PD-ABA-822

PROG AG (VIETNAM) 21

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 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. 730-11-799-372	2. AGREEMENT No. 72-058	3. ORIGINAL X	REVISION No.

4. PROJECT TITLE: (Sub-Activity) Public Administration Technical Support (372.02 - Financial Management)

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				
Contract				
(2) LOCAL AND TCN PASA				
Contract				
b. PARTICIPANTS AID Direct		7,600		7,600
PASA/Contract				
c. COMMODITIES AID Direct				
PASA/Contract				
d. OTHER COSTS AID Direct				
PASA/Contract				
e. TOTAL (ALL COSTS)		7,600		7,600
9. LOCAL CURRENCY FINANCING ($1.00 = PIASTERS)				
a. COUNTERPART Trust Fund				
AAC				
Special Fund				
Other				
b. GVN (SHOW SOURCE BELOW)				
c. US - OWNED				

Clearance:

Le Van Khoai
General Censorate

10. REFERENCES AND REMARKS: This document provides funding for 26 weeks of training in the US Financial Management Improvement for one participant (Inspector General of the GVN General Censorate). The course is scheduled to begin in January 1972, and continues the activity funded in FY 1971 under ProAg 71-012.

PIO/P (21)20232

11. DATE OF ORIG AGREEMENT	12. DATE OF THIS REVISION	13. EST FINAL CONTRIBUTION DATE
November 15, 1971		December 31, 1973

14. GOVERNMENT OF VIETNAM	15. AGENCY FOR INTERNATIONAL DEVELOPMENT
SIGNATURE: [signature] DATE Nov 15	SIGNATURE: [signature] DATE 11/15/71
TITLE: Director General for Budget and Foreign Aid	TITLE: Acting Associate Director for Program

PROJECT DOCUMENT CLEARANCE SHEET

Project Title : Public Administration Technical Support (372.02 - Financial Management)

Project Number : 730-11-799-372

Agreement Number : 72-058 Original X Revision ____

Explanation and/or commen's

Participant training is an important component of the Financial Management activity under the Public Administration Technical Suppott Project. The funds obligated by this document provide funding only for the Inspector General of the GVN General Censorate to attend a course in Financial Management Improvement scheduled to begin in the US in January 1972.

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

ADPROG :

11/4/71	11/11/71		11/15/71
APO	Division Chief	Financial Mgmt. Br.	ADPROG

ADEM :

	11/12/71	11/12/71
FAD	BSA	ADFM

TECHNICAL OFFICE :

Project Manager	Division Chief or Assistant Director

OTHER :

VN-133/1(12-70)
ADPROG

PROJECT AGREEMENT Master File

FOR AID
DISTRIBUTION
21

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, 1971, 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. 730-11-799-372	2. AGREEMENT No. 72-058	3. [illegible]	REVISION No. 1

4. PROJECT TITLE: (Sub-Activity) Public Administration Technical Support (Financial Management Improvement - 372.02)

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. [illegible]				
[illegible]				
[illegible]				
[illegible]				
Contract				
b. [illegible]				
AID Direct	7,600	51,600		59,200
PASA/Contract				
c. COMMODITIES				
AID Direct				
PASA/Contract				
d. OTHER COSTS				
AID Direct				
PASA/Contract				
e. TOTAL (ALL COSTS)	7,600	51,600		59,200
9. LOCAL CURRENCY FINANCING ($1.00 [illegible])				
a. COUNTERPART				
Trust Fund				
AAC				
Special Fund				
Other				
b. GVN (SHOW SOURCE BELOW)				
c. US — OWNED				

10. REFERENCES AND [illegible]

This revision provides the project description and explanation and obligates funds in support of the participant training program.

Ref. PIO/Ps from (21)20657 to (21)20662

11. DATE OF ORIG. AGREEMENT	12. DATE OF THIS REVISION	13. REV. TRIAL COMMITMENT & DATE
November 15, 1971	May 31, 1972	December 31, 1973

14. GOVERNMENT OF VIETNAM	15. AGENCY FOR INTERNATIONAL DEVELOPMENT
SIGNATURE: [signature] DATE: May 31/72	SIGNATURE: E Kanrich DATE: 5/31/72
TITLE: for Director-General for Budget and Foreign Aid	TITLE: Acting Associate Director for Program

PART I

I. BACKGROUND

In FY 70, the USAID agreed to provide technical assistance to the Office of the Prime Minister in several areas of management. One of the objectives of the project was to provide assistance to the central staff agencies of the GVN in improving the effectiveness of the GVN financial management systems and procedures. On this basis the USAID/PAD, with assistance from USAID/ADFM, has worked for two years developing various activities and relationships with the Ministry of Finance, the Directorate General of Budget and Foreign Aid and the General Censorate which are directed toward financial management improvement.

In FY 71, the USAID was requested by the Office of the Prime Minister (OPM) and the Ministry of Finance (MOF) by letter No. 1077-KTC/VP dated April 26, 1971, for assistance to the Central Accounting Agency, MOF, in improving the government wide accounting system used by all agencies and in training officials of the MOF in accounting and financial management. The Central Accounting Agency (CAA) is the organization responsible for standards, systems and procedures, supervision and implementation of GVN accounting laws and regulations. It also centralizes the budgetary accounts and prepares the annual financial statement of the National Budget operations.

II. GOAL STATEMENT

To achieve major increases in national and local revenues by letter planned and managed use of government resources.

III. PROJECT PURPOSE

To professionalize the accounting, budgeting and auditing personnel of the Ministry of Finance and the Directorate General of Budget and Foreign Aid.

IV. CONDITIONS EXPECTED AT THE END OF PROJECT

1. Increased financial management capability among selected members of the staff of the MOF and the DGBFA.

V. OUTPUT TARGETS

1. In-country training in Accounting

Basic Accounting Courses I and II both written and taught. Twenty four GVN officials to have completed Basic I and II and an additional thirty four to have completed Basic Course I.

2. Two senior banking officials to have completed six months study in the US in controllership, accounting and auditing. One official to be assigned as Director of Accounting, Audit and Electronic Data Processing, National Bank of Vietnam, the other as Controller, Agricultural Development Bank.

3. Six senior officials of the Directorate General of Budget and Foreign Aid to have completed seven weeks of observation and study of financial management systems in the US and have been assigned as senior budget examiners and controllers, DGBFA.

VI. INPUTS

A. Government of Vietnam Inputs

Personnel

1. GVN will make available for in-service training in accounting, approximately sixty English speaking employees of the financial services of the various ministries.

2. (a) The Ministry of Finance will select two candidates and four alternates from its employees, who have English language capability and proper academic credentials for two years MBA training at a university in the US.

(b) The Central Accounting Agency, MOF, will select two candidates and four alternates from its middle level supervisory staff, who are qualified in English, to participate in a six months special course in accounting in the US.

3. The DGBFA and the CAA, Ministry of Finance will select four to five senior officials from each agency for a one month observation and study trip to survey the financial management systems and financial reform programs of Thailand, the Philippines, Taiwan and Malaysia.

Other

1. The Central Accounting Agency and the Ministry of Finance will assign five to ten employees to English language instruction in order to provide a reservoir of English speaking candidates for future participant training in the US or third countries.

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. Direct Hire

One Public Administration Advisor - Financial Management (part-time)

2. Contract Service

One Accounting Training Advisor (Contract 730-3441, funded FY 71).

3. Participant Training in US

The PIO/Ps for this training are being simultaneously issued with this ProAg Revision.

a. Ministry of Finance

Senior Accountants First year of MBA $18,800

b. Central Accounting Agency, MOF

2 Accountants 6 months special course in accounting $15,200

4. Participant Training/Third Countries

a. DGBFA and CAA, Ministry of Finance

Senior officials one month observetion tour in four SE Asian Countries to study financial systems (PIO/P issued with this ProAg) $10,000

Total $44,000

VII DESIGNATIONS

A. Government of Vietnam

The Minister of Finance will designate a senior official of the MOF to act as GVN Project Manager, and the Assistant Director for Foreign Aid will serve as project manager for the portion of this agreement concerning the DGBFA. The project managers will be responsible for coordination and implementation of GVN activities covered by this agreement particularly the management of in-service training courses in accounting, the nomination of participants, the selection of employees for English language training, and the signing of implementing documents arising from this agreement.

B. The United States Government

The Assistant Director for Public Administration or his designee will serve as Project Manager for the activities covered by this project.

The Project Manager is responsible for supervising the US government activities and inputs covered by this agreement, planning training programs, advising on technical problems, and preparing program and implementing documents.

VIII. REPORTING AND EVALUATION

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

IX. SPECIAL PROVISIONS

None

X. STANDARD PROVISIONS

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

Concurrences:

Minister of Finance

Associate Director for
Local Development

Director General of
Central Accounting

PART II

I. BACKGROUND

In FY 71, the USAID was requested by the Chairman of the Audit and Property Census Committee of the Controlling Board of the General Censorate by letter for assistance to the staff of the General Censorate in improving the external auditing system of the GVN and training officials of the General Censorate in accounting and auditing. The General Censorate, the Vietnamese equivalent of the US General Accounting Office or the Auditor General's Department of a State Government, is a constitutionally independent post audit agency with powers separate from the Executive and Judiciary branches. It is empowered to audit the accounts of all public agencies and commercial enterprises, inspect, audit and investigate personnel of all public and private agencies (including members of the Executive and Judiciary) to prevent corruption, speculation, influence peddling or acts harmful to the national interest.

II. GOAL STATEMENT

To achieve major increases in national and local revenues, and to plan and manage the efficient use of government resources.

III. PROJECT PURPOSE

To professionalize auditing personnel of the General Censorate.

IV. CONDITIONS EXPECTED AT THE END OF PROJECT

Certain selected individuals within the General Censorate will possess professional accounting and auditing training.

V. OUTPUT TARGETS

1. In-country Training in Accounting

Three employees of the General Censorate trained in-country in Basic Accounting Course I and II, taught by a USAID Contract Accounting Training Advisor. One additional employee trained in Basic Course I.

2. One senior official of the General Censorate trained in the US for six months in auditing techniques to serve as an Inspector General of the General Censorate.

VI. INPUTS

A. Government of Vietnam Inputs

Personnel

1. The General Censorate will make available for in-country training in accounting, approximately four or five English speaking candidates from its staff.

2. (a) The General Censorate will select two candidates and four alternates from its employees, who have English language capability and proper credentials, for six months training in auditing and accounting at a university in the US.

Other

1. The General Censorate will assign approximately five employees to English language instruction in order to provide a reservoir of English speaking candidates for future participant training in the US or third countries.

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. Direct Hire.

One Public Administration Advisor - Financial Management (part-time).

2. Participant Training in US.

Two participants for six months training in auditing and accounting at a US business college or university	$15,200

One PIO/P was issued with the original to this ProAg; the second is being simultaneously issued with this Revision.

C. Others Donors

None

VII. DESIGNATION

A. Government of Vietnam

The Chairman, Audit and Property Census Committee, General Censorate will act as GVN Project Manager, to nominate participants, select employees for in-country training in accounting and for English language training, and sign implementing documents arising from this agreement.

B. The United States Government

The Assistant Director for Public Administration or his designee will serve as Project Manager for the activities covered by this project, will plan and advise on training programs, and will prepare program and implementing documents.

VIII. REPORTING AND EVALUATION

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

IX. SPECIAL PROVISIONS

None

X. STANDARD PROVISIONS

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

Concurrences:

Chairman, Audit & Property Census Committee - General Censorate

O E Farwell
Associate Director for Local Development

AID 1330-1B (9-63)

PROAG STANDARD PROVISIONS ANNEX B

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

1. Project/Activity No.
730-11-799-372.02
2. Agreement No.
72-058
3.
☐ Original or Revision No. 1

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.

(2) 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 etimated 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.

(2) 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 provice 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.

AID 1330-1C (8-68) PROAG FOREIGN CURRENCY STANDARD PROVISIONS ANNEX C	PROJECT AGREEMENT BETWEEN AID AND DGBPA AN AGENCY OF THE GOVERNMENT OF Vietnam	1. Project Agreement No. [illegible]-372.02 2. Agreement No. 72-058 3. ☐ Original or Revision No. 1

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

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 annexed attached, it is agreed to carry out a project in accordance with the terms set forth herein.

1. PROJECT No. 730-11-799-372 | 2. AGREEMENT No. 73-029 | 3. ORIGINAL [X] | REVISION No.

4. PROJECT TITLE: Public Administration Technical Support
(Sub-Activity) (Financial Management - 372.02)

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

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

8. AID DOLLAR FINANCING (Cost Component)	PREVIOUS TOTAL (a)	INCREASE (b)	DECREASE (c)	TOTAL TO DATE (d)
a. PERSONNEL COSTS				
(1) US				
PASA				
Contract		8,140		8,140
(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)		8,140		8,140
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 agreement presents the planned implementatio. for a 4½ month extension of the accounting training activity in the Public Administration Technical Support Project as agreed to by representatives of the USG and the GVN whose signatures appear hereon. This agreement will be referred to as the master ProAg for this activity in subsequent usage.

Ref.: PIO/T (31)30068

11. DATE OF ORIG. AGREEMENT	12. DATE OF THIS REVISION	13. EST FINAL CONTRIBUTION DATE
July , 1972	August 28, 1972	December 31, 1973

14. GOVERNMENT OF VIETNAM
SIGNATURE: [signature] Aug 24 72
TITLE: Director General for Budget and Foreign Aid

15. AGENCY FOR INTERNATIONAL DEVELOPMENT
SIGNATURE: [signature] DATE 8/24/72
TITLE: Associate Director for Program

PART I

I. BACKGROUND

In FY 70, the USAID agreed to provide technical assistance to the Office of the Prime Minister in several areas of management. One of the objectives of the project was to provide assistance to the central staff agencies of the GVN in improving the effectiveness of the GVN financial management systems and procedures. On this basis the USAID/PAD, with assistance from USAID/ADFM, has worked for three years developing various activities and relationships with the Ministry of Finance, the Directorate General of Budget and Foreign Aid and the General Censorate which are directed toward financial management improvement.

In FY 71, the USAID was requested by the Office of the Prime Minister (OPM) and the Ministry of Finance (MOF) by letter No. 1077-KTC/VP dated April 26, 1971, for assistance to the Central Accounting Agency, MOF, in improving the government wide accounting system used by all agencies and in training officials of the MOF in accounting and financial management. The Central Accounting Agency (CAA) is the organization responsible for standards, systems and procedures, supervision and implementation of GVN accounting laws and regulations. It also centralizes the budgetary accounts and prepares the annual financial statement of the National Budget operations.

II. GOAL STATEMENT

GVN efficiently and effectively planning and managing its resources.

III. PROJECT PURPOSE

To professionalize the accounting, budgeting and auditing personnel of the Ministry of Finance and the Directorate General of Budget and Foreign Aid.

IV. CONDITIONS EXPECTED AT THE END OF PROJECT

1. Increased financial management capability among selected members of the staff of the MOF and the DGBFA.

V. OUTPUT TARGETS FY 1973

1. In-country training in Accounting

a. Basic Accounting Courses I and II translated into Vietnamese.

b. Basic Accounting Courses I and II adapted as part of curriculum of the NIA.

c. Course in Auditing prepared in English.

d. Approximately 20 financial management personnel of the GVN to complete Basic Accounting Course II.

e. Approximately 25 financial management personnel of the GVN to complete Basic Accounting Course I.

VI. INPUTS FY 1973

A. Government of Vietnam Inputs

1. Personnel

During this extension the Central Accounting Office, MOF will continue to select and support approximately 20 to 25 qualified participants for each of the two Basic Accounting Courses.

2. Facilities

Conference and lecture facilities will be provided at the National Institute of Training for teaching of Basic Accounting Courses I and II.

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:

Contract Services (Contract AID 730-3441 funded by this ProAg for 4½ months). One Accounting Training Advisor (Gohlke)

VII. DESIGNATIONS

A. Government of Vietnam

The Minister of Finance or his designee is hereby designated the GVN Project Manager, and the Assistant Director for Foreign Aid will serve as project manager for the portion of this agreement concerning the DGBPA. The project managers will be responsible for coordination and implementation

of GVN activities covered by this agreement particularly the management of in-service training courses in accounting, the nomination of participants, the selection of employees for English language training, and the signing of implementing documents arising from this agreement.

B. The United States Government

The Assistant Director for Public Administration or his designee will serve as Project Manager for the activities covered by this project.

The Project Manager is responsible for supervising the US Government activities and inputs covered by this agreement, planning training programs, advising on technical problems, and preparing program and implementing documents.

VIII. REPORTING AND EVALUATION

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

IX. SPECIAL PROVISIONS - None.

X. STANDARD PROVISIONS

The Standard Provisions Annex B, 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 of
Central Accounting

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

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 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 Cooprrating Agency must be submitted to AID not later than 90 days after the date of the final expenditure.

(2) 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 Provisions

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 (x) to examine any property procured through financing by that party under this Project Agreement, wherever such property is located, and (a) 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.

PROJECT DOCUMENT CLEARANCE SHEET

Project Title : Public Administration Technical Support (Financial Mgmt Impr. 372.02)

Project Number : 730-11-799-372

Agreement Number: 72-058

Original Revision 1

Explanation and/or comments

This revision serves as the Master ProAg for this subproject and provides the project description and explanation. This project encompasses two distinct activities although the technical assistance provided in both cases is of the same nature. Assistance is provided to the Central Accounting Agency of the Ministry of Finance and the Directorate General for Budget and Foreign Aid as one phase of the project activity. The second phase is given to the General Censorate which is a separate branch of government in the Republic of Vietnam. Because of the nature of this project the description and explanation is provided in two parts; each part to be signed off on by the respective agency(ies) involved.

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

ADPROG:

APO 5/15/72 — Division Chief 5/15/72 — Planning Branch — ADPROG 5/31/72

ADFM:

FAD — REA 5/22/72 — ADFM

TECHNICAL OFFICE:

Project Manager — Division Chief or Assistant Director

OTHER:

PROJECT DOCUMENT CLEARANCE SHEET

Project Title : Public Administration Technical Support (Financial Management)

Project Number : 730-11-799-372.02

Agreement Number : 73-029 Original X Revision ____

Explanation and/or comments

The purpose of this ProAg is to provide financing for four and a half months of services by the Personal Services Contractor, Dr. Eugene A. Gohlke. The services performed by Dr. Gohlke will be taken over by an institutional contract as planned in the FY 1974 PBS under Financial Management Improvement, Project No. 340.03. However, the PROP for that project was only just approved per STATE 154337 dated 8/24/72, and it will take several months to obligate funds and complete a contract. During that time it is desirable that Dr. Gohlke's services be continued.

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

ADPROG

APC

Division Chief

Financial Mgmt. Br. EK 8/28/72 ADPROG

ADFM

FAD

RSA 8/25/72

ADFM

TECHNICAL OFFICE:

Project Manager

Division Chief or Assistant Director

OTHER :

VS-[illegible]
ADPROG