AID 1330-1 (1-64)

PRO AG

PD-ABA-818

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 and conditions set forth herein and the terms set forth in any annex attached hereto, as checked below:

[X] PROJECT DESCRIPTION ANNEX A [X] FOREIGN CURRENCY STANDARD PROVISIONS ANNEX

[ ] STANDARD PROVISIONS ANNEX [ ] SPECIAL LOAN PROVISIONS ANNEX

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

[ ] GENERAL AGREEMENT FOR TECHNICAL COOPERATION	DATE
[X] ECONOMIC COOPERATION AGREEMENT	DATE 9/7/51
[X] (other) Master CY67 Cpt Agreement	DATE 3/21/67

1. PROJECT/ACTIVITY NO. 730-11-750-340

PAGE 1 OF 3 PAGES

2. AGREEMENT NO. 70-106

3. [X] ORIGINAL OR REVISION NO.

4. PROJECT/ACTIVITY TITLE

Improvement of Fiscal Administration (Budget Accounts - DGBFA)

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. AID APPROPRIATION SYMBOL

7. AID ALLOTMENT SYMBOL

8. AID FINANCING [ ] DOLLARS [X] LOCAL CURRENCY	PREVIOUS TOTAL (A)	INCREASE (C)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total				
(b) Contract Services				
(c) Commodities				
(d) Other Costs				
COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT $1.00 = 118 Piasters				
(a) Total CY67 AAC T-32		4,829,900		4,829,900
(b) Technical and other Services				
(c) Commodities				
(d) Other Costs				

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

This agreement documents funds obligated and expended by DGBFA in accordance with Article II-B-1 of the Master Agreement for CY67.

11. DATE OF ORIGINAL AGREEMENT	12. DATE OF THIS REVISION	13. ESTIMATED FINAL CONTRIBUTION DATE
March 18, 1970		December 31, 1970

14. FOR THE COOPERATING GOVERNMENT OR AGENCY

SIGNATURE: [signature] DATE: May 16/70

TITLE: For Director General for Budget and Foreign Aid

15. FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

SIGNATURE: H Z Rorex DATE:

TITLE: Associate Director for Program

I. BACKGROUND

The Director General of Budget and Foreign Aid (DGBFA) was charged by the GVN with the function of compiling the national budget and controlling the execution thereof. DGBFA has now established an automatic data processing system to assist in the compilation and execution of the budget.

II. OBJECTIVES

The objectives of this program were to assist the GVN in facilitating the compilation and execution of the national budget and in improving the overall accounting and control system by the following steps:

A. Modernize the compilation and reporting system through the use of automatic data processing (ADP).

B. Make possible up-to-date status reports of budget execution through ADP.

C. Prevent or identify at the earliest possible time any violation of budget accounting laws and regulations.

D. Reorganize and improve the obligation control system and the disbursement voucher system.

E. Control and expedite budget implementation.

III. RESPONSIBILITIES

The Director General of Budget and Foreign Aid was responsible for implementing the project for maintaining accounting records of expenditures and reporting these expenditures to the USAID.

V. FINANCIAL PLAN

The GVN and USAID agree to the use of CY67 AAC, Title 32, funds in the amount of VN$4,829,000 as shown in Block 9 of Page 1 of this Agreement for the reimbursement of expenditures as shown in the Piaster Budget attached hereto.

AID 1350-1A (10-69)

FRDAG 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 3 OF 3 PAGES

2. Agreement No. 70-106

3. [X] Original or Revision No. ____

4. Project/Activity Title

Improvement of Fiscal Administration (Budget Accounts - DGBFA)

PIASTER BUDGET

Article	Expenditure	Amount
31-39	Installation and maintenance of ADP equipment	VN$4,829,900
	Total	VN$4,829,900

For the Cooperating Government or Agency

SIGNATURE: _____ DATE: _____

TITLE:

For the Agency for International Development

SIGNATURE: _____ DATE: _____

TITLE:

AID 1330-1L (6-68)

PROAG
FOREIGN CURRENCY
STANDARD PROVISIONS
ANNEX

PROJECT AGREEMENT
BETWEEN AID AND
DGBA
AN AGENCY OF THE GOVERNMENT OF
Vietnam

1. Project/Activity No.
730-11-750-340
2. Agreement No.
70-106
3.
[X] Original or Revision No.

A. As used herein, «AID» means the Agency for International Development, any component agency, and any successor agency. «Cooperating Agency» means the agency which is a party to this Project Agreement with AID and «Cooperating Country» means the country of the Cooperating Agency. «Local Currency» means currency originally issued by the Cooperating Country as a medium of exchange therein.

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 Block 5 hereof.

(2) The Cooperating Agency will make available the amouts specified in Bock 9 of this Project Agreement, as necessary for the project, for use for the designated purposes and as may further be described in Block 5 hereof. The Cooperating 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 Block 5 hereof or as may subsequently be agreed apon 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. All contributions of AID pursuant to this Project Agreement shall be made within a six months grace period extending beyond the estimated final contribution date specified herein. Except as otherwise specified herein or subsequently agreed by the two parties, all contributions of the Cooperating Agency pursuant to this Project Agreement shall be made on or before that same 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 with an AID contribution of currency other than that of the United States or of the Cooperating Country shall be subject to all provisions of, and regulations governing, Foreign Currency Authorizations issued by AID.

F. AID reimbursements or advances shall, in general, not exceed the amount obtained by applying the ratio of AID to Cooperating Agency contributions specified in the Project Agreement to the amount currently contributed by the Cooperating Agency. For example, if the Project Agreement provides for total contributions of $400,000 by AID and $600,000 by the Cooperating Agency and if the Cooperating Agency has currently contributed $6,000 then AID will, in general, reimburse or advance no more than $4,000. Commodities and services financed with an AID contribution of local currency shall be subject to the following requirements :

(1) Reimbursement

As mutually agreed between AID and the Cooperating Agency, either of the following methods may be employed for reimbursement by AID of local currency expenditures made by the Cooperating Agency :

(a) Direct Reimbursement

Once monthly or at such other intervals as may be mutually agreed between AID and the Cooperating Agency, AID will reimburse the Cooperating Agency for local currency expenditures made by the Cooperating Agency in the procurement of approved project requirements. Each such claim for reimbursement must be supported by the following documentation :

(i) Public Voucher, SF-1034, signed by the properly accredited representative of the Cooperating Agency, and embodying the following additional certification : «The total amount claimed hereunder was expended for the purposes authorized in Project Agreement N°._____ and is supported by the documentation required by said Project Agreement on file in the Cooperating Agency».

(ii) A report in the format prescribed by the AID Controller, certified as true and accurate by the properly accredited representative of the Cooperating Agency, in support of each such claim for reimbursement.

(b) Advances

Once monthly or at such other intervals as may be mutually agreed upon between AID and the Cooperating Agency, AID may advance local currency to the Cooperating Agency for operating purposes. The

initial advance will be in an amount agreed upon between AID and the Cooperating Agency as necessary to cover estimated project expenditures for a specified time period, and will be supported by a budget developed and approved by both AID and the Cooperating Agency. When necessary to replenish the advance, the Cooperating Agency may be reimbursed for amounts actually expended by it by submitting claims for reimbursement of such amounts supported by the documentation prescribed in paragraph (a) (i) above. On the basis of such claims for reimbursement, AID may replenish the working fund in amounts equal to, but not in excess of, the actual expenditures of the Cooperating Agency as so reported, up to the total amount of the AID local currency contribution less the amount of the initial advance.

All expenditures made by the Cooperating Agency against such advances must be supported by the documentation prescribed in paragraph (a) (i) above and such documentation in support of the final expenditures of the Cooperating Agency must be submitted to AID not later than 90 days after the date of the final expenditure.

(a) Documentation

With respect to all AID contributed local currency made available to it, the Cooperating Agency agrees to maintain a separate set of accounts for all transactions financed or to be financed, and the Cooperating Agency further agrees to obtain and retain in its files, for inspection and review by AID at any time as requested by AID, the documents listed below in support of each transaction financed with such funds.

(a) Commodity Transactions :

(i) Applicable contract or purchase order between supplier and purchaser;

(ii) Supplier's detailed invoice and satisfactory evidence of payment;

(iii) Ocean or inland bill of lading, or other document evidencing delivery to the purchaser;

(iv) Such additional documentation (e.g. inspection certificate) as may be required from the supplier by the purchaser.

(b) Contract Services Transactions :

(i) Applicable contract between contractor and purchaser;

(ii) Contractor's detailed invoice and satisfactory evidence of payment;

(iii) A certificate by the Cooperating Agency as follows : "The undersigned certifies that the services for which reimbursement is requested have been satisfactorily rendered and the costs thereof are properly reimbursable in accordance with the terms of the contract."

(c) Payroll Costs :

One copy of certified payroll listings and vouchers, together with satisfactory evidence of payment. Each payroll listing must show for each employee at least the following data : name, applicable job title, salary or wage rate, period covered, and amount paid.

(d) Other Project Costs :

One copy of the appropriate authorization documents and invoices covering travel, utility costs, etc.

(3) Refund Provision :

With respect to AID contributed local currency made available to the Cooperating Agency under the methods of financing herein described, the Cooperating Agency agrees to refund promptly to AID, upon demand by AID and pursuant to AID instructions, the entire amount of such currency expended by the Cooperating Agency (or such lesser amount as AID may demand) whenever AID determines that such expenditure was improper as being in violation of the terms and conditions of this Project Agreement and/or any applicable agreement or arrangement between AID and the Cooperating Agency.

G. Unless otherwise specified, title to all property procured through financing by AID pursuant to Block 8 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.

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 employee, 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 such personnel in the Coopetating 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 AID 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 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. In the event that currency of a country other than the United States or the Cooperating Country is introduced into the Cooperating Country by AID or any public or private agency for the purposes of carrying out obligations of AID hereunder, the Cooperating Agency will make such arrangements as may be necessary to effect conversion of such currency into the currency of the Cooperating Country at the highest rate which, at the time the conversion is made, is not unlawful in the Cooperating Country. All uses of the currency of the Cooperating Country obtained by this conversion shall be subject to the requirements of paragraph F herein relating to local currency.

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 non-cancellable 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 February 11, 1970

Project No. 730-11-750-340

Title Improvement of Fiscal Administration
(Budget Accounts - DGBFA)

Original Project Agreement [X] 70-106

Revision No. [ ]

JHB mw Polk
PROGRAM OFFICE

3.2.70
DATE

L D Waggoner
PROJECT TECHNICIAN

3/12/70
DATE

USA
AD/FINANCIAL MGMT

3/10/70
DATE

D Z Goodman ADPA
DIVISION CHIEF

3/12/70
DATE