69-01**

B. AID DOLLAR FINANCING (Cost Component)	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
c. Personnel Costs				
(1) US PASA Contract				
(2) Local and TCI PASA Contract	465,457			465,457
b. Participants				
AID Direct PASA/Contract				
c. Commodities		745,000		745,000
AID Direct PASA/Contract				
d. Other Costs				
AID Direct PASA/Contract				
e. TOTAL (ALL COSTS)	465,457	745,000		1,210,457
9. LOCAL CURRENCY FINANCING (\$1.00 = <u> </u> Florars)				
a. Counterpart				
Treasury Fund AAC Special Fund Other	40,685			40,685
b. GVN (show source below) DON		71,600,000		71,600,000
c. US - Owned				

10. REFERENCES AND REMARKS

Ref: Waiver 70-297-34.
 PIO/Cs 0100800, 0100801; 0100878, 0100879; 0100880

11. DATE OF ORIG AGREEMENT: **April 4, 1970** 12. DATE OF THIS REVISION: **June 29, 1970** 13. EST FINAL CONTRIBUTION DATE: **March 31, 1973**

14. GOVERNMENT OF VIETNAM 15. AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: *[Signature]* DATE: **6/29/70** SIGNATURE: *[Signature]* DATE: **6/29/70**
 TITLE: **Director General for Budget and Foreign Aid** TITLE: **Deputy Director**

PROJECT AGREEMENT
BETWEEN AID AND
DGBFA

1. Project/Activity No.
730-11-350-297

2. Agreement No.
7C-113

3. Original or 1
Revision No.

AN AGENCY OF THE GOVERNMENT OF
VIETNAM

3. Project/Activity Title
Inland Waterways Improvement
(Dredging)

PRDAG
CONTINUATION
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NUMBER

I. BACKGROUND

This project was initiated in FY 65 to support the development of the GVN Directorate of Navigation (DON) in carrying out its responsibility for the administration, development and maintenance of Vietnamese ports and inland waterways systems. The ports component in FY 69 was placed under Ports Management and Operations Project (340-349). Support of the DON's dredging operations, with some assistance given to the DON's navigation aids and mapping functions, is now the principal activity of this project. War related problems -- particularly manpower constraints, security, and damage to equipment from sabotage and military activity -- have hindered achievement of project targets. However, a number of favorable developments are now under way. Security has improved, permitting expanded dredging operations. Seven of the DON's ten dredges are operating. Trained manpower limitations of the DON should be reduced by dredgers trained under the USAID funded contract with the Retired Servicemen Engineering Agency (RSEA), crews to be released from US military-funded dredging operations, and the return from military of former dredge crew personnel.

II. DESCRIPTION AND OBJECTIVE

The long range objective of this project is the restoration, operation, and development of the Inland Waterway System. Achievement of this objective will be attained through the maintenance and improvement of waterway communications in the priority areas of Vietnam and the increase of GVN capability to maintain canals and waterways. Specific goals are:

- A. Establishment of a semi-autonomous dredging agency, which can charge for its services and will be responsible for all GVN dredging activity;
- B. Establishment of a more effective system for developing priorities and responsive dredging schedules;
- C. Increase of the dredging capacity of the GVN;
- D. Adequate maintenance of the GVN dredging fleet;
- E. Development of a capability within the DON to install and maintain the navigational aids system, including those aids installed by the US Coast Guard which will remain as part of the permanent system.

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

For the Agency for International Development
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TITLE: _____

**PROJECT AGREEMENT
BETWEEN AID AND**

DGDPA

**AN AGENCY OF THE GOVERNMENT OF
VIETNAM**

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730-11-350-297

2. Agreement No.
70-113

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(Dredging)**

Original or
Revised No. 1

**PROAG
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ANNEX**

The above activities will be directed toward pacification and development operations requiring opening or clearing strategic rivers, canals, harbors and channels, with highest priority given the Delta area. This will result in provision of alternative means of transportation, thus relieving much of the burden on the road and bridge network for shipment of bulk cargo. Prime consideration will also be given to the need for land fill and embankment materials to support high priority horizontal construction.

III. DESIGNATIONS

A. USAID

The Chief of the Surface Transportation Branch of the Office of Engineering is hereby designated as US Project Manager. In this capacity he will act as technical advisor, coordinate the USAID assistance provided for the project, and work closely with the GVN Project Manager in all phases of the project, including budgeting, implementing and evaluating.

B. GVN

The Director of Navigation within the Ministry of Communications and Post is hereby designated GVN Project Manager. In this capacity he will be responsible for the overall implementation of the project, working closely with the US Project Manager as necessary to obtain project objectives.

IV. IMPLEMENTATION PLAN AND RESPONSIBILITIES

A. To pursue the objectives of this project, the following goals for implementation under this agreement have been established:

1. Formulate a more effective system of developing priorities.
2. Increase GVN dredging production for civilian projects to an annual 2,000,000 cubic meters by June 30, 1971.
3. Increase the utilization of operating personnel by working dredges on a multi-shift basis where security permits.
4. Improve maintenance of the GVN dredging fleet by developing individual maintenance schedules and spare parts usage records.
5. Develop within the DON a greater capability to install and maintain the navigational aids system which shall include those aids that have been or will be installed by the US Coast Guard (USCG) and which shall

For the Cooperating Government or Agency

For the Agency for International Development

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TITLE: _____

**COOPERATION AGREEMENT
BETWEEN AID AND
DGBFA**

**AN AGENCY OF THE GOVERNMENT OF
VIETNAM**

1. Project/Activity No.
730-11-880-297

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2. Agreement No.
70-113

3. Original or
Revision No. **1**

3. Project/Activity Title
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(Dredging)**

remain as part of the permanent system.

6. Develop within the DON increased capabilities of mapping, charting, geodesy and hydrographic surveying by providing necessary funds, personnel, and equipment to utilize effectively the authorized strength of these DON subdivisions.

7. The GVN, assisted by USAID, will investigate the possibility of establishing, funding, and utilizing a semi-autonomous privately-owned dredging authority in Vietnam. As a part of the investigation, GVN will consider the transfer of DON's dredging equipment to the above authority for the performance of dredging on a commercial basis.

B. Responsibilities:

1. The Central Pacification and Development Council (CPDC) agrees to review and approve all dredging priorities to assure conformity with objectives of pacification and development.

2. The Minister of Communications and Post (MCP) agrees to:

a. Coordinate with CPDC to establish dredging priorities in support of the Pacification and Development Program.

b. Initiate action as necessary to provide personnel and funding required to man fully the DON and proposed semi-autonomous dredging operations.

c. Review previous requests to Ministry of National Defense (MOND) for deferment of DON personnel, and all previous agreements or arrangements made with MOND for assignment of dredge personnel. Determine status of action on previous arrangements and initiate action as required to obtain implementation.

d. Propose to USAID no later than August 15, 1970, GVN plans for future financing of spare parts or equipment needs.

e. Take appropriate action with pertinent authorities by August 15, 1970, for discontinuing current practices by third parties of arbitrarily removing and utilizing dredged material which is stockpiled in preparation for uses authorized under this or earlier Agreements.

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For the Cooperating Government or Agency

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PROJECT AGREEMENT
GENERAL AND PART

EGBFA

AN INSTRUMENT OF THE GOVERNMENT OF
VIETNAM

730-11-350-297

70-113

Inland Waterways Improvement
(Dredging)

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3. The DON agrees to:

- a. Provide contract administration and supervision for GVN projects which fall within the purview of its activities.
- b. Coordinate with appropriate local officials on all phases of project planning and implementation; obtain all necessary rights-of-way, dikes, and spoil areas; and provide individual dredging project justification.
- c. Properly receive, distribute, and account for all commodities procured for use by DON, and provide proper custody, care and maintenance of such items including the adequate maintenance of stocks of parts and expendable items required to maintain equipment in operating condition.
- d. Maintain a tentative dredging schedule which shows assignments at least six months in advance for each GVN dredge, with adjustments being made where necessary due to enemy action, changes in CPDC-approved priorities, or changes in security conditions.
- e. By December 31, 1970, establish and maintain a standard spare parts list and an up-to-date inventory of spare parts for the Lighthouse Service, the Hydrographic Survey Subdivision, and each GVN dredge. Based upon the foregoing, maintain central control records showing spare parts required, on hand, and on order, and on a quarterly basis thereafter, furnish the MCP and USAID a list of parts which should be ordered under this Project Agreement in such timely fashion which will normally preclude deadlining of equipment due to parts shortages.
- f. Develop and submit to USAID by August 1, 1970, definite plans for assuming responsibility for those NAVAIDS previously installed and/or serviced by the USCG to be retained during peacetime, and for utilizing commodities provided therefor.
- g. Before September 1, 1970, and at least at quarterly intervals thereafter, furnish the Ministry and USAID (1) a list of personnel needed to man the shore facilities, the NAVAIDS activities, and all the GVN dredges, and (2) a statement of the revised funding within GVN budgetary limitations which may be required for the performance of these activities.
- h. Initiate, through appropriate channels, actions necessary to implement approved plans for recommendations for the creation of a semi-autonomous Government dredging authority.
- i. Cooperate fully with any end-use audit by USAID to review the use of USAID-financed commodities or contracts.

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AN AGENCY OF THE GOVERNMENT OF
VIETNAM

Inland Waterways Improvement
(Dredging)

4. The Director General for Budget and Foreign Aid (DGBFA) will assist in establishing a system for crediting the proposed semi-autonomous dredging agency for work done for other GVN agencies.

5. USAID agrees to:

a. Support DON activities by providing technical advice and commodity support within existing limitations of funds and manpower.

b. Assist the DON administratively in receipt and distribution of procured commodities.

V. FINANCIAL OBLIGATIONS

A. USAID

The \$745,000 obligated on page 1 of this Agreement will provide for the procurement of dredge spare parts, pipes, floats and other dredging accessories, estimated at \$628,000; aids to navigation, estimated at \$100,000; and hydrographic equipment and materials, estimated at \$17,000. In addition, \$10,000 for freight costs has been obligated under project 730-11-995-330, Mission-Wide Commodity Support.

B. GVN

The DON has budgeted VN\$71.6 million for CY 70 - VN\$61 million for dredging operations and VN\$10.6 for navigational aids. See Budget attached.

VI. REPORTING AND EVALUATION

The U.S. and GVN Project Managers jointly shall prepare and submit to their respective agencies in Vietnamese and English quarterly progress reports, and other reports as may be requested, in a format mutually acceptable to the DON and USAID. Distribution will include DGBFA and other GVN agencies when appropriate. The reports should cover progress in the attainment of specific targets established in this Project Agreement and Work Plan, and identify any problems or delays encountered which are hampering progress of the project. Reports are due within 20 days of the end of the reporting period.

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For the Cooperating Government or Agency

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PROJECT AGREEMENT
BETWEEN IGD AND
DGBFA

730-11-350-297

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AN AGENCY OF THE GOVERNMENT OF
VIETNAM

Inland Waterways Improvement
(Dredging)

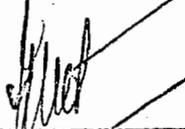
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VII. SPECIAL PROVISIONS

The GVN recognizes that the tranche of dredge equipment and spare parts, and of hydrographic and NAVAIDS materials covered by this Project Agreement in no way represents a commitment and precedent by the US Government to continue furnishing similar support beyond the date of termination of this present agreement.

CONCURRENCES:


Central Pacific Development Council,


Minister of Communications and Post


Director of Navigation


Associate Director for Commercial and Capital Assistance

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**PROJECT AGREEMENT
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70-113

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(Dredging)**

**AN AGENCY OF THE GOVERNMENT OF
VIETNAM**

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BUDGET

The DON was allocated VN\$154 million from the National Budget in CY 69 and of this amount the Inland Waterways Service (IWS) which manages the dredging operation was allocated VN\$77 million. VN\$85 million has been requested for CY 70. The portion of the IWS budget utilized for dredging and navigational aids during recent years is shown below:

	<u>CY 68</u>	<u>CY 69</u>	<u>CY 70</u>	<u>Est. CY 71</u> ^{1/}
<u>IWS budget</u>	<u>59.7</u>	<u>77.0</u>	<u>85.0</u>	<u>105.0</u>
1. Portion supporting DON dredging:	46.0	59.4	61.0	81.0
2. New Nav. Aids Support	-	10.6	10.6	22.0
Total	46.0	70.0	71.6	103.0

1/ Subject to the availability of funds.

CY 70 DON Dredging and Navigational Aids Budget

A. Dredging:

Salaries	VN\$29,200,000
Fuel oil	17,000,000
Spare parts	8,200,000
Overhaul	6,600,000
	<u>61,000,000</u>

B. Navigational Aids

10,600,000

Total

VN\$71,600,000

For the Cooperating Government or Agency

For the Agency for International Development

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UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
TO
VIET-NAM

PROJECT DOCUMENT
APPROVAL FORM

Division ENGINEERING

Date Typed June 17, 1970

Project No. 730-11-350-297

Title Inland Waterways Improvement
(Dredging)

Original Project Agreement

Revision No. 1 70-113

Polk
PROGRAM OFFICE

6.18.70
DATE

J. B. Bessier
PROJECT TECHNICIAN

June 22, 1970
DATE

W. R. K. Charles D. Poman
AD/FINANCIAL MGMT. 6-22-70
DATE

L. B. Johnson
DIVISION CHIEF

June 22, 1970
DATE