

PRO AG

01

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

AN AGENCY OF THE GOVERNMENT OF Vietnam

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

- PROJECT DESCRIPTION ANNEX A FOREIGN CURRENCY STANDARD PROVISIONS ANNEX
 STANDARD PROVISIONS ANNEX ~~STANDARD~~ PROVISIONS ANNEX
USAID/GVN Std.

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

- GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE _____
 ECONOMIC COOPERATION AGREEMENT DATE **9/7/51**
 (other) DATE _____

1. PROJECT/ACTIVITY NO. **730-11-750-340** PAGE 1 OF 2 PAGES

2. AGREEMENT NO. **70-024** 3. ORIGINAL OR REVISION NO. _____

4. PROJECT/ACTIVITY TITLE
Improvement of Fiscal Administration (Tax Administration)
(FY 70)

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

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

B. AID FINANCING	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
<input checked="" type="checkbox"/> DOLLAR <input type="checkbox"/> LOCAL CURRENCY				
(a) Total		\$343,102		\$343,102
(b) Contract Services (PASA)		343,102		343,102
(c) Commodities				
(d) Other Costs				
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT				
\$1.00 =				
(a) Total				
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

Pham Van Ich
 Director Gen. of Taxation

had...
 29/8/69
 Nguyen Van Nghia
 Director of Cabinet Ministry of Finance
 Lau Van Tinh
 Comm. for Finance

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

BEST AVAILABLE COPY

11. DATE OF ORIGINAL AGREEMENT **September 15, 1969** 12. DATE OF THIS REVISION _____
 13. ESTIMATED FINAL CONTRIBUTION DATE **December 31, 1972**

14. FOR THE COOPERATING GOVERNMENT OR AGENCY
 SIGNATURE: *[Signature]* DATE: **Dec 3. 69**
 TITLE: **Director of Foreign Aid**

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT
 SIGNATURE: *[Signature]* DATE: **9-15-69**
 TITLE: **Director, USAID**

PROJECT AGREEMENT
BETWEEN AID AND
DGBFA

AN AGENCY OF THE GOVERNMENT OF
Vietnam

1. Project/Activity No.
730-11-750-340

PAGE 2 OF 6 PAGES

2. Agreement No.
70-024

3. Original or
Revision No. _____

3. Project/Activity Title
Improvement of Fiscal Administration
(Tax Administration)

I. BACKGROUND

At the request of the GVN and Vietnam Mission, the Internal Revenue Service surveyed tax administration in Vietnam during the Spring of 1966. The results indicated that the main problem in internal tax administration was "non-compliance by Vietnamese taxpayers with a rather complex and sophisticated system of tax law". Findings, among others, indicated that: (a) non-compliance was related to inadequate administration and poor enforcement of the tax laws; (b) the Tax Directorate was understaffed, its personnel poorly trained and its organization over-centralized; and, (c) procedures were antiquated and were no longer capable of coping with the workload.

II. PURPOSE

The major purpose of the project is to increase tax collections in the Republic of Vietnam through streamlining organization, training and upgrading personnel, improving physical facilities and equipment, improving procedures and methods, and improving tax legislation. These purposes cover both short-term and long-term revenue maximization and enhancing institutional and manpower development.

Quantitatively, an increase of 43% in internal tax collections was achieved in CY 1967 as compared with 1966; a 12% increase was achieved in CY 1968; an increase of 26% is projected for CY 1969.

III. RESPONSIBILITIES

A. The Government of Vietnam

1. The Director General of Taxation, through a staff of approximately 2,000 employees, has the primary responsibility for accomplishing the purpose stated above. He represents the Minister of Finance, and is the key official in making use of the USAID/IRS Tax Team and in supporting and directing the project.
2. The Director General of Taxation agrees to:
 - a) Cooperate with the tax team in developing plans, setting objectives, and designating counterparts for advisors as appropriate.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

PROJECT AGREEMENT

BETWEEN AID AND

DGBFA

AN AGENCY OF THE GOVERNMENT OF

Vietnam

1. Project/Activity No.

730-11-750-340

2. Agreement No.

70-024

3. Project/Activity Title

Improvement of Fiscal Administration
(Tax Administration)

PAGE 3 OF 6 PAGES

3. Original or
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CONTINUATION
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ANNEX A

- b) Recruit, employ and train additional personnel as needed and continue to improve present in-service placement and training.
- c) Continue endeavors to obtain GVN budget support and approval to construct a new tax building in Saigon.
- d) Provide budget support necessary to house, protect, service and maintain electrical and mechanical office equipment and transport equipment.

B. USAID designates the Assistant Director for Public Administration or his designee as Project Representative and agrees to make available as indicated in Block 8 of the face sheet of this agreement \$33,102 to be used for the procurement of personal services from the U.S. Internal Revenue Service. The details are incorporated in PIO/T 730-340-2-0100009.

IV. GENERAL

- 1. The Dollar Standard Provisions referred to on the face sheet of this Agreement are incorporated in and made part of this agreement.
- 2. The USAID/GVN Standard Provisions, attached hereto, are incorporated in and made part of this agreement.
- 3. The work plan attached hereto as Annex B may be modified by agreement between the project manager and the project representative subject to a review of substantive changes by the Ministry and USAID.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

CONTINUATION
SHEET

FORM SYMBOL

DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

TITLE OF FORM

FroAg

 Worksheet Insurance

PAGE 4 OF 6 PAGES

1. Cooperating Country

Vietnam

2.a. Code No.

750-11-750-340

2.b. Effective Date

2.c.

Amendment

 Original OR No.

3. Project/Activity No. and Title

Improvement of Fiscal Administration
(Tax Administration)Indicate block
numbers.

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

WORK PLAN - Tax Administration

The following activity targets will form the basis for the Director General of Taxation and the U.S. Tax Team cooperatively to achieve the purposes stated in Section II of this Agreement.

- A. Expand new central revenue accounting system from corporate income taxes (begun 9/1/68), to business income taxes (begun 6/1/69), to include also salary and general income taxes (by 3/1/70) and eventually all types of taxes. Conduct studies of returns processing of all types, as well as systems of accounting and work processing of all types; the aim is to develop most effective means of processing work whether manual, mechanical or otherwise. (See comments on Data Processing, N, following).
- B. Continue on-the-job training for auditors (present on board staff 60); conduct classroom courses in audit techniques with sufficient trainees to maintain audit force at 100; develop and present training courses in more sophisticated indirect methods of discovering omissions, errors and defalcations in tax returns (for at least 50 of staff). Study means of classifying returns for audit so that manpower is most productively used.
- C. Continue in-service training in controller work, tax office chiefs, clerical operations, basic administrative management, English language, property taxation, accounting and bookkeeping machine operators, etc. A total of 4,860 instructor hours has been programmed for in-service training, exclusive of English language training. Expand use of training aids (already furnished by USAID and/or acquired by GVN) particularly recorders and projection equipment.
- D. Train collection officers (present staff of 20 and others to be added) in more extensive collection enforcement techniques; develop inventory controls (amount and number) for delinquent accounts and establish a timetable for reducing inventory to acceptable levels as determined by GVN officials.
- E. Continue surveys and studies aimed at establishment of one Tax Directorate administering all internal taxes through 7 functional operations - audit, collection, administration, appellate, inspection, legislation & technical, statistics and documents.

CONTINUATION
SHEET

FORM SYMBOL

DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

TITLE OF FORM

ProAg

 Worksheet Issuance

PAGE 5 OF 6 PAGES

1. Cooperating Country
Vietnam2.c. Code No.
750-11-750-340

2.b. Effective Date

2.c. Amendment
 Original OR No.:

3. Project/Activity No. and Title

Improvement of Fiscal Administration
(Tax Administration)Indicate block
numbers.

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

Excise and Indirect Directorates were merged on 2/1/69; following this dividend taxes and super-rent taxes functions will be transferred from Registration to Direct Taxes; a special audit group is presently auditing both direct and indirect taxes; study laws (as quickly as they are translated) to recommend means to unify all collection under the special collection group already operating in Direct taxes.

- F. Survey of public information/taxpayer education resources, activities and capabilities will be completed by TDY advisor by 8/15/69; based on his findings, recommendations will be made on organization of a small PI unit to keep the public informed of its duties, rights, appeal channels, etc., under the tax laws of Vietnam. The TDY advisor's report will recommend both a short-range and a long-range program of public information/tax payer education. Three workshops, involving 80 DGT employees, will be conducted (by 8/15/69) to indoctrinate all supervisory personnel in types of programs used for the dissemination of PI material, types of media, informational document use, newsreleases, instruction booklets, etc. The Chief of the Unit will be scheduled for participant training in the US during current F/Y.
- G. Provide appropriate housing, service and maintenance for electrical and mechanical office equipment and transport equipment. Complete the survey of utilization of the used Jeeps furnished by USAID in 1967 to determine those which are unrepairable and unusable as well as those which can be repaired; recommend junking and replacement of those that may be completely inoperable. Establish machine utilization reports for the NCR equipment being used in the expanding revenue accounting system (see "A", above) to assure maximum utilization and output; these will be part of the overall document control and reporting system to be used in this function. (See related activity in connection with Data Processing, W). As time permits, conduct studies on the utilization of adding machines, calculators and typewriters aimed at balancing equipment appropriately between the various offices.
- H. DGT has completed plans for a new Central Revenue building; \$190 million will be requested in 1970 regular ministerial budget request for construction costs.

CONTINUATION
SHEET

FORM SYMBOL

TITLE OF FORM

DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT Worksheet Issuance

PAGE 6 OF 6 PAGES

1. Cooperating Country
Vietnam2.a. Code No.
730-11-750-340

2.b. Effective Date

2.c. Amendment
 Original OR No.

ProAg

3. Project/Activity No. and Title

Improvement of Fiscal Administration
(Tax Administration)Indicate block
numbers.

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

- I. Recruit and train necessary number of new employees to bring DGT strength to 2,210 employees authorized for C/Y 1969.
- J. Convert and upgrade approximately 200 employees to permanent status; the purpose is to assist DGT to retain qualified employees since temporary employees received only approximately 60% of the economic benefits of permanent employees.
- K. Using sample job descriptions which have been completed for all employees in District #1 in Saigon, attempt to establish all gradations for the "finance clerk" positions throughout DGT (approximately $\frac{1}{2}$ or 900 employees are assigned to "finance clerk" positions at present); aim is to stratify work (probably in 4 levels of difficulty) so that DGT will be able to compensate on basis of "like-pay" for "like-work".
- L. Implement recommendations of TDY Excise Tax Advisor to 1) establish a broader and more responsive reporting system 2) establish schedule for detailed inspection of plants 3) provide support for more vigorous enforcement action by present excise tax inspection force 4) provide participant training for two excise tax employees.
- M. Continue training of property tax appraisers in land/building valuation techniques, use of "cost-factor" books, etc. - a minimum of 30 employees. Commence re-appraisal of property in Saigon under the "market-value" concept; aim is to have 2nd District re-appraised by 3/31/70 and the remainder of Saigon by 5/1/71. During 1969, collection of Saigon property taxes will be made by Prefecture employees, not by the Direct Taxes Office; by 5/1/71, all appraisal, assessment, re-appraisal, review, etc., will be shifted to Prefecture Government.
- N. Implement machine utilization reporting for equipment in the Tax Data Center; formalize machine maintenance agreement with IBM; complete conversion of all units in center from 60 to 50 cycles; release all rental equipment back to IBM; complete dust-proofing of spaces housing EAM equipment (Beginning in 3rd Quarter a Tax Systems Advisor from IRS will be utilized in studying and evaluating present systems of data processing in the Data Center and in the Direct Taxes Directorate's revenue accounting system; in cooperation with Data Center Chief and Data Processing Advisor, determine means for maximum utilization of equipment and systems in all of the DGT's operations.)

**PROJECT AGREEMENT
BETWEEN AID AND**

1. Project/Activity No.
730-11-750-340

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**PROAG
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SHEET**

DGBFA

2. Agreement No.
70-024

3. Original or
Revision No. _____

ANNEX _____

AN AGENCY OF THE GOVERNMENT OF
Vietnam

4. Project/Activity Title
Improvement of Fiscal Administration
(Tax Administration)

(FY 70)

USAID/GVN STANDARD PROVISIONS

I. RESPONSIBILITIES :

A. USAID

1. Availability of funds permitting, USAID proposes to provide dollar funds to finance the procurement of contract services, commodities, technicians' costs, participant training, and other costs as required for this project. Except for technician costs, the actual obligation of these funds will be accomplished by separate documentation signed by the GVN and USAID if they are not obligated by this Project Agreement.

2. AID agrees to furnish technical advice, guidance, and assistance through technical advisors, consultants, or contractors to assist the GVN Ministry sponsoring this project, in all technical and financial aspects of the project, including planning and implementation.

3. AID agrees to assist the Government of Vietnam in the selection of participants for further study and training in the USA and third countries and to assist in planning study and observation tours as required.

4. USAID shall appoint a Technical Advisor, who will act as the USAID technical specialist and be delegated the authority to assist his GVN counterpart in the latter's responsibility to supervise, develop, and implement this project. Notification of the name of the USAID Technical Advisor shall be made to DGBFA and the appropriate Ministry within 10 days after the Agreement has been signed. The Technical Advisor or his successor will assure continuity of activities undertaken pursuant to this Project Agreement.

5. USAID shall make available to the USAID Technical Advisor such technical, financial, or administrative services as may be necessary to implement the project on schedule, including relevant financial data concerning the USAID direct dollar assistance. This information will also be made available to DGBFA.

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For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE : _____ DATE : _____

SIGNATURE : _____ DATE : _____

TITLE :

TITLE :

**PROJECT AGREEMENT
BETWEEN AID AND**

DGBFA

AN AGENCY OF THE GOVERNMENT OF
Vietnam

1. Project/Activity No.

730-11-750-340

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2. Agreement No.

70-024

3. Original or
Revision No. _____

4. Project/Activity Title

Improvement of Fiscal Administration
(Tax Administration) (FY 70)

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SHEET

ANNEX _____

USAID/GVN STANDARD PROVISIONS - CONTINUED

B. Government of Vietnam :

1. The GVN agrees to provide the plaster funds from the source and in the amount specified under block 9 of this Project Agreement for the purposes designated in this Agreement.

2. The GVN Minister sponsoring this project, or his authorized representative, shall appoint a Project Manager, who will act as the GVN technical specialist and be delegated the authority to supervise, develop and implement this project, with the assistance of U.S. technical advisors. Notification of the appointment and the name of the Project Manager shall be made to USAID and DGBFA within 10 days after this Agreement has been signed.

3. The GVN Minister, or his authorized representative, shall make available to the Project Manager such technical, financial, or administrative services as may be necessary to implement the project on schedule, including financial data from the National Budget relating to the project. This information will also be made available to USAID.

4. For evaluation and review purposes, the Project Manager, acting through his Minister, shall render to the Directorate General for Budget and Foreign Aid (DGBFA) quarterly progress reports in a format approved by the GVN and USAID. Copies of the reports will also be made available to USAID.

5. In accordance with AID regulations governing the selection of participants, the Project Manager is to nominate qualified technicians associated with the project as candidates for participant training. Selection of participants and nomination to the GVN and USAID for approval will be achieved jointly by the Project Manager and his U.S. technical advisors. The GVN agrees that all participants selected and mutually approved by the GVN and USAID for training shall (a) be released for training when scheduled, (b) have their salary continued during the period of training, and (c) shall be immediately re-employed upon their return from training in the same position from which released or in a more responsible position in the project.

BEST AVAILABLE COPY

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE : _____ DATE : _____

SIGNATURE : _____ DATE : _____

TITLE :

TITLE :

**PROAG
STANDARD
PROVISIONS
ANNEX**

**PROJECT AGREEMENT
BETWEEN AID AND
DGBFA**

AN AGENCY OF THE GOVERNMENT OF

1. Project/Activity No.

730-11-750-340

2. Agreement No.

70-024

3.

Original or Revision No.

A. As used herein, the term «AID» refers to the Agency for International Development, any component agency, or any successor agency. References to «this Project Agreement» shall mean the original Project Agreement as modified by any revisions which have entered into effect.

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

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

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

D. AID shall not be required to make any contribution after the expiration of six months following the estimated final contribution date (Block 13 of the Project Agreement form AID 1330-1) or any amended final contribution date specified herein. Except as otherwise specified herein or subsequently

agreed by the parties, all contributions of the Cooperating Agency pursuant to this Project Agreement shall be made on or before said estimated termination date, or amended date. A contribution of goods or services shall be considered to have been made when the goods or services, provided or financed by the contributing party, are delivered in accordance with commercial practice.

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

F. Unless otherwise specified in the applicable PIO, the procurement of commodities financed with the AID contribution referred to in Block 8 of this Project Agreement shall be subject to the provisions of AID Regulation 1.

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

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

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

(a) If any personnel (other than citizens and residents of the cooperating country), whether United

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

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

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

L. The Cooperating Agency will make such arrangements as may be necessary so that funds introduced into the cooperating country by AID or any public or private agency for purposes of carrying out obligations of AID hereunder shall be convertible into currency of the cooperating country at the highest rate which, at the time the conversion is made, is not unlawful in the cooperating country.

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

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

O. Upon completion of the project, a Completion Report shall be drawn up, signed by appropriate representatives of AID and the Cooperating Agency, and submitted to AID and the Cooperating Agency. The Completion Report shall include a summary of the actual contributions by both AID and the Cooperating Agency to the project, and shall provide a record of the activities carried out, the objectives achieved, and related basic data. AID and the Cooperating Agency shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

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

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
TO
VIET-NAM

PROJECT DOCUMENT
APPROVAL FORM

Division PUBLIC ADMINISTRATION

Date Typed July 10, 1969

Project No. 730-- 11-750-340

Title Improvement of Fiscal Administration
(Fax Administration)

Original Project Agreement - 70-024

Revision No.

[Signature]
PROGRAM OFFICE

7/29/69
DATE

Joseph R. Hartman
PROJECT TECHNICIAN

8/5/69
DATE

Charles W. Newman
AD/FINANCIAL MGMT

8-4-69
DATE

Donald J. [Signature]
DIVISION CHIEF

8/7/69
DATE

12

PROJECT AGREEMENT
 BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
 AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
 THE DIRECTORATE GENERAL FOR BUDGET AND FOREIGN AID (DGBFA)
 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. 730-11-750-340		2. AGREEMENT No. 71-035		3. ORIGINAL <input checked="" type="checkbox"/>		REVISION No.	
4. PROJECT TITLE: Improvement of Fiscal Administration (Sub-Activity) (Tax Administration)							
5. PROJECT DESCRIPTION AND EXPLANATION (See Annex A attached)							
6. APPROPRIATION: 72-1111006				7. ALLOTMENT: 156-50-730-00-69-11			
8. AID DOLLAR FINANCING (Cost Component)		PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)		
a. PERSONNEL COSTS							
(1) US PASA							
Contract							
(2) LOCAL AND TCM PASA							
Contract							
b. PARTICIPANTS AID Direct			44,650		44,650		
PASAs/Contract							
c. COMMODITIES AID Direct							
PASAs/Contract							
d. OTHER COSTS AID Direct							
PASAs/Contract							
e. TOTAL (ALL COSTS)			44,650		44,650		
9. LOCAL CURRENCY FINANCING (\$1.00 = PASTERS)							
a. COUNTERPART Trust Fund							
AAC							
Special Fund							
Other							
b. GVN (SHOW SOURCE BELOW)							
c. US - OWNED							

10. REFERENCES AND REMARKS: Participant training for qualified GVN personnel in the US and third countries will comprise an integral part of the implementation of this project. The funds obligated for training herein will be utilized as required through implementing PIO/Ps which will specify the name of the participant, the place, type, terms, duration and other particulars relating to each training program.

Ref: PIO/P 1210248 Waiver 71-340-18.

11. DATE OF ORIG AGREEMENT November 3, 1970		12. DATE OF THIS REVISION		13. EST FINAL CONTRIBUTION DATE December 31, 1972	
14. GOVERNMENT OF VIETNAM			15. AGENCY FOR INTERNATIONAL DEVELOPMENT		
SIGNATURE: <i>[Signature]</i> DATE: Oct 30/70		SIGNATURE: <i>[Signature]</i> DATE: 11/3/70			
TITLE: Director General for Budget and Foreign Aid		TITLE: Deputy Director			

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
TO
VIET-NAM

PROJECT DOCUMENT
APPROVAL FORM

Division PUBLIC ADMINISTRATION

Date Typed October 26, 1970

Project No. 730-11-750-340

Title Improvement of Fiscal Administration
(Tax Administration)

Original Project Agreement 71-035

Revision No.

Polk
PROGRAM OFFICE

10-26-70
DATE

Paul T. Maginnis
PROJECT TECHNICIAN

10-27-70
DATE

[Signature]
AD/FINANCIAL MGMT

10/27/70
DATE

[Signature]
DIVISION CHIEF

10-27-70
DATE

PRO AG
(VIETNAM)

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PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
THE DIRECTORATE GENERAL FOR BUDGET AND FOREIGN AID (DGBFA)
AN AGENCY OF THE GOVERNMENT OF VIETNAM.

Page 1

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. 730-11-750-340 2. AGREEMENT No. 72-006 3. ORIGINAL REVISION No.

4. PROJECT TITLE: Improvement of Fiscal Administration
(Sub-Activity) (340.01 Tax Administration)

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

6. APPROPRIATION: 72-1121006

7. ALLOTMENT: 256-50-730-00-69-21

8. AID DOLLAR FINANCING (Cost Component)	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
a. PERSONNEL COSTS				
(1) US				
PASA		411,150		411,150
Contract				
(2) LOCAL AND TCN				
PASA				
Contract				
b. PARTICIPANTS				
AID Direct				
PASA/Contract				
c. COMMODITIES				
AID Direct				
PASA/Contract				
d. OTHER COSTS				
AID Direct				
PASA/Contract				
e. TOTAL (ALL COSTS)		411,150		411,150
9. LOCAL CURRENCY FINANCING (\$1.00 = PIASTERS)				
e. COUNTERPART				
Trust Fund				
AAC				
Special Fund				
Other				
b. GVN (SHOW SOURCE BELOW)				
c. US - OWNED				

10. REFERENCES AND REMARKS.

This partial project agreement obligates US dollar funds as indicated above for continuing services of tax advisors under PASA.

Ref: PIO/T (21)20011

11. DATE OF ORIG AGREEMENT

August 3, 1971

12. DATE OF THIS REVISION

13. EST FINAL CONTRIBUTION DATE

June 30, 1974

14. GOVERNMENT OF VIETNAM

15. AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE

DATE July 31

SIGNATURE

DATE Aug 7

TITLE: Director General
Budget and Foreign Aid

TITLE: Director

Ng. Long Chau
Director
General of
Taxation

Secrétaire
General
Director
of Cabinet,
Ministry
of Finance

PROJECT DOCUMENT CLEARANCE SHEET

Project Title : Improvement of Fiscal Administration (340.01 Tax Administration)

Project Number : 730-11-750-340

Agreement Number : 72-006

Original Revisor _____

Explanation and/or comments

If you concur to the attached document, please sign and date below:

ADPROG :

Va.M. 7/8/71
APO

RRB
Division Chief

Financial Mgmt. Br.

Zimmerly 8/2/71
ADPROG

ADFM
FAD

L. R. King 7/20/71
SEA

Charles D. Yonane
ADFM 7-20-71

TECHNICAL OFFICE :

Project Manager

Division Chief or Assistant Director

OTHER :

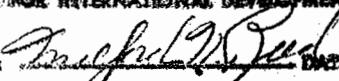
PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
THE DIRECTORATE GENERAL FOR BUDGET AND FOREIGN AID (DGBFA)
AN AGENCY OF THE GOVERNMENT OF VIETNAM

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: 730-11-750-340	2. AGREEMENT No: 72-006	3. ORIGINAL	REVISION No. 2
1. PROJECT TITLE: Improvement of Fiscal Administration (Sub-Activity) (340,01 - Tax Administration)			
5. PROJECT DESCRIPTION AND EXPLANATION (See Annex A attached)			

6. APPROPRIATION: 72-1121006		7. AGREEMENT: 256-50-730-00-69-21		
8. AID DOLLAR FINANCING (Cost Component)	PREVIOUS TOTAL (a)	INCREASE (b)	DECREASE (c)	TOTAL TO DATE (d)
a. PERSONNEL COSTS				
(1) US				
PASA	411,150			411,150
Contract				
(2) LOCAL AND FCN				
PASA				
Contract				
b. PARTICIPANTS				
AID Direct	43,000			43,000
PASA/Contract				
c. COMMODITIES				
AID Direct				
PASA/Contract				
d. OTHER COSTS				
AID Direct				
PASA/Contract				
e. TOTAL (ALL COSTS)	454,150			454,150
9. LOCAL CURRENCY FINANCING (\$1.00 = PIA 1005)				
a. COUNTERPART				
Trust Fund				
AAC CY 1972		34,200,000		34,200,000
Special Fund				
Other				
b. GVN (SHOW SOURCE BELOW)				
c. US - OWNED				

10. REFERENCES AND REMARKS:
 The purpose of this revision is to include the project description and explanation and to commit the funds in support of the CY 1972 AAC Budget.

11. DATE OF ORIG. AGREEMENT August 3, 1971	12. DATE OF THIS REVISION May 4, 1972	13. EST. FINAL CONTRIBUTION DATE June 30, 1974
14. GOVERNMENT OF VIETNAM		15. AGENCY FOR INTERNATIONAL DEVELOPMENT
SIGNATURE:  DATE: April 29		SIGNATURE:  DATE: 5/4/72
TITLE: Director General		TITLE: Acting Associate Director
for Budget and Foreign Aid		for Program

**PROJECT AGREEMENT
BETWEEN AID AND
DGBFA**

**AN AGENCY OF THE GOVERNMENT OF
Vietnam**

1. Project/Activity No.

730-11-750-340

PAGE 2 OF 2 PAGES

2. Agreement No.

72-006

3. Original or
Revision No. 2

3. Project/Activity Title

**Improvement of Fiscal Administration
(Tax Administration)**

I. BACKGROUND

A survey of tax administration in Vietnam made by the US Internal Revenue Service (IRS) during the early months of 1966, indicated that the main problem in internal tax administration was non-compliance by Vietnamese taxpayers with a rather complex and sophisticated system of tax laws. Among other findings, the survey revealed that non-compliance was related to: (a) inadequate administration and poor enforcement of tax laws; (b) an overcentralized and understaffed Tax Directorate with inadequately trained personnel; and (c) outdated procedures no longer effective in coping with the work load. Thus, it was agreed that a full-time tax advisory team was needed and a PASA was negotiated to provide the services. This agreement provides for a continuation of these services during FY 72.

II. DESCRIPTION AND OBJECTIVES

The long-range goal as well as the specific objective of the project covered under this agreement is the improvement of GVN tax administration and the increase of GVN domestic tax collections through institutional and manpower development.

Specific targets include improved efficiency in the areas of Audit, Returns Processing, Accounting, Collection of Delinquent Accounts, Property Tax Administration, and Statistical Reporting; conversion of the Tax Directorate from a type-of-tax organization to a functional organization; conversion of certain tax operations to data processing; installation of a self-assessment system for taxpayers in the patente and individual business and professional income tax categories; completion of a nationwide survey to identify persons who have failed to file tax returns as required by law; creation of a planning organization for the directorate; carrying out a public information-taxpayers education program to increase voluntary compliance by taxpayers; and upgrading of space and facilities in the tax offices.

III. IMPLEMENTATION PLAN AND RESPONSIBILITIES

The Director General of Taxation (DGT), and staff of approximately 2100 DGT employees will be responsible primarily for accomplishing the objectives stated in Section II. The US tax team will provide technical advice and management assistance as needed.

The work plan for FY 1972 is appended as Annex B.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

AID 1970-1A (2-70) PRO AG CONTINUATION SHEET ANNEX <u>A</u>	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>3</u> OF <u>9</u> PAGES
		2. Agreement No. 72-006	3. <input type="checkbox"/> Original or Revision No. <u>2</u>
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Improvement of Fiscal Administration (TA)	

IV. DESIGNATIONS

A. The Chief IRS/Tax Team or his designee 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. The Directorate General of Taxation is hereby designated GVN Project Manager. In this capacity he will be primarily responsible for the overall implementation of the program. It is understood and agreed that he will work closely with the US Project Manager and will seek and utilize the latter's technical knowledge, advice and counsel to the maximum degree practicable to attain project objectives.

V. EXPLANATION OF FINANCING

A. During FY 72 USAID will provide dollar funds for continuation of technical services through a PASA with the US Internal Revenue Service.

B. AAC funds are provided in support of the Taxpayer-Education Program and for assemblage of two pre-fabricated buildings. See the AAC Budget detail on page 5.

VI. REPORTS

The Tax Advisory Team will submit a weekly activity report to the Assistant Director for Public Administration, and a monthly narrative report to the Mission, AID/W, DGT, and IRS Foreign Tax Assistance Staff (FTAS). Special reports on progress and problems are submitted as necessary to keep the Mission, AID/W, and IRS Foreign Tax Assistance Staff currently informed of developments.

The GVN Project Manager shall make available on a current basis reports of revenue receipts, results of audit activities, and such other reports as will reflect the progress being made to improve tax administration and increase domestic internal revenues.

VII. SPECIAL PROVISIONS

A. All participants provided for under this agreement will return to the DGT and be utilized in a manner which will extend and multiply, to the greatest degree, the benefits of the knowledge acquired during training.

For the Cooperating Government or Agency SIGNATURE: _____ DATE: _____ TITLE: _____	For the Agency for International Development SIGNATURE: _____ DATE: _____ TITLE: _____
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AID 1330-1A
(B-70)
PRO AG
CONTINUATION
SHEET
ANNEX A

**PROJECT AGREEMENT
BETWEEN AID AND
DGBFA**

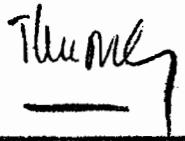
**AN AGENCY OF THE GOVERNMENT OF
Vietnam**

1. Project/Activity No.
73-11-750-340
2. Agreement No.
72-006
3. Project/Activity Title
**Improvement of Fiscal Administration
(TA)**

PAGE 4 OF 9 PAGES
3. Original or
Revision No. 2

B. The DGT will continue all salary and allowances to the participants while they are in training, including all increases that would normally be due them.

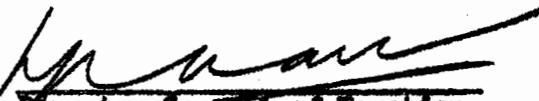
Concurrences:



Director of Cabinet
Ministry of Finance
LE QUANG TRUONG



Associate Director for
Local Development



Director General of Taxation
NGUYEN LONG CHAU

For the Cooperating Government or Agency

SIGNATURE: _____ DATE: _____
TITLE: _____

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

PROJECT AGREEMENT
BETWEEN AID AND

DGBFA

AN AGENCY OF THE GOVERNMENT OF
Vietnam

1. Project/Activity No.
730-11-750-340

2. Agreement No.
72-006

3. Project/Activity Title
Improvement of Fiscal Administration

3. Original or
Revision No. 2

CY 1972 AAC BUDGET

<u>Article</u>	<u>Expenditure</u>	<u>Amount</u>
<u>31-39</u>	<u>Operational Supplies and Services</u>	<u>VR\$14,200,000</u>
	- Printing of leaflets, guide books, training documents and reference books for tax payers	5,000,000
	- Expenses for broadcasting and TV programs	6,200,000
	- Training aids	3,000,000
<u>71-79</u>	<u>Direct Investment</u>	<u>VR\$20,000,000</u>
	- Assemblage and equipment of two pre-fabricated houses - Cholon - 635 Nguyen Trai	20,000,000
	Total	<u><u>VR\$34,200,000</u></u>

BEST AVAILABLE COPY

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

**PROJECT AGREEMENT
BETWEEN AID AND
DGBFA**

**AN AGENCY OF THE GOVERNMENT OF
Vietnam**

1. Project/Activity No. 730-11-750-340	PAGE 6 OF 9 PAGES
2. Agreement No. 72-006	3. <input type="checkbox"/> Original or Revision No. 2
3. Project/Activity Title Improvement of Fiscal Administration (TA)	

CY 1972 WORK PLAN

Assist Director General for Taxation in the formulation and execution of a four-year plan for administrative, technical and legal improvements on tax administration, with emphasis upon the following during FY 1972:

Organization

Develop and install a "functional" plan of general reorganization.
Jan '72 -- July '72.

Activate full-time staff support via units for In-service Training, Public and Technical Information, Statistical Reporting and Management Information, and O&M including the planning function.
Jan '72 -- July '72.

Complete an Organization Manual prescribing responsibilities of all components under the reorganization plan.
May '72 -- June '72.

Personnel Administration

Conduct a study aimed at securing fair and adequate pay scales.
March '72 -- Jan '73.

Organize a continuing recruitment program which will enable DGT to double its work force in four years.
Jan '72 -- continuous.

Training

Execute scheduled program of approximately 6,000 hours of in-service training for technical, operating and administrative employees.
Jan '72 -- Dec. '72.

Organize systematic on-the-job coaching for all Field Auditors.
Jan '72 -- Oct. '72.

Secure commitments for collaboration from the National Institute of Administration (NIA) for centralized training of DGT and Customs personnel.
Jan '72 -- Dec. '72.

Preliminary development of supporting training facilities in 10 provincial locations, with essential equipment.
April '72 -- Dec. '72.

Participant training in US for 3 in eight-week INTAX course conducted by

For the Cooperating Government or Agency

SIGNATURE: _____ DATE: _____
TITLE: _____

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

PROJECT AGREEMENT
BETWEEN AID AND
DGBFA

AN AGENCY OF THE GOVERNMENT OF
Vietnam

1. Project/Activity No.
730-11-750-340

PAGE 7 OF 9 PAGES

2. Agreement No.
72-006

3. Original or
Revision No. 2

3. Project/Activity Title
Improvement of Fiscal Administration
(TA)

FTAS of the IRS and three at various University-conducted training courses of one semester or longer duration (e.g. USC Tax Administrators' course and Harvard International Tax Program). July '71 -- June '72

Physical Facilities

Erect prefab as additional quarters at Cholon. Jan '72 -- July '72.

Survey long-range needs for housing, furniture and equipment. Jan '72 -- April '72.

Design new Central office facility and carry out bid procedure. Jan '72 -- Dec. '72.

Identify and dispose of excess, obsolete or unusable equipment. Jan '72 -- Sept. '72.

Apply for needed equipment from US surplus property inventories. Continuous.

Public and Technical Information

Compile comprehensive news media list and effect liaison. Dec. '71 -- Jan '72 .

Orient key managers in public relations philosophies. April '72 -- (open).

Revise and deliver 1972 income tax forms and taxpayer instructions. Nov. '71 -- Jan '72.

Plan and execute filing period publicity campaign. Jan '72 -- April '72.

Edit and issue technical and employee publications/ Oct. '71 -- June '72.

Collections

Reinstate active Tax Assessment Commissions, failure to-file surveys, and delinquency canvasses and plan for their continuing operation. Jan '72 -- Dec. '72.

Institute self-assessment of patente taxes and taxes on individual and professional incomes. May '72 -- (open).

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

AID 1330-SA (9-70) PRO AG CONTINUATION SHEET ANNEX <u>B</u>	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>8</u> OF <u>9</u> PAGES
		2. Agreement No. 72-006	3. <input type="checkbox"/> Original or Revision No. <u>2</u>
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Improvement of Fiscal Administration (TA)	

Empower the field Pursuit personnel to demand and receive overdue tax payments away from DGT offices, subject to an official-receipt system to control accountability for the funds. Jan '72 -- April '72.

Design and install an inventory control of delinquent accounts, with a periodic reporting system, which will permit more effective management of the collection process through continuous classification of these accounts by age, amount and kind of tax. April '72 -- Sept. '72.

Reduce procedural steps involved in issuing notices of tax due. July '71 -- Feb '72.

Decentralize to district offices the responsibility for maintaining and collecting their own accounts. April '71 -- Dec. '71.

Institute general use of installment payment procedures in all cases where taxpayer is unable to discharge his tax liability in full, provided that no payment is less than VN\$5,000 and that scheduled payments are sufficient to bring taxpayer current within 12 months on all his tax obligations. Jan '72 -- March '72.

Expand the application of liens, levies, seizures, and business closures, through revised and realistic procedures, to all cases of tax delinquency remaining unsatisfied for six months in an amount exceeding VN\$50,000. March '72 -- Aug. '72.

Study of entire pay-as-you-go and withholding systems, including related returns filing and payment features, with recommendations for improving their contribution to revenue yield and compliance. Jan '72 -- June '72.

Tax Audits

Establish two Field Audit Groups of approximately 10 tax auditors each, with on-site supervision, at Cholon and Gia Dinh. Jan '72 -- Dec '72.

Develop a Handbook for Audit supervisors. Jan '72 -- Dec '72.

Systematize a quality auditing program extending to all kinds of taxes. Jan '72 -- Dec '72.

Institute and utilize for tax auditing purposes and non-compliance investigations Information Returns from payors covering substantially all wage, interest, dividend, commission, rental, royalty, fee and contract payments exceeding VN\$25,000 in any one year. May '72 -- continuing.

For the Cooperating Government or Agency SIGNATURE: _____ DATE: _____ TITLE: _____	For the Agency for International Development SIGNATURE: _____ DATE: _____ TITLE: _____
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AID 1380-1A (8-70) PRO AG CONTINUATION SHEET ANNEX <u>B</u>	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>9</u> OF <u>9</u> PAGES
		2. Agreement No. 72-006	3. <input type="checkbox"/> Original or Revision No. <u>2</u>
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Improvement of Fiscal Administration	

Install Auditors' monthly production reports on number of audits worked and time spent on each, number of audits closed with amount of tax reported on each versus tax adjustment following audit; and supervisory comparison of such reports with minimum standards for quality, quantity and timeliness of work output so that under-par performance may lead to dismissal or reassignment to lower-paid work. March '72 -- Jan '73

Appeals

Initiate a policy and practice of promptly resolving cases on appeal so that no unpaid assessment exceeding VN\$1,000,000 remains unsettled more than 12 months. Jan '72 -- May '72.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
 TITLE: _____

SIGNATURE: _____ DATE: _____
 TITLE: _____

PROJECT AGREEMENT
 BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
 AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
 THE DIRECTORATE GENERAL FOR BUDGET AND FOREIGN AID (DGBFA)
 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 # **11330-11-750-340** 2. AGREEMENT No **72-006** 3. ORIGIN: DIVISION NO. **3**

4. PROJECT TITLE: **Improvement of Fiscal Administration**
 (Sub-Activity) **(340.01 - Tax Administration)**

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

6. APPROPRIATION: **72-1121006** 7. ASSIGNMENT: **256-50-730-00-69-21**

AID DOLLAR FINANCING (Cost Component)	PREVIOUS TOTAL (a)	INCREASE (b)	DECREASE (c)	TOTAL TO DATE (d)
1. FEDERAL CASH (1) US PASA Contract	411,150			411,150
(2) LOCAL AID FROM PASA Contract				
2. PARTICIPANTS AID Direct PASA/Contract	43,000			43,000
3. COMMODITIES AID Direct PASA/Contract				
4. OTHER COSTS AID Direct PASA/Contract				
5. TOTAL (ALL COSTS)	454,150			454,150
6. LOCAL CURRENCY FINANCING (\$1.00 = 20 PIASTERS)				
7. COUNTERPART Trust Fund AAC CY 72	34,200,000			34,200,000
Special Fund Other AAC CY72 Reserve		40,000,000		40,000,000
8. GVN (SHOW SOURCE BELOW)				
9. US - OWNED				

10. REFERENCES AND REMARKS:
This ProAg Revision provides plaster funds for equipment rental and operational supplies for the Ministry of Finance Computer Center at 47 Ngo Duc Ke.

11. DATE OF ORIG. AGREEMENT: **August 3, 1971** 12. DATE OF THIS REVISION: **May 10, 1972** 13. EST. FINAL CONTRIBUTION DATE: **June 30, 1974**

14. GOVERNMENT OF VIETNAM: *[Signature]* 15. AGENCY FOR INTERNATIONAL DEVELOPMENT: *[Signature]*

SIGNATURE: *[Signature]* DATE: **May 8, 1972** SIGNATURE: *[Signature]* DATE: **May 8, 1972**

TITLE: **Director General** TITLE: **Acting Associate Director**

FOR: **for Budget and Foreign Aid** FOR: **for Program**

AID 1330-PA (8-70) PRO AG CONTINUATION SHEET ANNEX <u>A</u>	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>2</u> OF <u>5</u> PAGES
		2. Agreement No. 72-006	3. <input type="checkbox"/> Original or Revision No. <u>3</u>
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Improvement of Fiscal Administration (340.01 - TA)	

I. BACKGROUND

During the past two years the Ministry of Finance has gradually consolidated three separate data processing operations: (1) Directorate of Taxation (Gia Dinh), (2) Directorate of Customs (Khanh Hoi), and (3) Directorate of Treasury (Saigon). The Central facility at 47 Ngo Duc Ke now houses all personnel and equipment with better coordination and utilization of equipment. The Center serves the Data Processing requirements of (1) Directorate of Taxation, (2) Directorate of Customs, (3) Directorate of Treasury, and (4) Central Accounting Office in the Ministry of Finance.

After the destruction of the Directorate General of Taxation Headquarters in mid 1971 DGBFA requested that equipment rental and costs of operating supplies be funded by counterpart funds. Accelerated work programs have been imposed upon both Taxation and Customs, and the Computer Center operation will play a significant part in achieving the much higher tax and customs collections targeted for the next three years.

II. DESCRIPTION AND OBJECTIVES

In 1972, these specific activities will be undertaken:

1. Computer processing of property tax roll for Saigon/Gia Dinh of about 110,000 accounts. Production of tax roll, bills, notices and various cross references. Processing to start at least six months earlier than was done in 1971. (Feb. 1972).
2. Add 30,000 new properties to the masterfile, during 1972 if Saigon prefecture can provide that volume.
3. Process all patente tax work for Gia Dinh/Saigon (Roll of over 75,000) and schedule production to accelerate collections.
4. Systems design and programming completed to establish General Income Tax Master file by December 31, 1972 for 1973 processing.
5. Expand Statistical Services to MOF, especially in tax areas to support pending tax legislation.
6. Continue and expand Customs programs involving all types of imports.
7. Continue routine Treasury and Central Accounting processing.

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

AID 1350-1A (8-701) PRO AG CONTINUATION SHEET ANNEX A	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>3</u> OF <u>5</u> PAGES
	AN AGENCY OF THE GOVERNMENT OF Vietnam	2. Agreement No. 72-006	3. <input type="checkbox"/> Original or Revision No. <u>3</u>
		3. Project/Activity Title Improvement of Fiscal Administration (340.01 - TA)	

XII. DESIGNATIONS

A. Mr. Vu Manh Hoang, Computer Center Director is designated as GVN Project Manager to represent the Ministry of Finance in carrying out activities covered by this revision. In this capacity he will be primarily responsible for the overall direction and implementation of the program. It is understood and agreed that he will work closely with the US Project Manager and will seek and use the latter's technical knowledge, advice and counsel to the maximum degree possible to obtain project objectives.

B. The Systems Analyst (ADP) advisor, US Internal Revenue Service Tax Team, is hereby designated US Project Manager. In this capacity, he will act as technical advisor and will coordinate the USAID assistance provided for the project in all phases.

IV. IMPLEMENTATION PLAN AND RESPONSIBILITIES

A. The Computer Center Director will be responsible for day to day operations. This includes coordination with the equipment supplier on rental payments and maintenance and various Directorates who are users of the equipment. The planning assumes that coordinators for the various Directorates will coordinate card, tape, and form requirements with sufficient lead time. Standard supplies will be the responsibility of the Manager of Operations. Records for allocating cost to various jobs will be maintained.

B. The USAID will provide technical assistance through the US Internal Revenue Service (PASA Tax Team. Possible systems changes in various functional areas such as audit, collection, etc. will be coordinated with the Center Director.)

V. FINANCING

The GVN and USAID agree to utilize the local currency shown on the face sheet in support of this activity for the purposes indicated in the plaster Budget attached.

VI. REPORTS

The US and GVN Project Managers shall prepare jointly and submit to their respective agencies quarterly progress reports and other reports as may be requested, in a format mutually acceptable to GVN and USAID. Distribution will include DGBFA and other GVN agencies when appropriate.

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

PROJECT AGREEMENT
BETWEEN AID AND
DGRPA
~~Bank~~

AN AGENCY OF THE GOVERNMENT OF
Vietnam

1. Project/Activity No.
730-11-750-340

PAGE 4 OF 5 PAGES

2. Agreement No.
72-006

3. Original or
Revision No. 3

3. Project/Activity Title
Improvement of Fiscal Administration
(340.01 - TA)

These reports should cover progress in the attainment of specific targets and identify any problems or delays.

VII. SPECIAL PROVISIONS

The GVN and US Project Managers may approve piaster shifts between budget articles of up to 20% without amendment to this agreement.

See budget attached.

Concurrences:

Doanb
Director Ministry of Finance
Computer Center

RR Farwell
Associate Director for
Local Development

[Signature]
Minister of Finance

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

PRO AG
CONTINUATION
SHEET
ANNEX B

PROJECT AGREEMENT
BETWEEN AID AND
DGBFA

AN AGENCY OF THE GOVERNMENT OF
Vietnam

1. Project/Activity No. 730-11-750-340	PAGE 2 OF 5 PAGES
2. Agency No. 72-006	3. <input type="checkbox"/> Original or Revision No. 3
3. Project/Activity Title Improvement of Fiscal Administration (340.01 - TA)	

BUDGET CY 1972

Article

31-39 Supplies and Services VN\$40,000,000

Computer Equipment Rental VN\$27,732,000

IBM 360/20	VN\$25,000,000
" EAM Equip.	2,732,000

Supplies VN\$12,268,000

Tabulating cards	6,100,000
Blank fan fold forms	2,000,000
Pre-printed forms	1,200,000
Office Supplies	200,000
Magnetic tapes	2,768,000

For the Cooperating Government or Agency

SIGNATURE: _____ DATE: _____

TITLE: _____

For the Agency for International Development

SIGNATURE: _____ DATE: _____

TITLE: _____

PROJECT DOCUMENT CHECKLIST SHEET

Project Title : Improvement of Fiscal Administration (P.O. 01 - Tax Adm.)

Project Number : 730-11-750-340

Agreement Number: 72-006

Original Revision 3

Explanation and/or comments

This ProAg Revision provides piaster funds for equipment rental and operational supplies for the Ministry of Finance Computer Center at 47 Ngo Duc Ke.

If you concur in the attached document, please sign and date below:

ADPROG:

RMC 4/16/72
ADPROG

^{4/21/72}
NEVER
Division Chief

Deva 4-21
Planning Branch

Mr. Reed
ADPROG

ADFM:

Rm *A. Wall*
FAD

HL
B&A

Le 4/26/72
ADFM

TECHNICAL OFFICE:

William H. Newman
Project Manager

Thomas H. ...
Division Chief or Assistant Director

OTHER:

PROJECT AGREEMENT

OFFICE OF THE ASSISTANT SECRETARY FOR INTERNATIONAL DEVELOPMENT (AID) AND THE BUREAU OF OVERSEAS ASSISTANCE (BOA) OF THE U.S. DEPARTMENT OF STATE AND THE DIRECTORATE GENERAL FOR BUDGET AND FOREIGN AID OF THE GOVERNMENT OF VIETNAM

Under the terms of the Agreement for Assistance and the standard provisions annexed thereto, it is agreed that the project described in the terms set forth herein.

1. PROJECT NO: 730-11-750-340; 2. AID CONTRACT NO: 71-331; 3. PROJECT TITLE: REVISION NO. 7

4. PROJECT TITLE: Improvement of Fiscal Administration (340.01 - Tax Administration)

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

6. APPROPRIATION: 72-1111006; 7. ACCOUNT NO: 156-89-750-00-69-25

8. AID DOLLAR PROGRAMS (Cost Component)	PREVIOUS TOTAL (\$)	CHANGES (\$)	REVISION (\$)	TOTAL TO DATE (\$)
a. PERSONNEL COSTS				
(1) LEASE				
PASA	381,835			381,835
Contract				
(2) LOCAL AND TRAVEL				
PASA				
Contract				
b. PARTICIPANTS				
AID Direct	102,500			102,500
PASA/Contract				
c. COMMODITIES				
AID Direct	16,300			16,300
PASA/Contract				
d. OTHER COSTS				
AID Direct				
PASA/Contract				
e. TOTAL (ALL COSTS)	500,635			500,635
9. LOCAL CURRENCY FINANCING (\$1.00 OF PASTORS)				
10. COUNTERPART				
Trust Fund				
AAC CY71 Reserve	19,500,000		4,500,000	15,000,000
Special Fund				
Other CY72 AAC Reserve		4,500,000		4,500,000
11. GVN (SHOW SOURCE BELOW)				
a. US - OWNED				

10. REFERENCES AND REMARKS: This revision commits CY 72 AAC Reserve funds for AID Contract 730-3468, Remodeling of the MOF Computer Center at 47 Ngo Duc Ka, Saigon and decommits CY 71 AAC Reserves programmed for the same purpose.

Ref: PIO/T 730-340-3-1210796/A1; ProAg 70-024/A1; and PIO/T 0100751

11. DATE OF ORIG. AGREEMENT: November 3, 1970; 12. DATE OF THIS REVISION: May 25, 1972; 13. DATE OF GVN CONTRIBUTION DATA: December 31, 1973

14. GOVERNMENT OF VIETNAM SIGNATURE: [Signature] DATE: May 25 1972; 15. ASSISTANT FOR INTERNATIONAL DEVELOPMENT SIGNATURE: [Signature] DATE: 5/25/72; 16. TITLE: Director General for Budget and Foreign Aid; 17. TITLE: Associate Director for Program

AID 1380-1A (8-70)	PROJECT AGREEMENT BETWEEN AID AND DGBFA AN AGENCY OF THE GOVERNMENT OF Vietnam	1. Project Activity No. 730-11-750-340	PAGE 2 OF 4 PAGES
		2. Revision No. 71-055	Original or Revision No. 2
PRO AG CONTINUATION SHEET		3. Project Title Improvement of Fiscal Administration (7/3.01 - Tax Administration)	
ANNEX			

REVISED ESTIMATED BUDGET
(as presented in ProAg 71-055/10)

<u>Article 31-39 : Operational Supplies and Services</u>	<u>Change</u>	
	<u>From</u>	<u>To</u>
Office Furnishings/Equipment	VN\$ 662,000	VN\$ 662,000
<u>Article 71-79: Direct Investment</u>		
Remodeling - Contract Costs	<u>5,838,000</u>	<u>8,338,000*</u>
	VN\$4,500,000	VN\$9,000,000

* Breakdown:

First Floor	VN\$3,500,000
Second Floor	3,800,000
Supply Bldg.	<u>1,038,000</u>
	VN\$8,338,000

DGBFA and the Ministry of Finance will transfer these funds within 60 days after the signing of this revision to the USAID Trust Fund to be held as Funds in-Trust.

Concurrences:

Doacib
Director of Ministry of
Finance Computer Center

R. Farwell
Associate Director for
Local Development

[Signature]
Minister of Finance

For the Cooperating Government's Agency

SIGNATURE: _____ DATE: _____
TITLE: _____

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

**PROJECT AGREEMENT
BETWEEN AID AND**

DCRFA

**AN AGENCY OF THE GOVERNMENT OF
Vietnam**

1. Project/Activity No.

750-11-750-340

PAGE 3 OF 4 PAGES

2. Agreement No.

11-05X

Original or

Revision No. 7

3. Project/Activity Title

**Improvement of Fiscal Administration
(340.01 - Tax Administration)**

REVISED WORK PLAN - CONSOLIDATION OF AID EQUIPMENT

1. Survey of Ministry of Finance data processing facilities and equipment (Taxation, Treasury, and Customs).
November 1969 - thru January 1970 (Completed).
2. Testing and selection of 12 trainees for computer programming classes
February, 1970 (completed).
3. Prepare drawing and plans for remodeling of ADP Center building.
February - March 1970 (completed).
4. Programmer classes for 12 trainees - as selected in 2 above.
March thru June 1970 (completed).
5. Bids for Remodeling. Sept.- Oct. 1971.
6. Remodeling of ADP Center Building. November - May 1972.
7. Orientation and Training of Director and Operations Manager.
March - May 1970 (completed).
8. Movement of Taxation personnel and equipment to ADP center.
July 1971.
9. Conversion of Taxation program to computer system.
March - December 1971 (in process). (Continuing to add Systems)
10. Actual operations of Taxation Programs computer system. CY-71 continuing
11. Study and conversion of Customs programs and system.
March through December 1970 (completed).
12. Testing of Customs programs on computer system. November - May 1971.
13. Move of Customs personnel and equipment computer system. Sept. 1971.
14. Actual operations of Customs programs on computer system.
May 1971 - December 1971.
15. Conduct Systems Analysis class. September - December 1971. Completed
16. New systems and programs study and design. December 1970 through CY72
17. Continual expansion of Tax Systems Dec. 1970 - Dec. 1974.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

PROJECT AGREEMENT
BETWEEN AID AND
DGRFA

AN AGENCY OF THE GOVERNMENT OF
Vietnam

1. Project/Activity No.

750-11-750-340

PAGE 4 OF 4 PAGES

Signal:

Revision No. 7

2. Project/Activity Title

Improvement of Fiscal Administration
(340.01 - Tax Administration)

REMODELING ITEMS COMPLETED May 1, 1972

1. Supply and storage building
2. Pallets and shelving installed in supply area
3. Miscellaneous security items installed, locks broken glass replaced, security window grills, etc.
4. New drain pipes and canopy installed in entrance.
5. Restrooms renovated
6. Tape library space expanded
7. Various doors closed with plywood or brick.
8. Partitions removed and entire keypunch section moved to new area
9. New wiring and additional lighting for keypunch area.
10. Various plumbing repairs
11. New IBM Customer Engineers room completed.
12. Operations managers office remodeled.
13. All areas painted
14. Various counters relocated
15. Fire extinguishers installed
16. Ceiling tile Installed (pending new Engineering Specifications)
17. Low storage cabinets along walls in keypunch area (in progress)
18. Covers installed on exposed main electrical switches.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

PROJECT DOCUMENT CLEANING SHEET

Project Title : Improvement of Fiscal Administration
(340.01 - Tax Administration)

Project Number : 730-11-750-340

Agreement Number : 71-035

Original _____ Revision 7

Explanation and/or comments

Under the Agreement 70-024/R1, VN\$4,500,000 of CY70 Reserve Funds were provided to remodel and furnish the Directorate of Treasury building (Ministry of Finance) located at 47 Ngo Duc Ke, Saigon, for an automatic data processing center. Of this amount, VN\$662,000 was to be used for furnishings and VN\$3,838,000 for remodeling.

Due to inflationary costs, an additional VN\$4,500,000 was required to cover present costs as reflected in contract proposals for remodeling.

The additional VN\$4.5 million required to complete the remodeling work was provided from CY 71 Reserves in ProAg 71-035/R3, but the GVN Ministry of Finance did not complete the obligation and transfer of these funds prior to the GVN final date for obligations. According to GVN regulations money unobligated prior to that final date is no longer available. As the contractor was on the job and the work proceeding, DGBFA and USAID/PROG agreed to provide the additional requirement from CY72 Reserves. This ProAg, therefore, decommits the untransferred CY71 Reserve and commits CY72 Reserve to replace it.

If you concur in the attached document, please sign and date below :

ADPROG :

[Signature] 5/16/72
EPO

5/14/72
[Signature]
Division Chief

[Signature] 5-16-72
Program Agent, Br.
Prog-82

[Signature] 5/25/72
ADPROG

ADFM :

[Signature]
PAD

[Signature]
B&A

[Signature]
ADFM

TECHNICAL OFFICE :

[Signature]
Project Manager

[Signature]
Division Chief or Assistant Director

OTHER :

BEST AVAILABLE COPY

PROJECT AGREEMENT

BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
THE DIRECTORATE GENERAL FOR BUDGET & FOREIGN AID
AN AGENCY OF THE GOVERNMENT OF VIETNAM

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

1. PROJECT No. **730-11-750-340** 2. AGREEMENT No. **72-006** 3. ORIGINAL 4. REVISION No. **5**

4. PROJECT TITLE: **Improvement of Fiscal Administration**
(Sub-Activity) **(340.01 - Tax Administration)**

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

6. APPROPRIATION: **72-1121006** 7. ALLOTMENT: **256-50-730-00-69-21**

8. AID DOLLAR FINANCING (Cost Component)	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
9. PERSONNEL COSTS				
(1) US PASA Contract	411,150		65,000	346,150
(2) LOCAL AND FOR PASA Contract				
b. PARTICIPANTS AID Direct PASA/Contract	41,700	69,000		110,700
c. COMMODITIES AID Direct PASA/Contract		14,000		14,000
d. OTHER COSTS AID Direct PASA/Contract				
e. TOTAL (ALL COSTS)	452,850	83,000	65,000	470,850
9. LOCAL CURRENCY FINANCING (\$1.00 = PIASTERS)				
a. COUNTERPART Trust Fund AAC CY 72 Special Fund	34,200,000			34,200,000
Special Fund CY 72 AAC Reserves	40,000,000			40,000,000
b. GVN (SHOW SOURCE BELOW)				
c. US - OWNED				

10. REFERENCES AND REMARKS:

The purpose of this Revision is to deobligate unused PASA TDY funds, to obligate funds in support of two participant programs and obligate funds for commodities for the Directorate General of Taxation.

Ref: PIO/T(21)20011/A1, W-72-340-47, W-72-340-48

11. DATE OF ORIG. AGREEMENT August 3, 1971	12. DATE OF THIS REVISION June 23, 1972	13. REV. FINANC. CONTRIBUTION DATE June 30, 1974
14. GOVERNMENT OF VIETNAM SIGNATURE: <i>[Signature]</i> DATE: <i>June 22</i> TITLE: <i>Director General for Budget & Foreign Aid</i>	15. AGENCY FOR INTERNATIONAL DEVELOPMENT SIGNATURE: <i>[Signature]</i> DATE: <i>7/23/72</i> TITLE: <i>Director</i>	

Inb
Director General of Taxation

Inb
Director of Cabinet Ministry of Finance

AID 1880-1A (9-70) PRO AG CONTINUATION SHEET ANNEX	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>2</u> OF <u>3</u> PAGES
		2. Agreement No. 72-006	3. <input type="checkbox"/> Original or Revision No. <u>5</u>
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Improvement of Fiscal Administration (340.01 - Tax Administration)	

A. Two participant programs obligated with Waiver 72-340-47 are added to this project as US-financed inputs:

- 1. Directorate General of Taxation, 3 weeks, 5 participants for observation training in Taiwan and Japan as described below.**

The participants will be exposed to an on-site observation/survey program covering such administrative facets as planning, managing, controlling, and manpower and resource utilization. Concentration will be in the following fields:

Taiwan, Joint Technical Assistance Committee (JTAC) coordination; one week with emphasis on collection activities, e.g.,

- a) Delinquent accounts processing and flow;
- b) Prompt payment measures;
- c) Enforced collection steps, i.e., administrative and pursuit policy provisions for levy, seizure and sale of property, etc.

Japan, host country invitation; inter-government agreement and program arrangements between Vietnam-Japan. Two weeks of special emphasis on auditing of tax returns (examination and adjustment assessments). Specific areas of exploration:

- a) Problems of incomplete, inadequate records;
- b) Understated or concealed income;
- c) Excessive or questionable deductions, exemptions;
- d) "Blue Returns" program, i.e., who qualifies, determination how to compel good record keeping.

The latter phase is based upon full and complete investigation on the part of GVN officials of cooperation from the Japanese Government. USAID costs in this phase will be limited to travel and per diem costs only. \$ 7,000

BEST AVAILABLE COPY

For the Cooperating Government or Agency SIGNATURE: _____ DATE: _____ TITLE: _____	For the Agency for International Development SIGNATURE: _____ DATE: _____ TITLE: _____
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AID 1880-1A (B-70) PRO AG CONTINUATION SHEET ANNEX	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>3</u> OF <u>3</u> PAGES
		2. Agreement No. 72-006	3. <input type="checkbox"/> Original or Revision No. <u>5</u>
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Improvement of Fiscal Admin. (340.01 - Tax Administration)	

2. Directorate General of Taxation, 7 weeks for 15 participants for the International Tax Administration Training Service (INTAX) of the US Internal Revenue Service (IRS). This training is a middle management seminar which provides managerial training focusing on such matters as policy implementation, program review and evaluation, decision making and its implications, communications, and taxpayer compliance. This program has been used previously with very satisfactory results. All participants hold, and are expected to retain positions of authority within the GVN tax department.\$62,000

B. Funding for the purchase of calculators, PA systems and Accessories and Intercom systems is provided under Waiver 72-340- 48\$14,000

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
 TITLE: _____

SIGNATURE: _____ DATE: _____
 TITLE: _____

PROJECT DOCUMENT CLEARANCE SHEET

Project Title : Improvement of Fiscal Administration (340.01-Tax Administration)

Project Number : 730-11-750-340

Agreement Number : 72-006

Original _____ Revision 5

Explanation and/or comments

Two new participant programs have been proposed by the Public Administration Division as additions to the Tax Administration sub-project. These programs will greatly enhance the administrative abilities of the staff of the Directorate General of Taxation. Both programs are described in the ProAg and will be valuable additions to the project. This Revision, therefore, obligates funds for those participant training programs.

This Revision also obligates funds for commodity purchases in accordance with the Mini-PBS.

Unused PASA TDY funds are deobligated and reprogrammed to cover the major portion of the two participant programs mentioned above.

If you concur in the attached document, please sign and date below :

ADPROG :

WMP 6/19/72 RR Brown 6/19/72 _____ M. N. Reed
APC Division Chief Financial Mgmt. Br. ADPROG

ADEFM :

Russell 6/19/72 _____ 6/20/72 L Stolowack
FAD BSA ADEFM

TECHNICAL OFFICE :

Project Manager
OTHER : _____

Division Chief or Assistant Director

BEST AVAILABLE COPY

PRO AG
 WITNESSES
 31

PROJECT AGREEMENT
 BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
 AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
 THE DIRECTOR GENERAL OF BUDGET AND FOREIGN AID (DGBA)
 AN AGENCY OF THE GOVERNMENT OF VIETNAM

Under the terms of the Economic Cooperation Agreement signed September 7, 1954, 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. **730-11-750-340** 2. AGREEMENT No. **73-016** 3. ORIGINAL REVISION No. _____

4. PROJECT TITLE: **Improvement of Fiscal Administration**
 (Sub-Activity) **(Tax Administration - \$40.01)**

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

6. APPROPRIATION: **72-1131006** 7. ACCOUNT: **356-50-730-00-69-31**

8. AID DOLLAR FINANCING (Cost Component)	PREVIOUS TOTAL (\$)	INCREASE (\$)	DECREASE (\$)	TOTAL TO DATE (\$)
a. PERSONNEL COSTS				
(1) US PASA				
Contract				
(2) LOCAL AND ICM PASA				
Contract				
b. PARTICIPANTS				
AID Direct				
PASA/Contract				
c. COMMODITIES				
AID Direct				
PASA/Contract				
d. OTHER COSTS				
AID Direct				
PASA/Contract				
e. TOTAL (ALL COSTS)				
9. LOCAL CURRENCY FINANCING (\$1.00 = PLASTERS)				
a. COUNTERPART				
Trust Fund				
AAC				
Special Fund				
Other				
b. GVN (SHOW SOURCE BELOW)				
c. US - OWNED				

10. REFERENCES AND REMARKS: This Agreement presents the planned implementation of the Tax Administration Sub-project as agreed to by representatives of the USG and GVN whose signatures appear hereon.

11. DATE OF ORIG. AGREEMENT: **November 10, 1972** 12. DATE OF LAST REVISION: _____ 13. EST. FINAL CONTRIBUTION DATE: **June 30, 1975**

14. GOVERNMENT OF VIETNAM

SIGNATURE: *[Signature]* DATE: *Nov 10/72*
 TITLE: **Director General**
 for Budget and Foreign Aid

15. AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: *[Signature]* DATE: *11/10/72*
 TITLE: **Associate Director for Programs**

PROJECT AGREEMENT

BETWEEN AID AND

GVN

AN AGENCY OF THE GOVERNMENT OF

Vietnam

1. Project/Activity No.

730-11-750-340

PAGE 2 OF 6 PAGES

2. Agreement No.

73-016

3. Original or
Revised No.

3. Project/Activity Title

Improvement of Fiscal Administration
(TA - 340.01)**A. BACKGROUND**

A survey of tax administration in Vietnam made by the US Internal Revenue Service (IRS) during the early months of 1966, indicated that the main problem in internal tax administration was non-compliance by Vietnamese taxpayers with a rather complex and sophisticated system of tax laws. Among other findings, the survey revealed that non-compliance was related to: (a) inadequate administration and poor enforcement of tax laws; (b) an over-centralized and understaffed Tax Directorate with inadequately trained personnel; and (c) outdated procedures no longer effective in coping with the workload. Thus, it was agreed that a full-time tax advisory team was needed and a TASA was negotiated to provide the services.

B. GOAL STATEMENT

GVN efficiently and effectively planning and managing its resources.

C. PROJECT PURPOSE

To expand domestic tax collection capability through key systems of tax administration which will equip the GVN with a tax agency responsive to its revenue needs and policies.

D. CONDITIONS EXPECTED AT THE END OF PROJECT

1. Domestic revenue collections increasing 20% annually.
2. Total past due accounts not over 15% of annual revenue.
3. Expanded Directorate General for Taxation with at least 20% of force engaged in tax audits.
4. Computerized billing and accounting systems operational.

E. OUTPUT TARGETS

1. A comprehensive reorganization design and an adopted plan of implementation.
2. A series of management seminars organized and conducted for the Executive and Middle Management levels.
3. A Systems Analysis staff installed in Directorate General for Taxation (DGT).

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____

SIGNATURE: _____ DATE: _____

TITLE: _____

TITLE: _____

PROJECT AGREEMENT

BETWEEN AID AND

DEBFA

AN AGENCY OF THE GOVERNMENT OF

Vietnam

1. Project/Activity No.

710-11-750-340

PAGE 3 OF 6 PAGES

2. Agreement No.

73-016

3. Original or

Revision No.

3. Project/Activity Title

Improvement of Fiscal Administration
(TA - 340.01)

PRO AG
CONTINUATION
SHEET
ANNEX A

4. Income tax processing and control systems adapted to Computer Operation.
5. Integrated direction of tax audit functions established with unified programming emphasis, workload controls and quality controls.
6. An integrated direction of delinquent accounts collection with unified programming emphasis, systematization of procedures and workload controls.
7. A demonstration program initiated for the systematic detection of non-registered taxpayers which can be expanded later into a fully institutionalized delinquency control program.
8. Property tax jurisdiction efficiently transferred to Prefecture of Saigon and an effective property tax administration developed within the Prefecture.
9. Necessary administrative changes developed for implementation of pending Income Tax Code.
10. Administrative plans developed for implementation of projected Value Added Tax.

F. INPUTS

1. Government of Vietnam Inputs

a. Personnel

(1) The Directorate General for Taxation will furnish appropriate officers and employees to the extent necessary to achieve the Project outputs and objectives agreed upon herein.

(2) Subject to government-wide regulations governing travel abroad by civil servants during the war emergency, the Directorate General for Taxation will release qualified employees for training abroad as described in F-2-b below and will continue all salary and allowances to the participants while they are in training, including all increases that would normally be due them.

b. Physical Facilities

The Directorate General for Taxation will make available

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

PROJECT AGREEMENT
BETWEEN AID AND
DGEFA1. Project/Activity No.
730-11-750-340

PAGE 4 OF 5 PAGES

2. Agreement No.
73-0163. Original or
Revision No. _____PRO AG
CONTINUATION
SHEETAN AGENCY OF THE GOVERNMENT OF
Vietnam3. Project/Activity Title
Improvement of Fiscal Administration
(TA - 340.01)

ANNEX A

office space and fixtures for use of USAID Tax Advisors working on its premises.

2. United States Government Inputs

Subject to the availability of funds and personnel, the United States Government through the Agency for International Development will provide the following:

a. Personnel

By PASA with Internal Revenue Service, the following tax advisory services:

	<u>Availability</u>
Senior Advisor on Tax Administration	12 months
Management Analysis Advisor	12 months
Systems Advisor	12 months
Audit Advisor	12 months
Property Tax Advisor	12 months
Collection Advisor	8 months
Public Information Advisor	4 months
Short-term Advisors	9 months

b. Participant Training in US and Third Countries

(1) Key Audit Supervisors - 10 for two months in special seminar on Audit Management at Internal Revenue Service.

(2) Key Supervisors (in functions other than Audit) - Ten for two months in special seminar on General Management at Internal Revenue Service.

(3) Service Chiefs or equivalent - two for six months in University of Southern California Tax Institute (comprehensive course).

(4) Service Chiefs or equivalent - Two for two months in University of Southern California Tax Institute (discrete course).

(5) DGE Managers and Computer Center technicians - fifteen for 2 weeks of ADP and Middle Management Observation/Training in Third Country.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____SIGNATURE: _____ DATE: _____
TITLE: _____

AID 1980-1A (2-70) PRO AG CONTINUATION SHEET ANNEX <u>A</u>	PROJECT AGREEMENT BETWEEN AID AND DBSFA	1. Project/Activity No. 730-11-750-340	PAGE <u>5</u> OF <u>6</u> PAGES
		2. Agreement No. 73-016	3. <input checked="" type="checkbox"/> Original or Revision No. _____
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Improvement of Fiscal Administration (TA - 340.01)	

G. DESIGNATIONS

1. Government of Vietnam

The Director General for Taxation is hereby designated GVN Project Manager. In this capacity he will be primarily responsible for the over-all implementation of the program. It is understood and agreed that he will work closely with the US Project Manager and will seek and utilize the latter's technical knowledge, advice and counsel to the maximum degree practicable to attain project objectives.

2. The United States Government

Project management responsibility rests with Tax Administration Branch under direction of the Assistant Director for Public Administration. The Project Manager 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.

H. REPORTING AND EVALUATION

The Tax Advisory Team will submit a weekly activity report to the Assistant Director for Public Administration, and a monthly narrative report to USAID, AID/W, DWT and IRS Tax Administration Assistance Staff (TAAS). Special reports on progress and problems are submitted as necessary to keep USAID, AID/W and IRS Tax Administration Assistance Staff currently informed of developments.

The GVN Project Manager shall make available on a current basis reports of revenue receipts, results of audit activities and such other reports as will reflect the progress being made to improve tax administration and increase domestic internal revenues.

The US and GVN Project Managers will prepare jointly an annual evaluation of the project based on criteria set forth in this agreement.

I. SPECIAL PROVISIONS

None.

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

**PROJECT AGREEMENT
BETWEEN AID AND**

1. Project/Activity No.
730-11-750-340

**PRO AG
CONTINUATION
SHEET**

DGBFA

2. Agreement No.
73-016

3. Original or
Revision No. _____

ANNEX A

**AN AGENCY OF THE GOVERNMENT OF
Vietnam**

3. Project/Activity Title
**Improvement of Fiscal Administration
(TA - 340.01)**

J. STANDARD PROVISIONS

The Standard Provisions Annex B, for US dollar funding and Foreign Currency Standard Provisions Annex C for foreign currency uses are appended hereto as a part of this agreement.

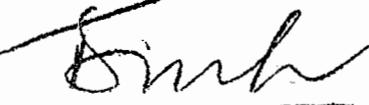
Concurrences:



Minister of Finance



Associate Director for
Local Development



Director General for
Taxation

Sept 27, 1972

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

PROJECT AGREEMENT MEMORANDUM

Project Title : Improvement of Fiscal Administration (Tax Adm. - 340.01)

Project Number : 730-11-750-340

Agreement Number : 73-016

Original Revision

Explanation and/or comments

The purpose of this FY 73 ProAg is to set forth the scope of the Tax Administration Sub-project and to stipulate the responsibilities and contributions of the GVN and the USG.

Funds to finance the PASA with the US Internal Revenue Service and Participant Training will be obligated by a ProAg Revision subject to the availability of funds and submission of PIOs.

If you concur in the attached document, please sign and date below :

ADPROG :

[Signature]
APG

[Signature]
Division Chief

Financial Mgmt. Br.

ADPROG

ADFM :

[Signature]
FAD

9/5/72
SEA

[Signature]
ADFM

TECHNICAL OFFICE :

[Signature]
Project Manager

[Signature]
Director, Chief of Assistant Director

OTHER :

[Signature]

PRO AG
(VIETNAM)
31

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
THE DIRECTORATE GENERAL FOR BUDGET AND FOREIGN AID (DGBFA)
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. 730-11-750-340 | 2. AGREEMENT No. 73-016 | 3. ORIGINAL | REVISION No. 2

4. PROJECT TITLE : Improvement of Fiscal Administration
 (Sub-Activity) (340.01 - Tax Administration)

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

6. APPROPRIATION : 72-1131006 | 7. ALLOTMENT : 356-50-730-00-69-31

Truong
 Minister of Finance

Binh
 Director General of Taxation

8. AID DOLLAR FINANCING (Cost Component)	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
a. PERSONNEL COSTS				
(1) US PASA	386,000			386,000
Contract				
(2) LOCAL AND TCN PASA				
Contract				
b. PARTICIPANTS				
AID Direct		112,000		112,000
PASA/Contract				
c. COMMODITIES				
AID Direct				
PASA/Contract				
d. OTHER COSTS				
AID Direct				
PASA/Contract				
e. TOTAL (ALL COSTS)	386,000	112,000		498,000
9. LOCAL CURRENCY FINANCING (\$1.00 = PIASTERS)				
a. COUNTERPART				
Trust Fund				
AAC				
Special Fund				
Other				
b. GVN (SHOW SOURCE BELOW)				
c. US - OWNED				

10. REFERENCES AND REMARKS :
 The purpose of this Revision is to amend the participant training program for fiscal year 1973 and to obligate funds to finance that program as revised.

Ref: PIO/Ps (31)30378 & 379

Waiver W-73-340-23.

11. DATE OF ORIG. AGREEMENT | 12. DATE OF THIS REVISION | 13. EST FINAL CONTRIBUTION DATE
 November 10, 1972 | February 23, 1973 | June 30, 1975

14. GOVERNMENT OF VIETNAM
 SIGNATURE: *[Signature]* DATE: Feb 22 73
 TITLE: Director General
 for Budget and Foreign Aid

15. AGENCY FOR INTERNATIONAL DEVELOPMENT
 SIGNATURE: *[Signature]* DATE: 2/23/73
 TITLE: Director

AID 1330-1A (3-70) PRO AG CONTINUATION SHEET ANNEX _____	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>2</u> OF <u>2</u> PAGES
		2. Agreement No. 73-016	3. <input type="checkbox"/> Original or Revision No. <u>2</u>
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Improvement of Fiscal Administration (340.01 - TA)	

Article F. 2. b. of the project narrative description is revised to read as follows:

F. 2. b. Participant Training in the US and Third Countries

- (1) Middle Management International Tax Administration Training Service (INTAX) Seminar - 15 participants for 2 months at the Internal Revenue Service (IRS) including costs for interpreter services.
- (2) Middle Management INTAX Seminar - additional costs for interpreter services for the seminar funded with prior year money.
- (3) Comprehensive Special Course - 1 participant for 6 months of the University of S. California Tax Institute.
- (4) Public Information Program - 3 participants for 1½ months at the IRS for training in public information systems.
- (5) ADP Observation Training - 5 participants for 2-3 weeks in a third country (S.E. Asian).
- (6) Administration Observation Training - 3 participants (including the Deputy Director General of Taxation) for 1 month at the IRS.
- (7) Systems and Management Workshop - additional costs for redesigned program for 3 participants at the Bureau of the Census (primary funding done in FY 72).

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
 TITLE: _____

SIGNATURE: _____ DATE: _____
 TITLE: _____

PROJECT DOCUMENT CLEARANCE SHEET

Project Title : Improvement of Fiscal Administration (340.01 - Tax Administration)

Project Number : 730-11-750-340

Agreement Number : 73-016

Original _____ Revision 2

Explanation and/or comments

The appointment of a new Director General of Taxation, the addition of many new taxes and the changed availabilities of personnel for training have resulted in a training requirement different from that presented in the FY 1974 PBS. With this new need in mind the USAID Tax Advisory Team along with the GVN Directorate General of Taxation have reviewed and revised the participant training program placing the emphasis on the Middle Management INTAX Seminar given by the Internal Revenue Service in Washington, D. C. That amended program is presented in this ProAg Revision.

The attached waiver permits subobligation of \$105,100 for the participant training program as described in items No. 1, 3, 4, 5 and 6 on page 2 of this Revision to be completed expeditiously when the subobligating documents are prepared. Two accompanying PIO/P's obligate the remaining \$6,900 of the \$112,000 increase indicated on the ProAg.

The increases indicated in this Revision are in accordance with the existing Program Implementation Document (PID) as amended.

If you concur in the attached document, please sign and date below :

ADPROG :

[Signature] 1/10
APO

[Signature] 1/10
Division Chief

Financial Mgmt. Br.

[Signature] 2/22/73
ADPROG

ADFM :

[Signature] A. Walls 1/10/73
FAD

[Signature] 1/15/73 L.
B&A

[Signature]
ADFM

TECHNICAL OFFICE :

[Signature]
Project Manager

[Signature]
Division Chief or Assistant Director

OTHER

[Signature] 2/23/73
Legal

PRO AG
(VIETNAM)
h1

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
THE DIRECTORATE GENERAL FOR BUDGET AND FOREIGN AID (DGBFA)
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. 730-11-750-340	2. AGREEMENT No. 74-021	3. ORIGINAL	REVISION No. 1
4. PROJECT TITLE : Improvement of Fiscal Administration (Sub-Activity) (340.2 - Customs Administration)			
5. PROJECT DESCRIPTION AND EXPLANATION (See Annex A attached)			

6. APPROPRIATION : Multiple	7. ALLOTMENT : Multiple
-----------------------------	-------------------------

8. AID DOLLAR FINANCING (Cost Component)	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
a. PERSONNEL COSTS				
(1) US PASA	450,000			450,000
Contract				
(2) LOCAL AND TCN PASA				
Contract				
b. PARTICIPANTS				
AID Direct				
PASA/Contract				
c. COMMODITIES				
AID Direct		9,950		9,950
PASA/Contract				
d. OTHER COSTS				
AID Direct				
PASA/Contract				
e. TOTAL (ALL COSTS)	450,000	9,950		459,950
9. LOCAL CURRENCY FINANCING (\$1.00 = PIASTERS)				
a. COUNTERPART				
Trust Fund				
AAC				
Special Fund				
Other				
b. GVN (SHOW SOURCE BELOW)				
c. US - OWNED				

10. REFERENCES AND REMARKS :
 This Revision presents the planned implementation of the Customs Administration Sub-project as agreed to by representatives of the USG and GVN whose signatures appear hereon. This Agreement also obligates funds to finance commodities as described within.

Ref: PIO/Cs 4140156 & 4140157

11. DATE OF ORIG. AGREEMENT September 6, 1973	12. DATE OF THIS REVISION December 1, 1973	13. EST FINAL CONTRIBUTION DATE July 31, 1976
--	---	--

14. GOVERNMENT OF VIETNAM	15. AGENCY FOR INTERNATIONAL DEVELOPMENT
SIGNATURE :  DATE: Nov 28 73	SIGNATURE :  DATE: DEC 1 1973
TITLE : Director General for Budget and Foreign Aid	TITLE : Director

PRO AG
(VIETNAM)

PROJECT AGREEMENT
 BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
 AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
 THE DIRECTORATE GENERAL FOR BUDGET AND FOREIGN AID (DGBFA)
 AN AGENCY OF THE GOVERNMENT OF VIETNAM

Page 1a

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. 730-11-750-340	2. AGREEMENT No. 74-021	3. ORIGINAL	REVISION No. 1
4. PROJECT TITLE : Improvement of Fiscal Administration (Sub-Activity) (340.02 - Customs Administration - Supporting Assistance Allotment)			
5. PROJECT DESCRIPTION AND EXPLANATION (See Annex A attached)			

6. APPROPRIATION : 72-1141006	7. ALLOTMENT : 456-50-730-00-69-41
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8. AID DOLLAR FINANCING (Cost Component)	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
a. PERSONNEL COSTS				
(1) US PASA	370,000			370,000
Contract				
(2) LOCAL AND TCN PASA				
Contract				
b. PARTICIPANTS				
AID Direct				
PASA/Contract				
c. COMMODITIES				
AID Direct				
PASA/Contract				
d. OTHER COSTS				
AID Direct				
PASA/Contract				
e. TOTAL (ALL COSTS)	370,000			370,000
9. LOCAL CURRENCY FINANCING (\$1.00 = PIASTERS)				
a. COUNTERPART				
Trust Fund				
AAC				
Special Fund				
Other				
b. GVN (SHOW SOURCE BELOW)				
c. US - OWNED				

10. REFERENCES AND REMARKS :
 The purpose of this supporting face sheet is to identify the Supporting Assistance Allotment portion of the aggregate amount shown on the major face sheet.

11. DATE OF ORIG. AGREEMENT	12. DATE OF THIS REVISION	13. EST FINAL CONTRIBUTION DATE
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14. GOVERNMENT OF VIETNAM SIGNATURE : _____ DATE _____ TITLE : _____	15. AGENCY FOR INTERNATIONAL DEVELOPMENT SIGNATURE : _____ DATE _____ TITLE : _____
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PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
THE DIRECTORATE GENERAL FOR BUDGET AND FOREIGN AID (DGBFA)
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. 730-11-750-340 | 2. AGREEMENT No. 74-021 | 3. ORIGINAL | REVISION No. 1

4. PROJECT TITLE : Improvement of Fiscal Administration
 (Sub-Activity) (340.02 - Customs Administration - Narcotics Control Allotment)

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

6. APPROPRIATION : 72-11X4103.2 | 7. ALLOTMENT : 453-50-730-00-69-41

8. AID DOLLAR FINANCING (Cost Component)	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
a. PERSONNEL COSTS				
(1) US PASA	80,000			80,000
Contract				
(2) LOCAL AND TCN PASA				
Contract				
b. PARTICIPANTS				
AID Direct				
PASA/Contract				
c. COMMODITIES				
AID Direct		9,950		9,950
PASA/Contract				
d. OTHER COSTS				
AID Direct				
PASA/Contract				
e. TOTAL (ALL COSTS)	80,000	9,950		89,950
9. LOCAL CURRENCY FINANCING (\$1.00 = PIASTERS)				
a. COUNTERPART				
Trust Fund				
AAC				
Special Fund				
Other				
b. GVN (SHOW SOURCE BELOW)				
c. US - OWNED				

10. REFERENCES AND REMARKS :
 The purpose of this supporting face sheet is to identify the Narcotics Control Allotment as the source of funding for the increases shown on the major face sheet.

11. DATE OF ORIG. AGREEMENT | 12. DATE OF THIS REVISION | 13. EST FINAL CONTRIBUTION DATE

14. GOVERNMENT OF VIETNAM	15. AGENCY FOR INTERNATIONAL DEVELOPMENT
SIGNATURE : _____ DATE _____	SIGNATURE : _____ DATE _____
TITLE : _____	TITLE : _____

AID 1330-1A (3-70) PRO AG CONTINUATION SHEET ANNEX _____	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>2</u> OF <u>6</u> PAGES
		2. Agreement No. 74-021	3. <input type="checkbox"/> Original or Revision No. <u>1</u>
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Improvement of Fiscal Administration (340.2 - CA)	

I. BACKGROUND

In 1965, the GVN Customs Service found it increasingly difficult to cope with wartime conditions including great increases in commodity imports; population shifts from rural to urban areas; and the large influx of military and civilian personnel from friendly countries. As a result, commodity smuggling, import duty collections, and illegal currency manipulation could not be controlled by the small number of trained personnel under the outmoded systems and procedures of GVN Customs.

Initial USAID assistance in FY 1965 consisted of a small staff of USAID Advisors providing technical advice and arranging for the transfer of in-country ordnance items and vehicles to the project. Subsequently, additional Advisors arrived to monitor imports under the USAID Commercial Import Program, to provide advice to the Boat Fleet Service on maintenance and operation of boats and to advise the Fraud Repression Service on ways and means to reduce smuggling, currency manipulation and other acts of collusion. In December 1966, a PASA team of US Customs Advisors from the Bureau of Customs was assigned to the Public Administration Division of USAID to provide assistance in improving the overall capabilities of the GVN Customs Service.

II. PROJECT PURPOSE

To expand the Customs revenue collection capability of the GVN Directorate General of Customs (DGC), Ministry of Finance, through improved administrative and management techniques which will equip the GVN with a Customs Service responsive to its revenue needs and Customs policies.

III. CONDITIONS EXPECTED AT THE END OF PROJECT

A GVN Customs organization capable of efficiently assessing the value of commodities, controlling all imports and exports and monitoring for evasion, fraud, and the flow of narcotics and contraband.

IV. OUTPUT TARGETS FOR FY 1974

A. The 12 fully operational commodity teams having participated in an in-service training course in operational procedures. This course will upgrade their knowledge of current procedures of Customs inspection and duty evaluation.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
 TITLE: _____

SIGNATURE: _____ DATE: _____
 TITLE: _____

AID 1330-1A (3-70) PRO AG CONTINUATION SHEET ANNEX _____	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>3</u> OF <u>6</u> PAGES
	AN AGENCY OF THE GOVERNMENT OF Vietnam	2. Agreement No. 74-021	3. <input type="checkbox"/> Original or Revision No. <u>1</u>
		3. Project/Activity Title Improvement of Fiscal Administration (340.2 - CA)	

B. In-country training of baggage examiners in the examination of passengers and baggage and the use of an oral declaration expected to further reduce Customs baggage handling from current 45 minutes per arriving aircraft. In addition, cargo handling will undergo continuing improvement to effect more efficient evaluation and collection on all arriving airport cargo.

C. The GVN providing full maintenance and operation of the Customs Boat fleet. Also, Ca Tre Post will be fully re-furnished and operational using both AAC and regular GVN funding to complete the post.

D. The Fraud Repression central file system maintained and continually updated.

E. Continuing liaison between GVN Customs and various law enforcement agencies in the GVN and US for more efficient use of information on narcotics, duty evasion and other criminal activities.

F. One hundred percent (100%) of import licenses, credit accounts, customs declarations and statistical reports processed. A one hundred percent identification of duty free vehicles imported by contractors for duty assessment.

G. A one hundred percent (100%) CIP import document review and a physical examination of approximately 20% of imports. In addition, a one hundred percent physical examination of goods arriving on randomly selected days (approximately 90 days per year).

H. An Export Processing Zone Customs Force capable of controlling the movement of goods from place of landing to and from Export Processing and/or Free Trade Zones.

I. Three hundred new personnel hired, trained and deployed throughout Vietnam. These personnel will expand the DGC capabilities in assessment, control of imports and exports, fraud and narcotics control the movement of goods into and out of the Export Processing Zones.

V. INPUTS FOR FY 1974

A. Government of Vietnam Inputs

1. Personnel

a. The Directorate General of Customs will furnish appropriate

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
 TITLE: _____

SIGNATURE: _____ DATE: _____
 TITLE: _____

AID 1330-1A (3-70) PRO AG CONTINUATION SHEET ANNEX _____	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>4</u> OF <u>6</u> PAGES
		2. Agreement No. 74-021	3. <input type="checkbox"/> Original or Revision No. <u>1</u>
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Improvement of Fiscal Administration (340.2 - CA)	

officers and employees to the extent necessary to achieve the project outputs and objectives agreed upon herein.

b. Subject to Government-wide regulations governing travel abroad by civil servants, the Directorate General of Customs will release qualified employees for training abroad as described in V-B-2 below and will continue all salary and allowances to the participants while they are in training, including all increases that would normally be due them.

2. Physical Facilities

The Directorate General of Customs will make available office space and fixtures for use of USAID Customs Advisors working on its premises.

B. United States Government Inputs

Subject to the availability of funds and personnel, the United States Government through the Agency for International Development will provide the following:

1. Personnel

Under PASA with US Bureau of Customs, up to 8½ man-years of advisory services will be provided in the areas of Customs Administration, Investigation, Classification and Value and Commercial Import Program.

2. Participant Training in US and Third Countries

a. Customs Officers - eight for eight weeks in "Foreign Customs Course" at Bureau of Customs.

b. Director General of Customs and Senior Officers - Four for three weeks observation/training in Southeast Asia.

c. Customs Narcotics Officers - Four for eight weeks in special narcotics course at Bureau of Customs.

3. Commodities - Narcotics

Various commodities in Support of the GVN Narcotics Control Program - including such items as narcotics test kits and reagents, search equipment, automobile scanners, etc.

For the Cooperating Government or Agency SIGNATURE: _____ DATE: _____ TITLE: _____	For the Agency for International Development SIGNATURE: _____ DATE: _____ TITLE: _____
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AID 1330-1A (3-70) PRO AG CONTINUATION SHEET ANNEX _____	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>5</u> OF <u>6</u> PAGES
		2. Agreement No. 74-021	3. <input type="checkbox"/> Original or Revision No. <u>1</u>
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Improvement of Fiscal Administration (340.2 - CA)	

VI. DESIGNATIONS

A. Government of Vietnam

The Director General of Customs is hereby designated GVN Project Manager. In this capacity he will be primarily responsible for the overall implementation of the program.

B. The United States Government

Project management responsibility rests with the Assistant Director for Public Administration or his designee. The Project Manager will act as technical advisor and coordinate the USAID assistance provided for the project.

VII. REPORTING AND EVALUATION

The Customs Advisory Team will submit a weekly activity report to the Assistant Director for Public Administration, and a monthly narrative report to USAID, AID/W, DGT and Bureau of Customs. Special reports on progress and problems will be submitted as necessary to keep USAID, AID/W and the Bureau of Customs informed about current developments.

The GVN Project Manager will make available on a current basis reports of revenue receipts, results of Fraud suppression and other customs activities and such other reports as will reflect the progress being made to improve customs administration and increase domestic customs revenues.

The US and GVN Project Managers will prepare jointly an annual evaluation of the project based on criteria set forth in this agreement

VIII. SPECIAL PROVISIONS

None.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
 TITLE: _____

SIGNATURE: _____ DATE: _____
 TITLE: _____

AID 1330-1A (3-70) PRO AG CONTINUATION SHEET ANNEX	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>6</u> OF <u>6</u> PAGES
	AN AGENCY OF THE GOVERNMENT OF Vietnam	2. Agreement No. 74-021	3. <input type="checkbox"/> Original or Revision No. <u>1</u>
		3. Project/Activity Title Improvement of Fiscal Administration (340.2 - CA)	

IX. STANDARDS PROVISIONS

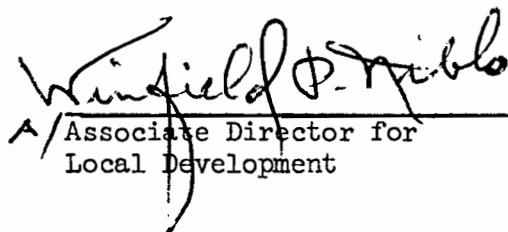
The Standard Provisions Annex B, for US dollar funding, and Foreign Currency Standard Provisions Annex C, for foreign currency uses, are appended hereto as a part of this agreement.

Concurrences:

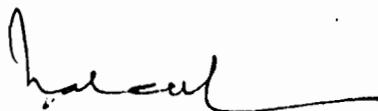


Minister of Finance

11/21



Associate Director for
Local Development



For
Director General of Customs

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

PROJECT DOCUMENT CLEARANCE SHEET

Project Title : Improvement of Fiscal Administration
(340.2 - Customs Administration)

Project Number : 730-11-750-340

Agreement Number : 74-021

Original _____ Revision 1

Explanation and/or Comments

The purpose of this FY 74 ProAg Revisions is to set forth the scope of the Customs Administration Sub-project and to stipulate the responsibilities and contributions of the GVN and the USG.

This documentation also obligates and subobligates \$9,950 to finance commodities as described within.

If you concur in the attached document, please sign and date below :

ADPROG :

[Signature] 11/13 [Signature] 11/14 [Signature] 11/29/73
AD/PROG/P (Loc Cur) AD/PROG/DO ADPROG

ADFM :

[Signature] 11/15/73 [Signature] 11/15/73 [Signature] 11/15/73
USDAB LCB ADFM

TECHNICAL OFFICE :

[Signature] Project Manager [Signature] Division Chief or Asst. Dir. [Signature] 11/26 Associate Director

OTHER :

[Signature] 11/29/73 (LEGAL) () ()

PRO AC
(VIETNAM)

41

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
THE DIRECTORATE GENERAL FOR BUDGET AND FOREIGN AID (DGBFA)
AN AGENCY OF THE GOVERNMENT OF VIETNAM

Page 1

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. 730-11-750-340 | 2. AGREEMENT No. 74-020 | 3. ORIGINAL | REVISION No. 1

4. PROJECT TITLE : Improvement of Fiscal Administration
 (Sub-Activity) (340.01 - Tax Administration)

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

6. APPROPRIATION : 72-1141006

7. ALLOTMENT : 456-50-730-00-69-41

8. AID DOLLAR FINANCING (Cost Component)	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
a. PERSONNEL COSTS				
(1) US PASA	350,000			350,000
Contract				
(2) LOCAL AND TCN PASA				
Contract				
b. PARTICIPANTS				
AID Direct				
PASA/Contract				
c. COMMODITIES				
AID Direct		19,900		19,900
PASA/Contract				
d. OTHER COSTS				
AID Direct				
PASA/Contract				
e. TOTAL (ALL COSTS)	350,000	19,900		369,900
9. LOCAL CURRENCY FINANCING (\$1.00 = PIASTERS)				
a. COUNTERPART				
Trust Fund				
AAC				
Special Fund				
Other				
b. GVN (SHOW SOURCE BELOW)				
c. US - OWNED				

10. REFERENCES AND REMARKS :

The purpose of this Revision is to obligate funds required to purchase commodities as described herein and to present the planned implementation of the Tax Administration Subproject as agreed to by representatives of the USG and GVN whose signatures appear hereon.

Ref: PIO/Cs (41)40159 & (41)40160

11. DATE OF ORIG. AGREEMENT

August 29, 1973

12. DATE OF THIS REVISION

December 11, 1973

13. EST FINAL CONTRIBUTION DATE

July 30, 1976

14. GOVERNMENT OF VIETNAM

SIGNATURE

TITLE :

Director General
for Budget and Foreign Aid

DATE

Dec 6/73

15. AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE

TITLE :

Director

DATE

DEC 11 1973

AID 1390-1A (3-70) PRO AG CONTINUATION SHEET ANNEX _____	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>2</u> OF <u>6</u> PAGES
		2. Agreement No. 74-020	3. <input type="checkbox"/> Original or Revision No. <u>1</u>
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Improvement of Fiscal Administration (340.01 - TA)	

I. BACKGROUND

A survey of tax administration in Vietnam made by the US Internal Revenue Service (IRS) during the early months of 1966, indicated that the main problem in internal tax administration was non-compliance by Vietnamese taxpayers with a rather complex and sophisticated system of tax laws. Among other findings, the survey revealed that non-compliance was related to: (a) inadequate administration and poor enforcement of tax laws, (b) an over-centralized and understaffed Tax Directorate with inadequately trained personnel, and (c) outdated procedures no longer effective in coping with the workload. Thus, it was agreed that a full-time tax advisory team was needed and a PASA was negotiated with the IRS to provide the services.

II. GOAL STATEMENT

GVN efficiently and effectively planning and managing its resources.

III. PROJECT PURPOSE

To expand the domestic tax collection capability through key systems of tax administration which will equip the GVN with a tax agency responsive to its revenue needs and policies.

IV. CONDITIONS EXPECTED AT THE END OF PROJECT

- A. Income (nonsalaried) and production taxpayers increased to 120,000.
- B. Tax returns assessed and billed on a timely basis.
- C. Outstanding uncollected accounts less than 10 percent of annual revenue.
- D. Five percent of Income and Production taxpayers field-audited annually.
- E. Domestic tax collections about eight percent of GNP with approximately 75 percent collected in the Saigon area.

V. OUTPUT TARGETS

- A. Administrative adjustments necessary for effective implementation of new income tax law completed, including computer system adaptations.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
 TITLE: _____

SIGNATURE: _____ DATE: _____
 TITLE: _____

AID 1330-1A (3-70) PRO AG CONTINUATION SHEET ANNEX _____	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>3</u> OF <u>6</u> PAGES
		2. Agreement No. 74-020	3. <input type="checkbox"/> Original or Revision No. <u>1</u>
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Improvement of Fiscal Administration (340.01 - TA)	

B. Administrative changes necessary for effective implementation of new Value Added Tax law completed, including computer system adaptations.

C. Integrated program direction and control installed for the audit function throughout the Directorate General for Taxation (DGT).

D. The system of collecting delinquent accounts simplified, providing for more expeditious procedures and more effective personnel support.

E. Organizational responsibility for returns compliance programs designated and systematic seeking out of non-filers initiated.

F. Implementation of 1st phase reorganization of DGT completed, and plan adopted for completing the functional reorganization at the central headquarters.

G. Organization and staffing of the Experts Group completed and functioning as the planning, management analysis and research arm of the DGT.

H. The Training Service fully organized, staffed and developed into an upgraded Training Directorate.

I. A Procedures Manual System designed for the DGT and a plan adopted for a series of manuals to cover all DGT systems and procedures

VI. INPUTS

A. Government of Vietnam Inputs

1. Personnel

a. The DGT will furnish appropriate officers and employees to the extent necessary to achieve the Project outputs and objectives agreed upon herein.

b. Subject to government-wide regulations governing travel abroad by civil servants, the DGT will release qualified employees for training abroad as described in VI-B-2 below and will continue all salary and allowances to the participants while they are in training, including all increases that would normally be due them.

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

AID 1330-1A (3-70) PRO AG CONTINUATION SHEET ANNEX _____	PROJECT AGREEMENT BETWEEN AID AND DGBFA AN AGENCY OF THE GOVERNMENT OF Vietnam	1. Project/Activity No. 730-11-750-340	PAGE <u>4</u> OF <u>6</u> PAGES
		2. Agreement No. 74-020	3. <input type="checkbox"/> Original or Revision No. <u>1</u>
		3. Project/Activity Title Improvement of Fiscal Administration (340.01 - TA)	

2. Physical Facilities

The DGT will make available office space and fixtures for use of the USAID Tax Advisors working on its premises.

B. United States Government Inputs

Subject to the availability of funds and personnel, the United States Government, through the Agency for International Development, will provide the following:

1. Personnel

By PASA with Internal Revenue Service the following advisory services:

	<u>Availability</u>
Senior Advisor on Tax Administration	12 months
Collection Advisor	12 months
Planning and Systems Advisor	12 months
Audit Advisor	12 months
Administrative Management Advisor	12 months
Short Term Advisors	9 months

2. Participant Training in US and Third Countries

a. Key Managers and Supervisors - 15 for two months in special seminar on middle-managements principales and practices at Internal Revenue Service, USA.

b. Deputy Director General and Director or equivalent - 3 for one month in special observation study of IRS operations in the United States.

c. Managers and Specialists in various functions - 6 for two weeks observational tours of tax administration in third countries.

d. Key personnel - 2 for 1st year of 2 year masters degree programs of a US university.

e. Key Personnel - 2 for 5½ months course in tax administration at the University of Southern California.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
 TITLE: _____

SIGNATURE: _____ DATE: _____
 TITLE: _____

AID 1390-1A (3-70) PRO AG CONTINUATION SHEET ANNEX _____	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>5</u> OF <u>6</u> PAGES
		2. Agreement No. 74-020	3. <input type="checkbox"/> Original or Revision No. <u>1</u>
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Improvement of Fiscal Administration (340.01 - TA)	

3. Commodities

- a. 61 automatic printing calculators for rapid, accurate tax computations.
- b. One copymaker machine for central tax office management activities.

VII. DESIGNATIONS

A. Government of Vietnam

The Director General for Taxation is hereby designated GVN Project Manager. In this capacity he will be primarily responsible for the overall implementation of the program. It is understood and agreed that he will work closely with the US Project Manager and will utilize the latter's technical knowledge, advice and counsel to the maximum degree practicable to attain project objectives.

B. The United States Government

Project management responsibility rests with the Chief, Tax Administration Branch, under the direction of the Assistant Director for Public Administration. The Project Manager will act as technical advisor and coordinate the USAID assistance provided for the project.

VIII. REPORTING AND EVALUATION

The Tax Advisory Team will submit a monthly narrative report to USAID, AID/W, the DGT and the IRS Tax Administration Assistance Staff (TAAS). Special reports on progress and problems are submitted as necessary to keep USAID, AID/W and the IRS Tax Administration Assistance Staff currently informed of developments.

The GVN Project Manager shall make available on a current basis reports of revenue receipts, results of audit activities and such other reports as will reflect the progress being made to improve tax administration and increase domestic internal revenues.

The US and GVN Project Managers will prepare jointly an annual evaluation of the project based on criteria set forth in this agreement.

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
 TITLE: _____

SIGNATURE: _____ DATE: _____
 TITLE: _____

PROJECT AGREEMENT

BETWEEN AID AND

DGBFA

AN AGENCY OF THE GOVERNMENT OF

Vietnam

1. Project/Activity No.
730-11-750-340

PAGE 6 OF 6 PAGES

2. Agreement No.
74-020

3. Original or
Revision No. 1

3. Project/Activity Title
Improvement of Fiscal Administration
(340.01 - TA)

IX. SPECIAL PROVISIONS

None.

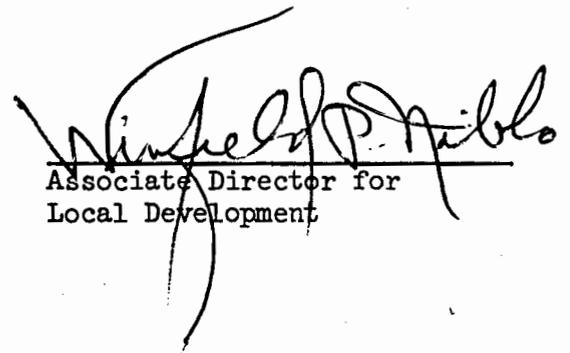
X. STANDARD PROVISIONS

The Standard Provisions Annex B, for US dollar funding and Foreign Currency Standard Provisions Annex C for foreign currency uses are appended hereto as a part of this agreement.

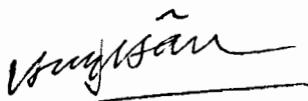
Concurrences:



Minister of Finance 11/23



Associate Director for
Local Development



Director General for
Taxation

For the Cooperating Government or Agency

For the Agency for International Development

SIGNATURE: _____ DATE: _____
TITLE: _____

SIGNATURE: _____ DATE: _____
TITLE: _____

PROJECT DOCUMENT CLEARANCE SHEET

Project Title : Improvement of Fiscal Administration (340.01 - Tax Admin.)

Project Number : 730-11-750-340

Agreement Number : 74-020

Original _____ Revision 1

Explanation and/or Comments

The purpose of this ProAg Revision is to set forth the scope of the Tax Administration Subproject and to stipulate the responsibilities and contributions of the GVN and the USG. This documentation also obligates and subobligates \$19,900 to finance the purchase of commodities as described within.

If you concur in the attached document, please sign and date below :

ADPROG

[Signature] 11/15
APO

AD/PROG/P (Loc Cur)

[Signature] 11/16/73
AD/PROG/PO

[Signature] 12/10/73
ADPROG

ADFM :

[Signature] 11/19/73
USDAB

LCB

[Signature] 11/19/73
ADFM

TECHNICAL OFFICE :

[Signature]
Project Manager

[Signature]
Division Chief or Asst. Dir.

[Signature] 11/29
Associate Director

OTHER :

PRO AG
(VIETNAM)

PROJECT AGREEMENT
 BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
 AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
 THE DIRECTORATE GENERAL FOR BUDGET AND FOREIGN AID (DGBFA)
 AN AGENCY OF THE GOVERNMENT OF VIETNAM

Page 1

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. 730-11-750-340 | 2. AGREEMENT No. 72-006 | 3. ORIGINAL | REVISION No. 11

4. PROJECT TITLE : Improvement of Fiscal Administration
 (Sub-Activity) (340.01 - Tax Administration)

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

6. APPROPRIATION : 72-1131006 | 7. ALLOTMENT : 356-50-730-00-69-43

Director
General
of
Taxation

8. AID DOLLAR FINANCING (Cost Component)	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
c. PERSONNEL COSTS				
(1) US PASA	346,150			346,150
Contract				
(2) LOCAL AND TCN PASA				
Contract				
b. PARTICIPANTS				
AID Direct	107,700			107,700
PASA/Contract				
c. COMMODITIES				
AID Direct	13,600			13,600
PASA/Contract				
d. OTHER COSTS				
AID Direct				
PASA/Contract				
e. TOTAL (ALL COSTS)	467,450			467,450
9. LOCAL CURRENCY FINANCING (\$1.00 = PIASTERS)				
c. COUNTERPART				
Trust Fund				
AAC CY 72	34,200,000			34,200,000
Special Fund				
CY 72 AAC Reserve	139,000,000			139,000,000
b. GVN (SHOW SOURCE BELOW)				
c. US - OWNED				

10. References and Remarks: The purpose of this Revision is to amend Article 71-79 of the CY 72 AAC Reserve Budget to: (1) defer three construction projects and reduce the allowances at three other locations and (2) apply the sums generated by the foregoing to -- (a) renovation, enlargement, construction and acquisition of office space for the Directorate General of Taxation at six alternate locations, (b) increase the cost limits for eight other locations, and (c) decommits small overages. In all, the changes affect

VN\$12,873,600 of the VN\$139,000,000 total.

11. DATE OF ORIG. AGREEMENT
August 3, 1971

12. DATE OF THIS REVISION
January 3, 1974

13. EST FINAL CONTRIBUTION DATE
June 30, 1974

14. GOVERNMENT OF VIETNAM

SIGNATURE:  DATE: Dec 29 73
 TITLE: Director General
 for Budget and Foreign Aid

15. AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE:  DATE: 1/3/74
 TITLE: Associate Director for Program

AID 1330-1A (3-70) PRO AG CONTINUATION SHEET ANNEX _____	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>2</u> OF <u>2</u> PAGES
		2. Agreement No. 72-006	3. <input type="checkbox"/> Original or Revision No. <u>11</u>
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Improvement of Tax Administration (340.01 - Tax Administration)	

CY 1972 American Aid Chapter Reserve Budget

	<u>From</u>	<u>To</u>
<u>Article 31-39</u> <u>Supplies and Services</u>	VN\$40,000,000	VN\$39,483,400
<u>Article 71-79</u> <u>Direct Investment</u>		
I. Provision of or replacement of facilities by construction or acquisition at -		
Bien Hoa	11,100,000	11,100,000
Vinh Binh	5,400,000	4,900,000
Bac Lieu	3,200,000	3,600,000
Chuong Thien	2,250,000	2,250,000
Darlac	6,000,000	6,600,000
Kontum	5,400,000	5,400,000
Binh Tuy	4,200,000	4,500,000
Lam Dong	3,600,000	-
Tay Ninh	7,050,000	7,050,000
Kien Phong	4,950,000	3,000,000
Sadec	5,400,000	6,020,000
Binh Long	3,000,000	-
Dalat	9,000,000	9,000,000
Phu Bon	2,100,000	2,100,000
Phu Quoc	2,100,000	2,900,000
Quang Tri	2,811,000	-
Hue	-	1,600,000
Quang Nam	-	1,000,000
Quang Tin	-	600,000
Go Cong	-	3,600,000
II. Renovation and enlargement of existing facilities at -		
Da Nang	7,425,000	7,425,000
Binh Dinh	3,018,000	3,618,000
An Giang	3,396,000	2,900,000
Phu Yen	2,500,000	2,500,000
Kien Giang	1,500,000	1,700,000
Binh Duong	1,200,000	1,200,000
Dinh Tuong	2,400,000	2,550,000
Vung Tau	-	1,278,000
Chau Doc	-	537,000
III. Decommitment of overage in above		
	-	(72,000)
Sub-total	99,000,000	98,928,000
Total	<u>VN\$139,000,000</u>	<u>VN\$138,411,400</u>

SIGNATURE: _____	DATE: _____	SIGNATURE: _____	DATE: _____
TITLE: _____		TITLE: _____	

PROJECT DOCUMENT CLEARANCE SHEET

Project Title : Improvement of Fiscal Administration
(340.01 - Tax Administration)

Project Number : 730-11-750-340

Agreement Number : 72-006

Original _____ Revision 11

Explanation and/or Comments

The purpose of this Revision is to amend Article 71-79 of the CY 72 AAC Reserve Budget. This will be done in conjunction with some changes in the CY 73 AAC Budget where it provides for the renovation and/or construction of provincial tax offices. Cost estimates originally prepared covering the expansion of efficient office space for the field tax offices have changed because of inflation and changes in conditions at various of the planned sites, and funds are being shifted within both the CY 72 AAC Reserve Budget (this Revision) and the CY 73 AAC Budget to provide the most effective utilization of AAC funds and responsiveness to priority needs among the provincial tax offices.

If you concur in the attached document, please sign and date below :

ADPROG

R. M. Laughlin 11/17
APO

AD/PROG/P (Loc Cur)

Ad. W. [Signature] 11/21/73
AD/PROG/PO
11/19

ADPROG

ADFM :

[Signature] 11/23/73
USDAB

USDAB

LCB

ADFM

TECHNICAL OFFICE :

[Signature]

Project Manager

[Signature]

Division Chief or Asst. Dir.

Associate Director

OTHER :

() () ()

PRO AG
(VIETNAM)

41

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
THE DIRECTORATE GENERAL FOR BUDGET AND FOREIGN AID (DGBFA)
AN AGENCY OF THE GOVERNMENT OF VIETNAM

Page 1

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: 730-11-750-340 | 2. AGREEMENT No. 74-020 | 3. ORIGINAL | REVISION No.

4. PROJECT TITLE : Improvement of Fiscal Administration
 (Sub-Activity) (340.01 - Tax Administration)

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

6. APPROPRIATION : 72-1141006

7. ALLOTMENT : 456-50-730-00-69-41

8. AID DOLLAR FINANCING (Cost Component)	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
a. PERSONNEL COSTS				
(1) US PASA		350,000		350,000
Contract				
(2) LOCAL AND TCN PASA				
Contract				
b. PARTICIPANTS				
AID Direct				
PASA/Contract				
c. COMMODITIES				
AID Direct				
PASA/Contract				
d. OTHER COSTS				
AID Direct				
PASA/Contract				
e. TOTAL (ALL COSTS)		350,000		350,000
9. LOCAL CURRENCY FINANCING (\$1.00 = PIASTERS)				
a. COUNTERPART				
Trust Fund				
AAC				
Special Fund				
Other				
b. GVN (SHOW SOURCE BELOW)				
c. US - OWNED				

10. REFERENCES AND REMARKS : The purpose of this Agreement is to obligate the financing required for a one year continuation of PASA FE(TA)-4-67 with the US Internal Revenue Service for assistance to the GVN Directorate General of Taxation.

Ref: PIO/T (41)40009

11. DATE OF ORIG. AGREEMENT August 29, 1973 | 12. DATE OF THIS REVISION | 13. EST FINAL CONTRIBUTION DATE July 30, 1976

14. GOVERNMENT OF VIETNAM
 SIGNATURE : *[Signature]* DATE Aug 20 73
 TITLE : Director General
 for Budget and Foreign Aid

15. AGENCY FOR INTERNATIONAL DEVELOPMENT
 SIGNATURE : *[Signature]* DATE AUG 29 1973
 TITLE : Director

[Signature]
 Minister of Finance

[Signature]
 Director General of Taxation

PROJECT DOCUMENT CLEARANCE SHEET

Project Title : Improvement of Fiscal Administration
 (340.01 - Tax Administration)
 Project Number : 730-11-750-340

Agreement Number : 74-020 Original X Revision

Explanation and/or Comments

The purpose of this documentation (Project Agreement and PIO/T) is to obligate and subobligate the funds required to finance a one year extension of PASA FE(TA)-4-67 with the United States Internal Revenue Service for assistance to the Directorate General of Taxation.

The funding shown in this documentation is in accordance with the FY 1974 OYB Exercise as submitted to AID/W.

This Agreement is issued without the project narrative description in order to process the PASA funding prior to the August 18 date that AID/W has requested they be received by. The project narrative description will follow as Revision No. 1 to this Agreement.

If you concur in the attached document, please sign and date below :

ADPROG :
W. P. Nichols 8/20/73 AD/PROG/P (Loc Cur) R. W. ... 7/31 AD/PROG/PO EK 8/20/73 ADPROG
 APO

ADFM :
... 7/31/73 LCB ... 7/31 ADFM
 USDAB

TECHNICAL OFFICE :
William H. ... Project Manager Russ Thomas Division Chief / Asst. Dir. W. P. Nichols A/Associate Director

OTHER :
B. Crow 8/22/73
 (L.E. AL) () ()

PRO AG
(VIETNAM)

41

PROJECT AGREEMENT
BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
THE DIRECTORATE GENERAL FOR BUDGET AND FOREIGN AID (DGBFA)
AN AGENCY OF THE GOVERNMENT OF VIETNAM

Page 1

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. 730-11-750-340 | 2. AGREEMENT No. 74-020 | 3. ORIGINAL | REVISION No. 2

4. PROJECT TITLE : Improvement of Fiscal Administration
(Sub-Activity) (340.01 - Tax Administration)

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

6. APPROPRIATION : 72-1141030 | 7. ALLOTMENT : 430-50-730-00-69-41

Thung
Mr. LE QUANG
TRUNG Secretary
General of Finance
Ministry of
Finance

Nguyen Huy Han
NGUYEN HUY HAN
Director
General
for
Taxation

8. AID DOLLAR FINANCING (Cost Component)	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
a. PERSONNEL COSTS				
(1) US PASA	350,000	40,000		390,000
Contract				
(2) LOCAL AND TCN PASA				
Contract				
b. PARTICIPANTS AID Direct				
PASA/Contract				
c. COMMODITIES AID Direct	19,900			19,900
PASA/Contract				
d. OTHER COSTS AID Direct				
PASA/Contract				
e. TOTAL (ALL COSTS)	369,900	40,000		409,900
9. LOCAL CURRENCY FINANCING (\$1.00 = PIASTERS)				
a. COUNTERPART Trust Fund				
AAC				
Special Fund				
Other				
b. GVN (SHOW SOURCE BELOW)				
c. US - OWNED				

10. REFERENCES AND REMARKS :
The purpose of this Revision is to obligate the additional US dollar funding approved in the FY 75 Project Budget Submission for FY 1974 IRS PASA (VN(TA)04-67) costs.

Ref: PIO/T 730-340-2-(41)40009/A1.

11. DATE OF ORIG. AGREEMENT August 29, 1973 | 12. DATE OF THIS REVISION April 12, 1974 | 13. EST FINAL CONTRIBUTION DATE July 30, 1976

14. GOVERNMENT OF VIETNAM
SIGNATURE: *[Signature]* DATE: April 8, 1974
TITLE: Director General
for Budget and Foreign Aid

15. AGENCY FOR INTERNATIONAL DEVELOPMENT
SIGNATURE: *[Signature]* DATE: APR 12 1974
TITLE: Director

PROJECT DOCUMENT CLEARANCE SHEET

Project Title : Improvement of Fiscal Administration
(340.01 - Tax Administration)

Project Number : 730-11-750-340

Agreement Number : 74-020

Original _____ Revision 2

Explanation and/or Comments

The purpose of this documentation (ProAg Revision and PIO/T Amendment) is to obligate and subobligate the additional US dollar funding approved for the Internal Revenue Service (IRS) PASA No. VN(TA)04-67. These additional funds were approved in the FY 75 Project Budget Submission.

If you concur in the attached document, please sign and date below :

ADPROG

[Signature] 3/26
PO

AD/PROG/P (Loc Cur)

[Signature] 3/4/74
AD/PROG/POK
2/27

[Signature] 4/8/74
ADPROG

ADFM :

[Signature] 3/5/74 DZU
USDAB

LCB

ADFM

TECHNICAL OFFICE :

[Signature]
Project Manager

[Signature]
Division Chief or Asst. Dir.

[Signature]
Associate Director

OTHER :

[Signature] 4/9/74
(*[Signature]*)

(_____)

(_____)

PRO AG
(VIETNAM)

41

PROJECT AGREEMENT
 BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID),
 AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
 THE DIRECTORATE GENERAL FOR BUDGET AND FOREIGN AID (DGBFA)
 AN AGENCY OF THE GOVERNMENT OF VIETNAM

Page 1

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. 730-11-750-340 | 2. AGREEMENT No. 74-020 | 3. ORIGINAL | REVISION No. 5

4. PROJECT TITLE : Improvement of Fiscal Administration
 (Sub-Activity) (340.01 - Tax Administration)

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

6. APPROPRIATION : 72-1141030 | 7. ALLOTMENT : 430-50-730-00-69-53

Minister of Finance

Director General of Taxation

8. AID DOLLAR FINANCING (Cost Component)	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
a. PERSONNEL COSTS				
(1) US PASA	390,000			390,000
Contract				
(2) LOCAL AND TCN PASA				
Contract				
b. PARTICIPANTS				
AID Direct				
PASA/Contract				
c. COMMODITIES				
AID Direct	19,900			19,900
PASA/Contract				
d. OTHER COSTS				
AID Direct				
PASA/Contract				
e. TOTAL (ALL COSTS)	409,900			409,900
9. LOCAL CURRENCY FINANCING (\$1.00 = PIASTERS)				
a. COUNTERPART				
Trust Fund	1,680,000			1,680,000
FAC CY 74		113,000,000		113,000,000
Special Fund				
Other				
b. GVN (SHOW SOURCE BELOW)				
c. US - OWNED				

10. REFERENCES AND REMARKS :

The purpose of this ProAg revision is to commit CY 1974 FAC funds in support of the Tax Administration Sub-project.

11. DATE OF ORIG. AGREEMENT August 29, 1973 | 12. DATE OF THIS REVISION July 1, 1974 | 13. EST FINAL CONTRIBUTION DATE July 30, 1976

14. GOVERNMENT OF VIETNAM
 SIGNATURE: *[Signature]* DATE: June 27 74
 TITLE: Director General for Budget and Foreign Aid

15. AGENCY FOR INTERNATIONAL DEVELOPMENT
 SIGNATURE: *[Signature]* DATE: 7/1/74
 TITLE: Associate Director for Program

AID 1330-1A (3-70) PRO AG CONTINUATION SHEET ANNEX <u>D</u>	PROJECT AGREEMENT BETWEEN AID AND DGBFA	1. Project/Activity No. 730-11-750-340	PAGE <u>2</u> OF <u>2</u> PAGES
		2. Agreement No. 74-020	3. <input type="checkbox"/> Original or Revision No. <u>5</u>
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Improvement of Fiscal Administration (340.01 - TA)	

CY 1974 FAC PIASTER BUDGET

Foreign Aid Chapter (FAC) funds cited in block 9.a. of this Project Agreement represent part of the GVN counterpart contribution to this Project. These funds are hereby committed to be expended for the purposes outlined in the GVN National Budget for CY 1974, Title 30 (Foreign Aid Programs) and within Title 30, under Title 19, Chapter 253 (Ministry of Finance, Directorate General of Taxation), Project No. 750.340 (Improvement of Fiscal Administration) is incorporated herein by reference.

In accordance with the agreements reached during the joint DGBFA/Ministry/USAID reprogramming exercise of April 1974, the budget for Title 19, Chapter 253 (Ministry of Finance, Directorate General of Taxation), Project No. 750.340 (Improvement of Fiscal Administration) has been amended to provide a revised total of VN\$113,000,000 as follows:

<u>Article/Description</u>	<u>Amount</u>
31-39	
Taxation information program	VN\$16,600,000 <i>a/</i>
In-Service training materials	9,400,000
Transportation of personnel and materials (including POL)	15,000,000 <i>a/</i>
Maintenance of equipment and machinery	<u>2,000,000</u>
Sub-total	<u>43,000,000</u>
71-79	
Construction of Cholon tax office	50,000,000
Purchase of 10 vehicles and furniture	<u>20,000,000</u>
Sub-total	<u>70,000,000</u>
Total	<u>VN\$113,000,000</u>

a/ With the approval of DGBFA, VN\$7 million was transferred from "taxation information program" to "transportation of personnel and materials"

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

PROJECT DOCUMENT CLEARANCE SHEET

Project Title : Improvement of Fiscal Administration
(340.01 - Tax Administration)

Project Number : 730-11-750-340

Agreement Number : 74-020

Original _____ Revision 5

Explanation and/or Comments

The purpose of this ProAg revision is to commit VN\$113,000,000 of CY 1974 FAC funds in support of Tax Administration

The VN\$113,000,000 is the amended budget level as agreed to in the joint GVN and USAID reprogramming exercise of April 1974.

If you concur in the attached document, please sign and date below :

ADPROG :

[Signature] ^{29 June 29 1974} APO [Signature] ^{6/24/74} AD/PROG/P (Loc Cur) [Signature] ^{6/24/74} AD/PROG/PO [Signature] ^{6/24} ADPROG

ADFM :

[Signature] ^{6/24} USDAB [Signature] ^{6/24/74} ICB [Signature] ^{6/24} ADFM

TECHNICAL OFFICE :

[Signature] Project Manager [Signature] Division Chief or Asst. Dir. [Signature] Associate Director

OTHER :

[Signature] _____) _____) _____)