

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. 730-11-995-380 2. AGREEMENT No. 72-061 3. ORIGINAL 4. REVISION No. 6

5. PROJECT TITLE: Capital Assistance and Engineering Technical Support  
 (Sub-Activity) (Feasibility Studies)

6. 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 (\$)	INCREASE (\$)	DECREASE (\$)	TOTAL TO DATE (\$)
a. PERSONNEL COSTS				
(1) US PASA				
Contract	533,000	440,000		973,000
(2) LOCAL WITH FOM PASA				
Contract				
b. PARTICIPANTS				
AID Direct	1,000			1,000
PASA/Contract				
c. COMMODITIES				
AID Direct				
PASA/Contract	10,000			10,000
d. OTHER COSTS				
AID Direct				
PASA/Contract				
e. TOTAL (ALL COSTS)	544,000	440,000		984,000
9. LOCAL CURRENCY FINANCING (\$1.00 = 1627.43)				
a. COUNTERPART				
Trust Fund	VN\$35,748,018	VN\$25,300,000		VN\$61,048,018
AAC				
Special Fund				
Other				
b. OVN (SHOW SOURCE BELOW)	VN\$10,000,000			VN\$10,000,000
c. US - OWNED				

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Ref. Waiver 72-380-56

11. DATE OF ORIG. AGREEMENT June 28, 1971	12. DATE OF THIS REVISION June 30, 1972	13. EST. FINAL CONTRIBUTION DATE December 31, 1974
14. GOVERNMENT OF VIETNAM SIGNATURE: <i>[Signature]</i> DATE: June 30 TITLE: Director General for Budget and Foreign Aid	15. AGENCY FOR INTERNATIONAL DEVELOPMENT SIGNATURE: <i>[Signature]</i> DATE: 6/20/72 TITLE: Director, USAID/Vietnam	

AID 1890-1A (9-70)  <b>PRO AG</b>  CONTINUATION SHEET  ANNEX _____	<b>PROJECT AGREEMENT</b> BETWEEN AID AND <b>DGBFA</b>	1. Project/Activity No. 730-11-995-380.26	PAGE 2 OF 6 PAGES
		2. Agreement No. 72-061	3. <input type="checkbox"/> Original or Revision No. 6
	AN AGENCY OF THE GOVERNMENT OF <b>Vietnam</b>	3. Project/Activity Title <b>Capital Assistance and Engineering          Technical Support (Feasibility Studies)</b>	

The purpose of this ProAg revision is to obligate US\$440,000 and VN\$25,300,000 in Trust Funds to finance six engineering studies. The particulars of these activities are set forth hereunder and are hereby incorporated into ProAg 72-061 (as amended by Revisions 1-5). All other provisions remain unchanged.

**I. BACKGROUND**

This project has provided, and continues to furnish, assistance to the GVN in preparation of feasibility studies; engineering planning and design; and in economic and financial planning for the Ministry of Public Works.

The dynamic developments now taking place in Vietnam have shown the need for quick USAID/GVN reaction to changing conditions. The withdrawal of US forces, coupled with the NVA invasion, has caused stagnation in the economy and created an unemployment situation. It is apparent that confidence of individuals and of the business community has been reduced.

This amendment will allow for early preparation of some projects proposed in the FY 73 program. An additional advantage is that projects could be started quickly so as to have an impact on unemployment should continuation of the present business recession make this necessary to forestall excessive political unrest.

Acceleration of previously identified public works projects for support of both economic and social development can be achieved to provide work for the unemployed and to stimulate economic activity. These projects will require, however, a preparatory phase for preparation of minimum plans, identification of areas of greatest need, and documentation for justification and allocation of funds.

Concurrently, the Mission is planning for implementation of infrastructure projects for economic development, construction to be financed under a Development Fund. For the most part, these projects are not susceptible to immediate initiation of construction, and will require more detailed investigation, economic justification and design. Nevertheless, some of these projects should be started as quickly as possible after funds become available to maximize benefits to the economy, and to support acceleration of the rate of growth of exports.

For the Cooperating Government or Agency  SIGNATURE: _____ DATE: _____ TITLE: _____	For the Agency for International Development  SIGNATURE: _____ DATE: _____ TITLE: _____
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AID 1020-1A (2-70)  <b>PRO AG</b>  CONTINUATION SHEET  ANNEX _____	<b>PROJECT AGREEMENT          BETWEEN AID AND          DGBFA</b>	1. Project/Activity No. 730-11-995-380 25	PAGE 3 OF 6 PAGES
		2. Agreement No. 72-061	3. <input type="checkbox"/> Original or Revision No. 6
	AN AGENCY OF THE GOVERNMENT OF Vietnam	3. Project/Activity Title Capital Assistance and Engineering (Technical Support (Feasibility Studies))	

Clearly defined economic development projects, then, should be ready for construction at the earliest possible time, and not only because of the direct contribution they are expected to make to development. Such projects can minimize use of resources on lower priority projects which might be initiated for relief and welfare purposes in the absence of better alternatives.

**II. DISCUSSION, DESCRIPTION AND OBJECTIVE**

The objectives of this activity are to accelerate development of the economy, and to provide a means for maintaining confidence on the part of the people that the economy can be responsive to their needs.

This Amendment will provide funding for the services of consultant contractors who will prepare pre-feasibility studies, feasibility studies, economic analyses, engineering designs, and implementation plans, for groups of projects prepared by agreement between USAID and GVN. Approximately two to five contracts are contemplated, and one contractor may undertake more than one study.

**III. IMPLEMENTATION PLAN AND RESPONSIBILITIES**

USAID will determine in concert with GVN Ministry of Planning and National Development and Ministry of Public Works the priority of projects for which studies will be made, and will negotiate direct USAID contracts with in-country firms to be selected on the basis of existing data on file, without further advertising for accomplishment of the work.

Projects will fall in two general classes, as shown below. The titles of specific projects are listed, and estimated costs of each study shown.

**A. Accelerated Projects, primarily for stimulation of the economy**

1. Expansion and improvements, Industrial Parks Bien Hoa, Can Tho, and Vinh Long.

a. This study will develop a plan of implementation for accelerated installation necessary infrastructure, including roads, utilities, and drainage, by labor intensive methods.

US\$80,000  
 VN\$2,400,000

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AID-1330-1A (3-70)  <b>PRO AG</b> CONTINUATION SHEET  ANNEX	<b>PROJECT AGREEMENT</b> BETWEEN AID AND <b>DGBFA</b>	1. Project/Activity No. <b>730-11-995-380.26</b>	PAGE <u>4</u> OF <u>6</u> PAGES
	AN AGENCY OF THE GOVERNMENT OF <b>Vietnam</b>	2. Agreement No. <b>72-061</b>	3. <input type="checkbox"/> Original or Revision No. <u>6</u>
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**2. Drainage in Saigon and Gia Dinh**

a. This project will develop engineering and implementation plans for early acceleration of the drainage study recommendations in limited areas in Saigon Metropolitan Area.

US\$75,000  
 VN\$3,000,000

**3. Rural Roads in Bien Hoa, Gia Dinh, Long An, and Phuoc Tuy Provinces.**

a. This project will review condition of all rural roads in the four provinces with DGOH, Province Engineers, Province Advisors, and develop an implementation plan with necessary documentation to start work immediately upon availability of funds.

US\$50,000  
 VN\$1,500,000

**4. Railroad spur to Sumpco Quarry**

a. The contractor will determine economic feasibility and operational advantages of building a railroad spur to Sumpco Quarry for the purpose of hauling rock to points of use or to barge-loading areas.

US\$15,000  
 VN\$400,000

**B. Economic Development Projects**

**1. Electric Power, 230KV line, Saigon to Can Tho**

a. VPC is preparing to build additional generating capacity in Can Tho and in Saigon area. This line is the logical step in starting to tie the country together in a power grid. The line has been requested by VPC and recommended in National Power Survey. The contractor will complete economic and technical feasibility studies for the line and provide data necessary for USAID preparation of a Capital Assistance Paper in accord with current regulations.

US\$160,000  
 VN\$16,000,000

For the Cooperating Government or Agency

For the Agency for International Development

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PRO AG  
CONTINUATION  
SHEET  
ANNEX

**PROJECT AGREEMENT  
BETWEEN AID AND  
DGBFA**  
  
**AN AGENCY OF THE GOVERNMENT OF  
Vietnam**

1. Project No. 730-11-995-380-26  
2. Agreement No. 72-061  
3. Project/Agency Title  
**Capital Assistance and Engineering  
Technical Support (Feasibility Studies)**

PAGE 5 OF 6 PAGES  
Original or  
Revision No. 6

**2. Vung Tau Port**

a. The contractor will review previous reports; current developments in world maritime trade and shipping; Vietnamese economy; and other pertinent data; and determine technical feasibility of development of Vung Tau as a fishing port, a general port, or combination; and recommend course of action. Study will include assessment of electric power and water supply problems; land access; pier and warehouse uses and location; maintenance and operating costs; and ecological effects on recreational use of Vung Tau beaches.

US\$60,000  
VN\$2,000,000

**IV. DESIGNATIONS**

No Change

**V. EXPLANATION OF FINANCING**

This ProAg Revision obligates US\$440,000 and VN\$25,300,000 in Trust Funds to finance the studies listed hereunder:

	US\$	VN\$ (Trust Funds)
<b>A. Accelerated Projects</b>		
1. Expansion & Improvements of Industrial Parks	US\$80,000	VN\$2,400,000
2. Drainage in Saigon and Gia Dinh	75,000	3,000,000
3. Rural Roads in Bien Hoa, Gia Dinh, Long An and Phuoc Tuy	50,000	1,500,000
4. Railroad Spur to Sumpco	<u>15,000</u>	<u>400,000</u>
<b>Sub-Total</b>	<b>US\$220,000</b>	<b>VN\$7,300,000</b>

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**PROJECT AGREEMENT  
BETWEEN AID AND  
DGBFA**

1. Project/Activity No.  
730-11-995-380 24

2. Agreement No.  
72-061

3.  Original or  
Revision No. 6

**PRO AG  
CONTINUATION  
SHEET**

AN AGENCY OF THE GOVERNMENT OF  
Vietnam

3. Project/Activity Title  
**Capital Assistance and Engineering  
Technical Support (Feasibility Studies)**

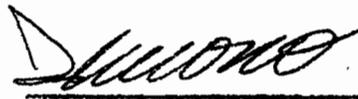
ANNEX

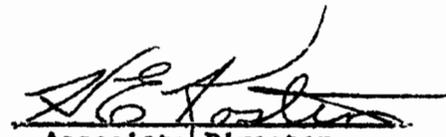
	US\$	VN\$ (Trust Funds)
<b>B. Economic Development Projects</b>		
1. Electric Power Line (230KV), Saigon to Can Tho	160,000	16,000,000
2. Vung Tau Port	60,000	2,000,000
Sub-Total	US\$220,000	VN\$18,000,000
<b>GRAND TOTAL</b>	<b>US\$440,000</b>	<b>VN\$25,300,000</b>

**VI. REPORTS**

As required by each PIO/T.

Concurrences:

  
Minister of Public Works

  
Associate Director  
for Commercial and  
Capital Assistance

  
Ministry of Planning  
and National Development

For the Cooperating Government or Agency

For the Agency for International Development

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TITLE: \_\_\_\_\_

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TITLE: \_\_\_\_\_

# PROJECT DOCUMENT CLEARANCE SHEET

Project Title : Capital Assistance and Engineering Technical Support  
 (Feasibility Studies)  
 Project Number : 730-11-995-380.25  
 Agreement Number : 72-061

Original \_\_\_\_\_ Revision 6

Explanation and/or comments

The purpose of this ProAg Revision (No. 6) is to obligate US\$440,000 in SA funds and VN\$25,300,000 in Trust Funds to finance the six engineering studies listed hereunder.

<u>STUDY</u>	<u>US\$</u>	<u>VN\$</u>
1. Expansion & Improvements of Industrial Parks	80,000	2,400,000
2. Drainage in Saigon & Gia Dinh	75,000	3,000,000
3. Rural Roads	50,000	1,500,000
4. Railroad Spur to Sumpco Quarry	15,000	400,000
5. Electric Power Line from Saigon to Can Tho	160,000	16,000,000
6. Vung Tau Port	<u>60,000</u>	<u>2,000,000</u>
	<u>US\$440,000</u>	<u>VN\$25,300,000</u>

The funding of these studies in FY 72 has been approved by the Director. PIO/Ts setting forth the particulars of each study will be issued within 90 days of this revision.

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

ADPROG :

Ch. Bellinger 6/26/72 Division Chief      \_\_\_\_\_ Financial Mgmt. Br.      to June 30, 1972 ADPROG

ADFM :

The Hon. A. Walls 6/27 FAD      6/27/72 L. Dislowack ADFM

TECHNICAL OFFICE :

AR \_\_\_\_\_ Project Manager      DM LB Taylor Division Chief or Assistant Director

OTHER :

\_\_\_\_\_