

**ACTIVE PUBLIC ADMINISTRATION PROJECTS**

**FISCAL YEAR 1967**



**AGENCY FOR INTERNATIONAL DEVELOPMENT**

**DEPARTMENT OF STATE**

**WASHINGTON, D. C. 20523**

**NOVEMBER 1966**

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Country: ETHIOPIA

## PROJECT DATA

TABLE III

PROJECT TITLE Business and Financial Planning		ACTIVITY General and Miscellaneous		FUNDS Technical Cooperation	
PROJECT NUMBER 663-11-950-116		PRIOR REFERENCE Page 143, FY 1966 AFR P. D. B.		INITIAL OBLIGATION FY: 1965	
				SCHEDULED FINAL OBLIGATION FY: 1968	

**Project Target and Course of Action:** To help stimulate growth of the industrial sector by assisting the Ethiopian Government to improve its institutional services to prospective entrepreneurs and take other steps to accelerate industrial development.

The chronic shortage of revenues is a major deterrent to Ethiopia's development. One factor responsible is the limited amount of small-scale industry; manufacturing and agricultural processing industries account for only about 5% of GNP. The rudimentary transportation system, inadequate credit structure and general lack of government encouragement do little to improve the investment picture. In addition, the tax structure is faulty and the administration and collection procedures are lax.

The Ethiopian Government, however, is beginning to make effective some fiscal and social reforms necessary for more rapid economic development. Tax reform measures to increase both revenues and production incentives are under active discussion. The AID-assisted official Investment Corporation and the Development Bank of Ethiopia, as well as the new Investment Bank of Ethiopia and agricultural credit agency, are assisting investment by providing much-needed credit and technical assistance to indigenous and foreign investors. AID is considering a possible loan to assist in financing an oilseed processing mill, a wool factory, a mineral water bottling plant and a glass factory. Studies of these proposed projects have been started. A loan to the National Meat Corporation for a management contract with a U. S. firm is under considera-

tion. Other firms have expressed distinct and promising interest in establishing a paper mill, a spice extraction plant under a Cooley loan, a potash project, and cotton and sugar processing mills.

While the agro-industrial survey is identifying projects for industrial development, and the University Business Education project is training Ethiopians to staff and manage them, this four-part Business and Financial Planning project seeks to improve the institutional framework in which new businesses may flourish.

The industrial extension subactivity is directed to stimulation of indigenous entrepreneurial activity, particularly in rural areas, trying to bring more significant numbers of people into the market economy. It will concentrate on supplying technical and financial information to potential or working businessmen.

The investment banking subactivity will further assist the Development and Investment Banks and the agricultural credit agency to supplement possible financial assistance from the World Bank. AID will provide advisory assistance, primarily for project appraisal, investment promotion and industrial extension.

Under the tax reform subactivity, AID will assist the Ethiopian Government in a thorough review of the taxation system, including tax law, the tax structure and the collection mechanism, as specifically requested by the Ministry of Finance. This review is intended to help correct loopholes in the tax system.

The fourth subactivity is to provide training for key

U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS							PRINCIPAL CONTRACTORS AGENCIES
	Obligations	Expenditures	Unliquidated	Cost Components	Estimated FY 1966			Proposed FY 1967			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/65	20	-	20								
Estimated FY 66	25	30		U.S. Technicians	-	-	-	290	290	Personal Service Contracts	
Estimated through 6/30/66	45	30	15	Participants . . .	25	25	40	-	40		
		Future Year Obligations	Estimated Cost to Complete	Commodities . . .	-	-	50	-	50		
				Other Costs . . .	-	-	25	-	25		
Proposed FY 67	405	400	850	Total Obligations	25	25	115	290	405		

Country: ETHIOPIA

## PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY		FUNDS	
	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED	FINAL OBLIGATION
Business and Financial Planning (cont.)	General and Miscellaneous		Technical Cooperation	
PROJECT NUMBER 663-11-950-116	Page 143, FY 1966 AFR P. D. B.	FY: 1965	FY: 1968	

individuals in the Ethiopian Government offices who will have an influential role in economic policy matters.

The bulk of the project will be initiated in FY 1967 when funds will be required for six advisors in the fields of taxation, industrial extension and investment banking (three for two years); ten participants in industrial extension, investment banking, and economics and public administration; and demonstrational commodities including some industrial training machinery.

Country: KENYA

## PROJECT DATA

TABLE III

PROJECT TITLE Training for the Public Service	ACTIVITY Public Administration	FUNDS Technical Cooperation	
PROJECT NUMBER 615-11-770-112	PRIOR REFERENCE Page 35, FY 1966 AFR P. D. B.	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: 1968

Project Target and Course of Action: To aid the Kenya Government effect the orderly transfer of management of the public service from expatriates to Kenyans by helping in the preparation of Kenyans for administrative, executive and professional positions, and by supplying personnel to fill a modest number of key operating positions.

The departure of senior and middle level expatriate officials following independence has left Kenya without a sufficient number of trained civil servants at a time when the government has the greatest need for expanded and improved services. The Kenya Government has been attempting to meet this problem by placing highest priority on training programs for Kenyan personnel. Within the next two years, programs at the country's major in-service training school, the Kenya Institute of Administration (KIA), should produce enough graduates to fill most essential staffing requirements. In the interim, the Kenya Government must employ key operating personnel from other countries to fill essential positions. In all, it has been estimated that there will be at least several hundred posts which must be filled by foreign personnel as late as 1970. While the U. K. and others have met some of these needs, a U. S. supplement has been needed to help meet critical staffing requirements during the emergency staffing period.

AID is helping in the in-service training program by providing faculty and facilities for KIA. The building program was completed in FY 1964 with the help of U. S. funds totalling \$425,000. University specialists have

been serving as instructors at KIA in comparative government, development economics and public administration and have helped that institution to improve curricula and modernize training techniques. AID has also financed specialized short-term training and advanced academic instruction in the U. S. for 126 selected Kenya Government personnel in public administration and related fields. By the end of FY 1965, 1,991 students had completed courses at KIA ranging from 3 to 15 months, in public administration, local government, cooperatives, community development and executive training.

Direct AID assistance to KIA will be completed in October 1966, the scheduled termination of the contract with Syracuse University. Specialized and advanced training for selected Kenya Government officials will be continued under the Africa Regional general participant training project.

FY 1967 funds are needed to provide ten American specialists on a salary topping basis to fill important positions in the Kenya Government, particularly in engineering, land management and resettlement. AID funds will supplement basic salary payments, housing and fringe benefits provided by the government.

U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS			PRINCIPAL CONTRACTORS/ AGENCIES			
	Obligations	Expenditures	Unliquidated	Estimated FY 1966				Proposed FY 1967		
				Direct AID	Contract/ Other Agency	Total		Direct AID	Contract/ Other Agency	Total
Through 6/30/65	1,517	1,143	374							Syracuse University
Estimated FY 66	150	373						202	202	
Estimated through 6/30/66	1,667	1,516	151							
		Future Year Obligations	Estimated Cost to Complete							
Proposed FY 67	202	80	1,949							
				Cost Components						
				U.S. Technicians						
				Participants . . .	150		150			
				Commodities . . .						
				Other Costs . . .						
				<b>Total Obligations</b>	<b>150</b>		<b>150</b>		<b>202</b>	<b>202</b>

PROJECT TITLE <b>Public Utilities Management</b>	ACTIVITY Industry and Mining	FUNDS TC
PROJECT NUMBER 669-11-270-083	PRIOR REFERENCE p.185, FY 1966 AFR P.D.B.	INITIAL OBLIGATION FY: 1964
		SCHEDULED FINAL OBLIGATION FY: 1968

**Project Target and Course Action:** The project objective is to increase the effectiveness of the Government of Liberia's Public Utilities Authority (PUA) in operating the Monrovia water, sewerage and electric power systems as part of the general U.S. assistance program objective of supporting Liberian efforts to improve government administration. The planning, contracting and construction activity of major projects have compelled PUA to accelerate improvement of its administration. Because of the need for external assistance, AID is financing the services of a U.S. engineering firm to provide advisory and operational personnel to assist in managing PUA and is undertaking a broad program of training of Liberians to staff the authority. An AID utilities specialist was added to the project in 1966. PUA pays for one of the engineers furnished by the contractor and covers the cost of office facilities, clerical aid, in-service training connected with contractor activities. It has financed a comprehensive study of future development requirements. Progress to date resulting from increased efficiency of operations and management, including improved maintenance and repair techniques, include doubling of power and generation sales since 1961, 50 percent increase in system capacity from the existing water pumping plant, 18 percent increase to 91 percent of collections versus billings in 1965 over 1964, reduction of excess PUA staff and introduction of machine methods in the business office and a wage classification system with incentive pay increases. A successful in-service training program of

operating personnel has resulted in operation of two power stations entirely by Liberian personnel. The PUA is financing high school training for 35 employees. Initiation of a U.S. training program aimed at developing top technical and management personnel has been deferred pending results of the contract team study of long-range PUA needs. Contract services may be required until at least 1975, however if recent improvements in the PUA financial position continue, AID grant assistance should terminate in FY 1968 as scheduled. The June 1966 pipeline represents forward funding of the six-man contract team to May 1967. In FY 1967, AID will finance the extension of the contract through December 1968 and the services of a direct-hire engineer for an additional year. As a result of the 1966 study of PUA needs, AID may finance additional specialized studies and a full-time training director to expand clerical and operational in-service programs and participate in a U.S. training program for top level personnel.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES			
Through 6/30/65	Obligations	Expenditures	Unliquidated	OBLIGATIONS						
	207	189	187	Estimated FY 1966		Proposed FY 1967				
				Direct AID	Contract/Other Agency	Total		Direct AID	Contract/Other Agency	Total
Estimated FY 66	207	189		19	181	200	25	244	269	Sanderson and Porter
Estimated through 6/30/66	647	442	205	-	-	-	-	-	-	
		Future Year Obligations	Estimated Cost to Complete	-	-	-	-	-	-	
Proposed FY 67	278	122	1,047	7	-	7	9	-	9	
				26	181	207	34	244	278	
				Total Obligations						

Country: LIBERIA

## PROJECT DATA

TABLE III

PROJECT TITLE Government Reorganization and Management	ACTIVITY Public Administration		FUNDS TC
	PRIOR REFERENCE p. 203, FY 1966 AFR P.D.B.	INITIAL OBLIGATION FY: 1961	SCHEDULED FINAL OBLIGATION FY: 1971
PROJECT NUMBER 669-11-720-061			

Project Target and Course Action: To help improve the organization and administrative efficiency of the Government of Liberia to enable it to discharge expanded government responsibilities and to administer development efforts effectively. AID advisory and training services in this major objective of the U.S. assistance program are designed to achieve a more logical and effective distribution of government functions and responsibilities among executive departments. Other goals are to develop efficient administrative procedures and practices, to establish effective personnel management procedures and to accelerate the training of middle and top level government employees. Besides two public administration advisors, AID finances a contract group which is the technical staff for the Liberian Special Commission on Government Operations. The team has conducted organizational surveys of various government departments followed by recommendations for increased efficiency and is working with the Civil Service Bureau to improve personnel management through organizational reforms and legislation. Four members of the eight-man team serve as operational personnel fulfilling objectives under the Fiscal and Supply Management project. Studies by the team have resulted in the passage of numerous reorganization acts and laws affecting government budgeting and accounting, internal revenues and labor codes and creation of the new Departments of Commerce and Information. Legislation has been drafted to create a General Services Administration. Special studies on

organization and implementation problems have been conducted. Work will continue during FY 1966 and early FY 1967 on developing standards for a merit personnel system. An in-service training program is under consideration for initiation in FY 1966 following the recommendations of a U.S. Civil Service study of May 1965. FY 1966 and 1967 should see completion of a study for establishment of a local government bureau; planning and implementation of Department of Justice reorganization; administrative and fiduciary audit of the Education Department; development and training of a permanent management unit and further organization changes in Treasury and General Services and Supply. Over 250 Liberians have received in-service training in budgetary, personnel and tax matters as well as organization and methods. Forty-nine Liberians have received U.S. training in various administrative fields. The June 1966 pipeline consists of forward funding of the new training contract and the balance of funds available for the Public Administration Services contract funded through June 1967.

FY 1967 funds cover an 18-month extension of the services of the Public Administration Services team, support costs for the contract team and for two in-service training specialists, and training in the U.S. for ten participants originally funded under the terminated National Planning Agency project.

\* -- Includes \$400,000 Contingency Fund obligations, incurred in FY 1961, which were not shown in 1966 CP.

U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES	
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	Estimated FY 1966			Proposed FY 1967			1/ Public Administration Services 2/ Training contractor not yet selected.
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
	2,156 *	1,642	514								
Estimated FY 66	286	406									
Estimated through 6/30/66	2,442	2,048	394								
		Future Year Obligations	Estimated Cost to Complete								
Proposed FY 67	481	1,024	3,947								
				Total Obligations	177	109	286	204	277	481	

Country: LIBERIA

## PROJECT DATA

TABLE III

PROJECT TITLE Fiscal and Supply Management	ACTIVITY Public Administration	FUNDS TC	
PROJECT NUMBER 669-11-720-078	PRIOR REFERENCE p. 205, FY 1966 AFR P.D.B.	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: 1970

Project Target and Course of Action: To help improve the Government of Liberia's financial operations with particular emphasis on fiscal management, customs administration, procurement and supply, budgeting, accounting, auditing and revenue collection.

Past inadequacies in government fiscal controls and debt management are significant factors in Liberia's financial difficulties and have seriously limited resources available to finance government operations. They have assumed added importance under the current IMF-led austerity program. In view of these factors, AID is furnishing operational and advisory personnel in a number of related fields in a concentrated effort to assist in improving Liberian financial management. A procurement advisor is helping to establish standard procurement systems and supply facilities. Specialists from the U.S. Customs Bureau are implementing a program to improve customs procedures and regulations, and enhance revenue realization through efficient administration. Nine operational personnel are assigned to various government departments to improve budgetary and expenditure controls and tax collections, and four tax and budget specialists are assigned to the government reorganization project. Each of these elements is being complemented by a training program for senior and mid-level Liberian staff. Reform measures developed by these advisors are operative, including a new budget system and planning methods for executive departments; a separate development budget; an accounting manual and installation of mechanization; new supply

administration procedures. Government tax revenues and customs receipts have increased about 15 percent.

The pipeline of funds as of June, 1966, consist mainly of forward funding for operational personnel contracts. In addition some participant training and commodity funds will remain to be liquidated in FY 1967.

Funds for FY 1967 are requested to continue the technical and training services for 17 participants with special emphasis on implementation of modern administrative procedures in the customs office, reorganization and introduction of new procedures and controls in the supply bureau, and training and enlargement of the central budget staff. Logistical support will be provided for the operational personnel. It is estimated that a minimum of four years of services will be required of the operational personnel, subject to reassessment in FY 1970, so that the scheduled year of final obligation has been extended accordingly.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/ AGENCIES			
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS a/					
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete	Estimated FY 1966		Proposed FY 1967		
					Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
	1072	360	712							
	245	429			25	64	89	-	108	108
	1317	789	528	U.S. Technicians	65	-	65	76	-	76
				Participants ...	8	-	8	-	-	-
				Commodities ...	76	7	83	128	16	144
				Other Costs ...	174	71	245	204	124	328
Proposed FY 67	328	1300	2945	Total Obligations						

PRINCIPAL CONTRACTORS/ AGENCIES

Bureau of Customs

a/DL funds also scheduled for commodity support this project as follows: FY 1966 \$34,000, FY 1967 \$30,000.

Country: LIBERIA

## PROJECT DATA

TABLE III

PROJECT TITLE Local Government Administration	ACTIVITY Public Administration	FUNDS TC	
PROJECT NUMBER 669-11-720-080	PRIOR REFERENCE p. 206, FY 1966 AFR P.D.B.	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: 1970

Project Target and Course Action: To assist in the development of effective local participation in economic and social activities in order to advance the growth of local government capability. Liberia's Department of Internal Affairs government unit responsible for services in the rural counties, has been largely ineffective in inducing greater involvement of the rural peoples.

In a pilot project in one district, AID advisors helped to develop administrative and technical links between the central and district governments. More recently, in view of the vital significance of the areas where the bulk of the population resides, AID has sought to determine opportunities for feasible ways of achieving more effective impact upon local government structures and development. Recommendations from a special report form the basis for this project planned in local government development, designed to rely almost exclusively on local self-help supplemented by limited inputs of technical services and materials from the central government departments, AID and the Peace Corps.

FY 1967 funding is requested to finance two contract technicians who will be assigned to the Bureau of Local Government in the Department of Internal Affairs. These advisors will work with county administrative bodies mainly through self-help techniques to begin developing initiative for improving local services at the county level. Areas of concentration at the outset will include road construction and

maintenance, development of village water supplies, and improvement of government health and education services. Commodity support for construction materials and administrative support equipment will be supplied under DL funding. In view of the probing nature of this type of program, a definite timetable of assistance requirements is not yet clear. The project will be reassessed annually to determine progress, the need for and feasibility of improved approaches to the problem.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES				
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS a/						
	183	179	4		Estimated FY 1966			Proposed FY 1967			
Estimated FY 66	-	4		U.S. Technicians	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	a/ DL funds as follows are also scheduled for this activity:  FY 1967 \$150,000
Estimated through 6/30/66	183	183	-	Participants . . .					50	50	
		Future Year Obligations	Estimated Cost to Complete	Commodities . . .					-	-	
				Other Costs . . .					-	-	
Proposed FY 67	50	250	483	Total Obligations					50	50	

Country: LIBERIA

## PROJECT DATA

TABLE III

PROJECT TITLE Public Works Administration and Training	ACTIVITY Industry and Mining		FUNDS Technical Cooperation
	PRIOR REFERENCE Page 183, FY 1966 AFR P.D.B.	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: 1971
PROJECT NUMBER 669-11-740-077			

Project Target and Course Action: To improve the capability of the Liberian Department of Public Works (DPW) in planning and supervising public sector developmental construction projects, maintenance and repair of roads, ports and public buildings. The continued limitation on Government of Liberia finances and its reliance on external financing for the major elements of its development program has increased the demands on the DPW for more effective planning, construction supervision and maintenance operations. The effectiveness of the DPW faced with backstopping major construction activities and carrying out minimum level maintenance of existing public facilities continues to be hampered by inexperience, aggravated by inadequate numbers of trained engineers and technical personnel. AID is therefore financing the services of 3 engineers and 9 technicians of the J.G. White Engineering Company to assist in (1) perfecting the reorganization of the DPW, (2) improving its operating procedures and service facilities, (3) carrying out an in-service training program and a long-range program for training selected Liberian staff members abroad, and (4) furnishing operational and advisory services in major programs of the Department, particularly a new primary and secondary highway construction and maintenance program initiated in 1964. Commodity support previously supplied on a grant basis has been shifted to development loans and other external loan financing. Slow but perceptible progress is apparent as better fiscal discipline is achieved. The

concepts of in-service training program are applied and Liberians receiving professional engineering training abroad return for reassignment to the Department. The conditions imposed by agencies such as the IBRD and AID in requiring the establishment of adequate maintenance and supply support capabilities are being observed to a greater extent. AID requirement that the DPW maintain an acceptable rate of improvement as a condition for year-to-year extension of the engineering contract and loan funds for materials and equipment is inducing greater efforts. The planning of major programs and projects in coordination with the GOL office of National Planning shows marked improvement.

During FY 1967 AID will continue the services, including local logistic support, of three of AID technicians and the J.G. White Engineering Company at a 9-man level supplemented by short-term consultants. Additional funding for these purposes will be conditional on continued progress. On the basis of performance to date it is estimated that contract services will be continued through the entire duration of the project which may extend into FY 1971 in order to assist the Department to meet requirements for the expanded road construction program. Accelerated U.S. training of qualified candidates in technical and administrative fields will continue with six participants in FY 1967. Maintenance materials, engineering and surveying equipment and construction equipment will be provided under Development Loan financing.

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U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS a/						PRINCIPAL CONTRACTORS' AGENCIES	
	Obligations	Expenditures	Unliquidated	Estimated FY 1966			Proposed FY 1967			J.G. White Engineering Co.	
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	a/ DL Funds also scheduled	
Through 6/30/65	1,986	1,474	512								
Estimated FY 66	471	721									
Estimated through 6/30/66	2,457	2,195	262	75	201	276	75	260	335	for commodity support this project as follows:	
		Future Year Obligations	Estimated Cost to Complete	43	-	43	25	-	25	FY 1966 - \$250,000	
				-	-	-	-	-	-	FY 1967 - \$200,000	
Proposed FY 67	512	1,406	4,375	152	-	152	152	-	152		
				270	201	471	252	260	512		
				Total Obligations							

Country: MALAWI

## PROJECT DATA

TABLE III

PROJECT TITLE Operational Manpower for Development	ACTIVITY Public Administration	FUNDS Technical Cooperation	
	PRIOR REFERENCE None	INITIAL OBLIGATION FY: 1967	SCHEDULED FINAL OBLIGATION FY: 1970
PROJECT NUMBER			

**Project Target and Course of Action:** To assist the Government of Malawi conduct essential government functions by the supply of operational personnel.

At independence Malawians filled less than 10% of the approximately 900 professional positions in the civil service, one of the least localized in Africa. Political uncertainty and limited career potential have led to the departure of increasing numbers of expatriate personnel as their contract periods have come to an end. Despite a major recruitment effort by the Malawi Government, aided by the United Kingdom, the manpower shortage has reached critical proportions threatening basic government operations.

AID plans to help meet this emergency need through the supply of two categories of personnel. The first will be those whose services are directly required in achieving the objectives of specific AID technical cooperation projects in Malawi, and who are being supplied under those projects. Secondly, AID plans to establish this project in FY 1967 to provide personnel to meet broader manpower needs. The principal criteria for the approval of such positions will be: that the UK or other sources have been unable to provide the necessary persons; that they are essential to the continuity of important government functions, particularly in fields of activity in which AID is involved; that the Government can provide Malawians for training as replacements; and that qualified personnel can be effectively recruited in the U.S.

The Malawi Government has established a Commissioner for Training in its Ministry of Planning and Development, with responsibility for identifying manpower needs and planning or coordinating training programs to fill these needs on a priority basis. Concrete progress has been made but it is clear that the achievement of full Africanization of the civil service will require a number of years. By 1970 there will be an estimated 1,100 positions requiring college degree level training. At present only about 50 Malawians have such training; some 200 are now in foreign universities, with 100 more at the University of Malawi, which was inaugurated in October 1965.

To help meet its manpower needs on an interim basis, Malawi signed an agreement with the UN on operational assistance in July 1965. A similar agreement is planned with AID. Malawi will pay the basic salaries and allowances sufficiently to attract qualified American personnel.

FY 1967 funds are required to finance 12 positions on this salary topping basis for an initial 18 month period. Personnel to be recruited include engineers, agriculturalists and economists.

U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS			PRINCIPAL CONTRACTORS AGENCIES
	Obligations	Expenditures	Unliquidated				
				Estimated FY 1966	Proposed FY 1967		
Through 6/30/65	-	-	-	Direct AID	Contract/Other Agency	Total	To Be Selected
Estimated FY 66	-	-		Direct AID	Contract/Other Agency	Total	
Estimated through 6/30/66	-	-	-				
		Future Year Obligations	Estimated Cost to Complete				
Proposed FY 67	400	1,012	1,412				
				Total Obligations			

PROJECT TITLE Economic and Statistical Service Development PROJECT NUMBER 612-11-790-139	ACTIVITY Public Administration	FUNDS Technical Cooperation	
	PRIOR REFERENCE p. 228, FY 66 AFR P.D.B.	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: 1969

Project Target and Course of Action: To help establish a National Statistical Office staffed by Malawians and equipped to carry out a continuing program of collection, compilation and publication of statistics needed by the Government of Malawi to improve its developmental and daily operations.

Malawi does not have reliable statistical data for effective day-to-day government operations and for development planning. Its chief needs include the collection, compilation, evaluation and publishing of data on foreign trade, employment and wages, industrial input and output, cost of living and population. An agricultural survey is also required.

AID activities under this project have included a study of statistical requirements by an Indiana University economist and an advisor from the U.S. Bureau of the Census. Three Bureau of the Census specialists, a chief statistical advisor, a sampling expert, and an operations specialist are now stationed in Malawi. The majority of the African clerical and professional staff have been selected and are either on the job or in training. Eight were sent to the U.N. statistical school in Addis Ababa for nine month sub-professional courses and one to the U.S. for advanced statistical training. Short-term consultants have assisted in census planning and in determining tabulating equipment needs. Initial publication of basic statistics, primarily in the foreign trade field, has begun; and plans are well along for the

national census to be undertaken in August 1966. In FY 1966 AID is adding a fourth Bureau of the Census advisor, this one in agricultural statistics, and will provide two middle level operational staff on a salary topping basis to carry on essential work in agricultural statistics and general survey and sample planning until Malawians can be trained. Five participants have been selected to enter university level training in the U.S. for professional positions. In FY 1966 AID is also providing tabulating equipment and five vehicles needed for survey work. Malawi is providing logistical support for advisory personnel, base salary and allowances for operational personnel, and is making a substantial budgetary effort on behalf of the Statistical Office.

In FY 1967 funds are required to continue the four Bureau of the Census advisors, continue U.S. degree training for five participants in economics and statistics, send an additional five trainees to the U.N. center in Addis Ababa, and to procure limited office equipment.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES			
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
	116	63	53		Estimated FY 1966			Proposed FY 1967		
Estimated FY 66	310	293		U.S. Technicians Participants ...	Direct AID	Contract/ Other Agency		Total	Direct AID	Contract/ Other Agency
Estimated through 6/30/66	426	356	70		Commodities ...	-	145	145	-	94
		Future Year Obligations	Estimated Cost to Complete	Other Costs ...	48	-	48	35	-	35
Proposed FY 67	131	300	857	Total Obligations	117	-	117	2	-	2
					-	-	-	-	-	-
					165	145	310	37	94	131

Bureau of the Census

Country: MOROCCO

## PROJECT DATA

TABLE III

PROJECT TITLE	ACTIVITY	FUNDS	
National Economic Development Training	Public Administration	Technical Cooperation	
PROJECT NUMBER 608-11-790-051	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
	P. 259 FY 1966, AFR P.D.B.	FY: 1966	FY: 1970

Project Target and Course Action: To help the Government fill the need for trained personnel for economic development planning and execution.

A major bottleneck to development is the lack of trained manpower to plan programs, manage existing governmental agencies, and to meet the ever-growing requirements resulting from Morocco's investment program. The problem is compounded by the continuing departure of French senior administrators and technicians who now number approximately 2,000, off 20% from last year. French technicians are leaving as the result of increasing "Moroccanization" of the public service and the wish of the Moroccan Government to reduce their number to save expenses. In many cases, the loss of French technicians results in incompetent young Moroccans holding important posts. This project is designed to help meet the urgent need for experts while at the same time exposing them to American approaches and attitudes in the economic field.

A.I.D. is prepared to provide short- and medium-term training for supervisors and instructors in the fields of taxation, customs administration, statistics and other fields related to economic development.

Two Moroccans, one in customs administration and the other in library science, were trained in the U.S. under the 1965 program. Thus far in FY 1966, another Moroccan attended a special program of the pilot

economic development project in Taos, N.M., the chief of the planning division of the Public Works Ministry studied urban development in the U.S. and Puerto Rico and an economist is enrolled for a year to study national income analysis.

FY 1967 funds are required for short- and medium-term training for 30 Moroccans in various specialties including: (a) economic development studies and planning techniques, (b) technical studies in fields of performance budgeting, statistics, demographics, etc., (c) team or individual observation programs in customs legislation, tax administration and enforcement, etc.

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U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS/ AGENCIES	
Through 6/30/65	Obligations	Expenditures	Unliquidated	OBLIGATIONS			
	8	-	8	Estimated FY 1966			Proposed FY 1967
Estimated FY 66	51	24		Direct AID	Contract/Other Agency		Total
Estimated through 6/30/66	59	24	35	-	-	-	
		Futura Year Obligations	Estimated Cost to Complete	51		51	
Proposed FY 67	90	234	383	-	-	-	
				-	-	-	
				Total Obligations		90	
				51		90	

PROJECT TITLE Public Services Training and Staff Support	ACTIVITY Public Administration	FUNDS Technical Cooperation	
	PRIOR REFERENCE p. 316, FY 1966 AFR P.D.B.	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: 1970
PROJECT NUMBER 620-11-720-214			

Project Target and Course of Action: Due to the need for increased public services generated by the Development Plan and the departure of expatriate officials, the Nigerian Civil Service requires substantial expansion. The purpose of this project is to provide new training or up-grade the skills of Nigerians who are concerned with the implementation of projects in education, agriculture, industry, and capital development.

One phase of this project provides short-term training in the U.S. for between thirty and forty Nigerians per year. The target is to provide training opportunities in the U.S. for approximately 300 middle- and high-level public service officers in groups of five or six participants at a time. Select individuals receive training in the U.S. for up to one year.

A new aspect of this project will involve help to the Nigerian Government in recruiting and funding U.S. operational personnel for certain positions. Eventually, this aspect of the project is expected to provide as many as 20 U.S. specialists on a salary topping basis. AID pays the difference between the normal U.S. salary and benefits of the technician and the amount that a Nigerian would be paid in the same position.

A survey conducted during FY 1965 indicated that, of 125 participants who have returned from training, eleven now hold the rank of permanent secretary. A majority of the trainees occupy middle to high-level management positions with responsibilities in Federal Surveys,

ministries of commerce, Nigerian Railway Corporation, the National Manpower Board, and ministries of works. Use of American methods and principles are apparent in many of their plans and decisions. AID is also providing an advisor in communications media to Ahmadu Bello University.

The \$235,000 FY 1967 requirement is to supplement the salaries for eight U.S. specialists, participant training in the U.S. for approximately 37 Nigerians and logistic support costs of the technicians. The Nigerians who come to the U.S. will receive training in labor organization and education, program and project planning, procurement, engineering, and public administration.

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U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES						
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS								
	Estimated FY 66	Estimated through 6/30/66	Proposed FY 67		Estimated FY 1966	Proposed FY 1967							
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total			
	501	421	80										
	214	202		U.S. Technicians		61	61		96	96			
	715	623	92	Participants . . .	138	-	138	115	-	115			
		Future Year Obligations	Estimated Cost to Complete	Commodities . . .	-	-	-	-	-	-			
				Other Costs . . .	15	-	15	-	24	24			
	235	680	1,630	Total Obligations	153	61	214	115	120	235			

Country: NIGERIA

## PROJECT DATA

TABLE III

PROJECT TITLE Economic Development Analysis and Project Planning	ACTIVITY Public Administration	FUNDS Technical Cooperation
PROJECT NUMBER 620-11-720-756	PRIOR REFERENCE p. 317, FY 1966 AFR P.D.B.	SCHEDULED FINAL OBLIGATION FY: 1970
	INITIAL OBLIGATION FY: 1966	

Project Target and Course of Action: To assist the staffs of the central and regional governments of Nigeria in economic development analysis and project planning preparation.

The capabilities of the Nigerian regional governments are being severely strained by the ever-increasing magnitude of the development tasks with which they are confronted. Overall economic analyses as guides for government policy, with minor exceptions, have not been maintained or undertaken, making it exceedingly difficult to obtain an appraisal of progress under the Development Plan with any degree of precision.

To help improve Nigerian capabilities in the Mid-West Region, AID is providing three specialists under contract - an industrial economist, an agricultural economist, and a construction engineer - to staff a newly established planning unit within the Ministry of Economic Development. These specialists will perform continuing analysis of the economy of the Mid-Western Region and prepare potential projects in such a form that they can be presented to international donors for funding. These specialists will be supplied under an AID-financed contract between the Government of the Midwestern Region and a qualified U.S. management consulting firm. Six Nigerians will assist the US specialists and receive in-service training from them with a view to becoming the permanent staff of the planning unit. In addition, since the summer of 1965, an AID direct-hire economic advisor has assisted the

Midwestern Government to organize the planning unit and establish its work priorities.

The Government of Midwestern Nigeria is responsible for the recurrent costs of the planning unit, office space and transportation for the specialists.

FY 1967 funding is required for the direct-hire economist (\$20,000); the three contract specialists (\$60,000); two participant grants in economic development (\$10,000); and logistic support of the technicians (\$10,000).

U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS			PRINCIPAL CONTRACTORS/AGENCIES A Management consulting firm.
	Obligations	Expenditures	Unliquidated				
				Estimated FY 1966		Proposed FY 1967	
				Direct AID	Contract/Other Agency	Total	
Through 6/30/65	-	-	-				
Estimated FY 66	205	163		20	100	120	20
Estimated through 6/30/66	205	163	42	10	-	10	10
		Future Year Obligations	Estimated Cost to Complete	10	-	10	-
				5	60	65	10
Proposed FY 67	100	290	595	45	160	205	40
							60
							100

PROJECT TITLE Faculty of Business and Social Studies - University of Lagos	ACTIVITY <u>Public Administration</u>	FUNDS <u>Technical Cooperation</u>
	PRIOR REFERENCE P. 318, FY 1966 AFR P.D.B.	SCHEDULED FINAL OBLIGATION FY: 1969
PROJECT NUMBER 620-11-770-739	INITIAL OBLIGATION FY: 1963	

Project Target and Course of Action: To help establish and develop a Faculty of Business and Social Studies at the University of Lagos to provide training in fields of commerce and business, critically important to Nigeria's development effort.

Beginning in 1963, AID provided a professional staff of six contract advisors and additional short-term specialists from New York University (NYU) to assist in the development of curricula, syllabi, teaching materials, and administrative organization of the Business Faculty of the University of Lagos. The NYU team has provided training in the general fields of business administration, economics, accounting and public administration, and is developing curricula leading to a B.A. degree. This degree is based on a three year course for day students and a five year course for night students.

Classes of between 40 and 50 students have been selected each year since 1962 for the day course from a field of more than 300 applicants. Classes of similar size have been selected each year since 1963 for the night course. The new curricula has been readily accepted by business and government circles. In addition to the degree curriculum, NYU organized a program of seminars, conferences and workshops to up-date the skills of Nigerian businessmen in business practices and management. Two Nigerians who received training in the U.S. have returned to the Faculty. Five Nigerians are scheduled for training during 1966.

The appointment of a new University Vice Chancellor

and the dismissal of the former one provoked campus disorders during March 1965 which forced the closing of the University and the withdrawal of two NYU faculty advisors. The tour of duty of a third member of the NYU team expired at that time. Between the University's closing in March and its reopening in October 1965, the three remaining members of the NYU team have carried out research and a popular and successful program of training for the professional staff of various businesses and corporations in Nigeria. Since the reopening of the Universities, they have resumed teaching.

The estimated pipeline as of June 1966 consists of funding under the contract. Decision as to how to restaff the contract will be based on a review by the new Vice Chancellor of Lagos University, AID and NYU, of the prospects for the University and its Faculty of Business, and development of a workable program during early 1966. It is expected that a contract will be negotiated for a nine-man team to provide assistance to the University in business and public administration and possibly in adult education. An 18-month contract amendment would require \$103,000 in FY 1967 funds to carry it through December 1968. Renewal for two more years will probably be required to bring the University curriculum and teaching in these fields to a level permitting phase-out of assistance.

U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1966			Proposed FY 1967			
Through 6/30/65	1,035	545	490	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Estimated FY 66	3	122								
Estimated through 6/30/66	1,038	667	371							
		Future Year Obligations	Estimated Cost to Complete							
Proposed FY 67	103	275	1,416							
				<b>Total Obligations</b>	3		3	3	100	103

New York University

Country: NIGERIA

## PROJECT DATA

TABLE III

PROJECT TITLE Zaria Institute of Administration -- Ahmadu Bello University		ACTIVITY Public Administration		FUNDS Technical Cooperation	
PROJECT NUMBER 620-11-770-740		PRIOR REFERENCE p. 319, FY 1966	AFR P.D.B.	INITIAL OBLIGATION FY: 1961	SCHEDULED FINAL OBLIGATION FY: 1969

Project Target and Course of Action: To assist Northern Nigeria, the most populous and largest region, overcome its acute shortage of trained civil service personnel by helping to organize, establish and operate a university level Institute of Public Administration as a semi-autonomous division of Ahmadu Bello University. Since 1962, AID has been financing a University of Pittsburgh contract team of up to eight public administration advisors to assist in up-grading the Institute of Administration to college level and integrating it into the permanent structure of the Ahmadu Bello University. AID has also assisted the construction of the Institute library which has now been completed. The Pittsburgh team is lecturing and preparing curricula in the areas of public administration, business organization, economic and social development, international affairs, and business management.

The new baccalaureate program produced its first group of 30 graduates in June 1965. The syllabus and course material for this program have been prepared. During an early phase of the project, this team directed the training at the Institute of 200 instructors who in turn have trained over 27,000 local government officials in elementary accounting and administration techniques. A new accounting diploma course was instituted in January 1964 with 19 enrollees. Since then, 12 have successfully completed the program. An intermediate course in local government has been instituted and thus far 90 have graduated. The advisors have also assisted in the

development of textbooks tailored to Nigerian requirements in elementary economics, international affairs, Nigerian government and administration, and English language skills. As the project nears completion increasing emphasis will be given to the newly-organized research and conference programs of the Institute. The latter program consists of workshops and seminars in various functional fields to offer opportunities for exchange of knowledge and experience. The advisors assist and train Nigerian staff in the planning, organization and administration of conferences and workshops.

The contribution of the Government of Northern Nigeria to this project includes emoluments and international travel for participants, the physical plant, the administrative support of the institute, and the recurring costs of its activities. Contributions from other sources include over \$400,000 from the Ford Foundation plus grants and scholarships from numerous British, Nigerian, and American business and public organizations.

The FY 1967 funding requirement of \$291,000 will extend the services of seven contract technicians through 1968. \$30,000 of this amount will provide participant training for six Nigerians in the fields of public administration, economic development, economic statistics, international affairs, and public and business management.

The FY 1965 and 1966 pipeline results primarily from forward funding of the contract.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1966			Proposed FY 1967			
Through 6/30/65	1,398	788	610		Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	University of Pittsburgh
Estimated FY 66	94	272		U.S. Technicians	-	52	52	-	200	200	
Estimated through 6/30/66	1,492	1,060	432	Participants ...	-	13	13	-	30	30	
		Future Year Obligations	Estimated Cost to Complete	Commodities ...	-	-	-	-	-	-	
				Other Costs ...	15	14	29	15	46	61	
Proposed FY 67	291	150	1,933	Total Obligations	15	79	94	15	276	291	

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PROJECT TITLE Economic and Financial Planning and Statistics	ACTIVITY Public Administration		FUNDS Technical Cooperation
	PRIOR REFERENCE Page 321, FY 1966, AFR P.D.B.	INITIAL OBLIGATION FY: 1961	SCHEDULED FINAL OBLIGATION FY: 1969
PROJECT NUMBER 620-11-780-211			

Project Target and Course of Action: To assist Nigerian efforts to improve the collection and analysis of statistical data in order to help overcome some of the principal areas of weakness in the planning for Nigerian economic development, the poor quality of economic and social data and the dearth of technical information on resources and development opportunities.

Since 1961, AID has been financing the technical services of U.S. advisors to various offices of the Nigerian Government. A technician from the U.S. Bureau of the Census helped to program data gathered in the 1962 census and a second assisted in on-the-job training of four Nigerians in data processing and machine tabulation. A transportation economist has completed and submitted a report to the Niger Delta Development Board which will aid the formulation of a comprehensive area plan. These activities have been successfully completed and Nigerians are now prepared to continue the work of the U.S. technicians. For several years, two Federal Reserve System economists advised Nigeria's Central Bank on the gathering of statistics and conduct of research, as well as training the Nigerian staff. Another Federal Reserve economist helped to establish a balance of payments division of the Central Bank to improve the quality and timeliness of the balance-of-payments statistics in Nigeria. As a result, there has been a steady improvement in the organization, coverage and general quality of Central Bank reports, with balance-of-payments data now being published regularly.

One Federal Reserve economist is still helping the Central Bank to develop a research staff capable of collecting and analyzing financial and economic data.

FY 1967 funding will continue the services of the Federal Reserve Economist who is advising the Research Department of the Central Bank.

U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS/AGENCIES					
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	195	172	23		Estimated FY 1966			Proposed FY 1967			
Estimated FY 66	25	35		U.S. Technicians	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Personal Services Contract
Estimated through 6/30/66	220	207	13	Participants ...	-	23	23	-	25	25	
		Future Year Obligations	Estimated Cost to Complete	Commodities ...	-	-	-	-	-	-	
				Other Costs ...	2	-	2	2	-	2	
Proposed FY 67	27	52	299	Total Obligations	2	23	25	2	25	27	

Country: Sierra Leone

## PROJECT DATA

TABLE III

PROJECT TITLE Public Administration and Advisory Services	ACTIVITY Public Administration	FUNDS Technical Cooperation	
	PRIOR REFERENCE None	INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: 1968
PROJECT NUMBER 636-11-720-016			

Project Target and Course of Action: To assist the Government of Sierra Leone in the field of public administration with emphasis on tax administration. A large amount of tax revenue is lost to Sierra Leone because of ineffective tax policies and enforcement and lack of coordination between the national and local governments. Under this project, the services of a Municipal Tax Advisor were initially provided for six months. He advised on development of sound municipal tax policy, analyzed existing procedures and recommended measures to improve them, and identified other possible tax resources. His report, submitted to the Sierra Leone Government in November 1965, indicates problems of staffing and training, organization, expenditure control, and revenue administration. It recommends further advisory assistance in financial systems, fiscal training, and in revenue administration.

In FY 1967, funds are requested for the further services of a municipal tax advisor to implement the recommendations of the earlier report and to lay the groundwork for more intensive specialized assistance later on.

The Government of Sierra Leone has also indicated an interest in public administration assistance in the field of rural development, tying in with AID's work in other aspects of this area of U.S. concentration. Specifically, on the national level, advice may be requested on coordinating the various programs of diverse agencies and ministries involved in rural development as well as

to provide a plan for reorganizing the agencies of local government and revising their existing tax structures. Training programs for local administrators may be started with AID's assistance. An additional \$20,000 may be required for a preliminary study but this item is not included in the FY 1967 request.

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U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/ AGENCIES				
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1966			Proposed FY 1967			
Estimated FY 66	15	14		U.S. Technicians	Direct AID	Contract/	Total	Direct AID	Contract/	Total	FY 1966 - Public Administration Service
Estimated through 6/30/66	15	14	1	Participants ...		15	15	-	25	25	
		Future Year Obligations	Estimated Cost to Complete	Commodities ...		-	-	-	-	-	
				Other Costs ...		-	-	-	-	-	
Proposed FY 67	25	25	65	Total Obligations		15	15	-	25	25	

PROJECT TITLE Economic Research and Statistics	ACTIVITY Public Administration	FUNDS Technical Cooperation	
PROJECT NUMBER 636-11-780-003	PRIOR REFERENCE Page 346 FY 1966 AFR P.D.B.	INITIAL OBLIGATION FY: 1960	SCHEDULED FINAL OBLIGATION FY: 1969

Project Target and Course of Action: To assist the Sierra Leone Government in establishing a Central Statistics Office capable of collecting, compiling, and publishing statistics for development planning and to meet other needs of government, agriculture, and business.

The development planning efforts of the Sierra Leone Government like those of other African Governments are seriously hampered by the lack of basic statistics on the economy and the population. Because of Sierra Leone's limited resources and recent economic performances, the absence of basic data deters appropriate decisions on the use of its funds as well as external assistance.

Three U.S. statistical advisors from the U.S. Bureau of Census and a printing technician are now aiding the staff of the Central Statistics Office. The Sierra Leone Government has enacted a comprehensive statistical law establishing the Central Statistics Office and defining its responsibilities and authority. The Government has constructed a modern building and is providing operating costs, totaling \$252,000 in 1965. Rental of data processing equipment is now being financed by the Government of Sierra Leone. During FY 1965 the Government provided a permanent staff of about 85 people and about 125 temporary employees for an Agricultural Statistics Survey. The project's final obligation date has been extended two years as a result of expanding the statistical series needed to be instituted.

The work of the U.S. staff accomplished to date has enabled the statistics office to get well underway.

It has established a quarterly publication and completed the first population census. The Office is launching an agricultural statistics survey, providing for the first time systematic data for agricultural development planning. It now regularly compiles statistics on external trade, railway transportation, immigration, and vital statistics for one area of the country. Project technicians assisted other organizations in compilation of statistical data such as balance of payments, wage and hour statistics, and road traffic information. In FY 1967 work is to be accomplished on a survey of industrial production and distribution, a survey of personal income and expenditure, National Accounts, and completion of publication of the final population census volumes and the Agricultural Statistics Survey.

\$103,000 will be required to extend the four U.S. bureau of the Census advisors. \$10,000 will be required for books, a vehicle, and punch card storage units; \$30,000 for participant training in statistics and \$5,000 for other costs. Total FY 1967 funding required for the program is \$148,000.

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U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS/AGENCIES					
Through 6/30/65	Obligations	Expenditures	Unliquidated	OBLIGATIONS							
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations	Estimated Cost to Complete	Estimated FY 1966		Proposed FY 1967				
Proposed FY 67	148	212	1,122	Total Obligations	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
	587	536	51	Cost Components							
	175	199			U.S. Technicians	-	135	135	-	103	103
	762	735	27		Participants . . .	25	-	25	30	-	30
					Commodities . . .	10	-	10	10	-	10
					Other Costs . . .	5	-	5	5	-	5
					40	135	175	45	103	148	

PASA - U.S. Bureau of the Census



PROJECT TITLE Development Plan Participant Training	ACTIVITY Public Administration	FUNDS Technical Cooperation	
PROJECT NUMBER 650-11-750-069	PRIOR REFERENCE Page 391, FY 1966 AFR P. D. B.	INITIAL OBLIGATION FY: 1963	SCHEDULED FINAL OBLIGATION FY: 1970

Project Target and Course of Action: To expand Sudanese competence in development planning, administrative practices and specialized operational skills by providing selected U.S. training of middle and top level Sudanese management, administrative, supervisory and planning personnel whose activities directly support the Ten-Year Development Plan.

A.I.D. Mission personnel will continue to work with several Ministries' planning officials to identify priority overseas training requirements. In FY 1965, a longer range training plan for staffing development organizations was initiated with the cooperation of other donors' representatives in Khartoum. Due principally to the period of political uncertainty from October 1964 through June 1965, the overall training plan has not yet been completed. However, vital training requirements have been identified and A.I.D. will continue to work with the Sudanese Ministry coordinating the Ten-Year Plan to identify new training requirements.

Since the inception of the project in FY 1963, 44 participants have been scheduled for training. All participants will be filling positions in the areas of their training which include development economics, national income accounting, taxation, personnel

administration, manpower analysis, and the area of research and feasibility studies supporting development planning and administration.

Based on the quality and pertinence of the U.S. educational experience, there is a growing prestige and greater demand for U.S. graduate training for qualified Sudanese administrators.

Sudan provides annually the equivalent of \$65,000 to cover partial international travel costs of participants and maintenance costs of their families. The \$125,000 requested for FY 1967 will finance 16 new participants in development fields and eight extensions of present training programs.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES			
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
	Estimated FY 66	Estimated FY 66	Estimated FY 66		Estimated FY 1966			Proposed FY 1967		
	383	126	257		Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
Estimated FY 66	125	145		U.S. Technicians	-	-	-	-	-	-
Estimated through 6/30/66	508	271	237	Participants ...	125		125	125		125
		Future Year Obligations	Estimated Cost to Complete	Commodities ...	-		-	-		-
				Other Costs ...	-		-	-		-
Proposed FY 67	125	375	1,008	Total Obligations	125		125	125		125





Country: TUNISIA

## PROJECT DATA

TABLE III

PROJECT TITLE Economic Development Planning Assistance	ACTIVITY General and Miscellaneous	FUNDS Technical Cooperation
	PRIOR REFERENCE None	SCHEDULED FINAL OBLIGATION FY: 1968
PROJECT NUMBER 664-11-720-173	INITIAL OBLIGATION FY: 1963	

**Project Target and Course of Action:** To provide assistance to the government in key areas of economic planning and budgetary techniques through the provision of U.S. advisors and graduate training for Tunisians. This assistance reflects the priority which the U.S. aid strategy attaches to improved self-help performance through a better mobilization and allocation of resources toward long-term development objectives. It also ties in with the Tunisian Government's agreement to improve its fiscal and budgetary controls by such steps as adhering to IMF credit ceilings, and controlling the use of suppliers' credits. The objective of this project is to develop the institutional base within the Ministry of Plan and National Economy for improved economic planning and implementation.

Upon the recommendations of the U.S. Government, the Government of Tunisia agreed to implement the new Four Year Plan, 1965-1968, through a series of annual economic budgets which will introduce a high degree of flexibility and control which was lacking in the first Tunisian Plan. The annual economic budget for CY 1966 has been completed. Although it represents an excellent first effort, additional improvements are needed, for which the U.S. will provide technical assistance.

To date, AID has provided a credit specialist who spent eleven months analyzing the credit field and making recommendations on banking legislation, bank supervision, and a mechanism for the establishment of a national credit policy.

In FY 1966, it is planned to provide two budget experts in order to assist the Ministry for Plan and National Economy: one to set up a consolidated budget system for all of the Government accounts and the other to establish a system of performance budgeting and evaluation to help with the identification of investment priorities. In addition, seven government officials will participate in a special 24-week course in economic planning to be given at Georgetown University.

In FY 1967, \$50,000 will be required to extend the two budget experts for a second year.

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U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES	
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS			
Through 6/30/65	30	11	19		Estimated FY 1966			Proposed FY 1967
Estimated FY 66	60	24			Direct AID	Contract/Other Agency		Total
Estimated through 6/30/66	90	35	55		U.S. Technicians	-	50	50
		Future Year Obligations	Estimated Cost to Complete	Participants ...	10	-	10	
				Commodities ...	-	-	-	
				Other Costs ...	-	-	-	
Proposed FY 67	50	50	190	<b>Total Obligations</b>	10	50	60	
						50	50	

PROJECT TITLE Buganda Government Public Administration Reorganization	ACTIVITY Public Administration	FUNDS Technical Cooperation	
PROJECT NUMBER 617-11-720-037	PRIOR REFERENCE None	INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: 1969

Project Target and Course of Action: To assist the Government of Buganda to reorganize and increase the efficiency and effectiveness of its public services through the provision of professional public administration survey and advisory services.

The Province of Buganda (the most significant of the four Kingdoms which comprise the Federation of Uganda) has a predominant political role, deriving from its status as the biggest, richest and most advanced Province in Uganda. The fear of loss of that preeminent position has constituted a continuing problem. The solution sought under independence is a special federal relationship between Buganda and the national government which permits Buganda to retain considerable autonomy and many traditional prerogatives.

The Government of Buganda has found it difficult to carry out its responsibilities and maintain effective relations with the Central Government. This is partly due to the continuation since colonial days of a very sizable number of functions in the Prime Minister's office including: police, information, tax collection, land matters, and the attorney general. Since independence, there has been a substantial increase in the services delegated to the Buganda Government. This has resulted both from the desire of Buganda Government officials to obtain an increasing share of governmental powers and services from the Central Government and from the desire of Central Government officials to divest themselves of the burden of providing certain services.

With this increasing workload, the two governments have agreed on the necessity of reorganization and restructuring of the administration of the Buganda Government to enable it to carry out its constitutional powers and newly delegated services.

AID assistance is to be centered on the provision of advisory services and training primarily in organization and methods, and personnel administration. AID first contracted with a firm of public administration specialists to undertake a detailed analysis of the present organization and structure of the Government of Buganda and its affiliated local administrations. This survey is to be completed in the second half of FY 1966.

FY 1967 funds are required to provide two years of contract services of four public administration advisors plus short term consultants; training aids and other supporting equipment for the contract staff, and local travel and logistic support for the technicians.

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U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS/ AGENCIES			
Through 6/30/65	Obligations	Expenditures	Unliquidated	OBLIGATIONS					
	30	-	30	Estimated FY 1966			Proposed FY 1967		
Estimated FY 66	-	30		Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
Estimated through 6/30/66	30	30	-				-	248	248
		Future Year Obligations	Estimated Cost to Complete				24	2	26
Proposed FY 67	286	200	516				12	-	12
				Total Obligations			36	250	286

Country: UGANDA

## PROJECT DATA

TABLE III

PROJECT TITLE Public Service Staff Support	ACTIVITY Public Administration	FUNDS Technical Cooperation	
PROJECT NUMBER 617-11-720-038	PRIOR REFERENCE Page 93, FY 1966 AFR P. D. B.	INITIAL OBLIGATION FY: 1966	SCHEDULED FINAL OBLIGATION FY: 1970

**Project Target and Course of Action:** To assist the Government of Uganda to relieve the acute shortage of senior and middle level technical and administrative personnel in its public service, particularly in the principal fields of developmental activity -- agriculture, education, public administration and industry.

It is generally recognized that the shortage of adequately trained manpower is the most crucial factor limiting Uganda's development of its resources. The present dearth of trained and experienced manpower has been aggravated by the accelerated departure of expatriates in recent years. While a substantial number of new UK personnel have been recruited, they are still inadequate to meet the need for trained and experienced men. The extent of the shortage of qualified personnel is apparent in a 1965 AID-sponsored analysis of Government of Uganda administrative manpower requirements and availabilities. This study showed that (even ignoring the inadequately trained and qualified personnel in some positions) Uganda falls far short of meeting its estimated current needs for professional-administrative and technical manpower.

To assist in reducing this shortage, AID is financing the salary supplements for a small number of U. S. specialists to serve as technical and administrative personnel in agriculture, cooperatives, animal industry, education, industrial development and public administration. Under this arrangement, the Uganda Government pays the salary and other benefits set for that position in

their pay scale, and AID provides the additional funds necessary to attract qualified American personnel. In addition, training in the U. S. is being provided for selected Ugandans who will replace the U. S. specialists.

Four specialists are being financed under two-year contracts in FY 1966 to fill established positions in the Ugandan Government.

In FY 1967 funding requirements are estimated at \$270,000. This will provide two years of contract funding for seven additional U. S. specialists in selected fields, and participant training in the U. S. for ten replacements.

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U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES  To be selected			
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
	Estimated FY 66	Estimated through 6/30-66	Future Year Obligations		Estimated Cost to Complete	Estimated FY 1966		Proposed FY 1967		
	-	-	-		Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
	122	25		U.S. Technicians		122	122	-	225	225
	122	25	97	Participants ...		-	-	45	-	45
				Commodities ...		-	-	-	-	-
				Other Costs ...		-	-	-	-	-
Proposed FY 67	270	720	1,112	Total Obligations		122	122	45	225	270



Country: ZAMBIA

## PROJECT DATA

TABLE III

PROJECT TITLE Personnel for Key Development Activities	ACTIVITY General and Miscellaneous		FUNDS Technical Cooperation
	PRIOR REFERENCE P. 449 FY 1966 AFR P.D.B.	INITIAL OBLIGATION FY: 1966	SCHEDULED FINAL OBLIGATION FY: 1970
PROJECT NUMBER 611-11-990-153			

**Project Target and Course of Action:** To assist the Government of Zambia obtain the services of qualified U.S. specialists to meet the urgent need for such personnel to carry on the normal functions of government effectively and efficiently until Zambians are trained to assume these responsibilities.

Qualified Zambians are not presently available for essential technical positions primarily in the fields of agriculture, rural development, education and economics; and U.N. and U.K. programs do not supply sufficient personnel. A.I.D. finances the supplemental salary required by qualified U.S. technicians over and above the normal salary paid by the Government of Zambia. This supplement is required in order to bring the salary up to that normally paid a U.S. technician. Present indications are that the Government of Zambia requires about 16 American technicians in selected fields.

The U.S. technical personnel will fill operational positions in the Government. Requests for U.S. personnel now under consideration include a statistician, a plant pathologist and an entomologist, and two manpower planning analysts. The initial group of seven U.S. specialists are to be funded during FY 1966.

FY 1967 funds would provide the supplemental salaries of nine additional U.S. technicians in selected fields under personal services contracts.

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U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS' AGENCIES					
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete		Estimated FY 1966		Proposed FY 1967		
	-	-	-		Direct AID		Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
	200	-		U.S. Technicians		200	200		250	250	
	200	-	200	Participants ...		-	-		-	-	
				Commodities ...		-	-		-	-	
				Other Costs ...		-	-		-	-	
Proposed FY 67	250	810	1,260	Total Obligations		200	200		250	250	

PROJECT TITLE EACSO - Training and Improvement of Public Services PROJECT NUMBER 618-11-790-607	ACTIVITY Public Administration	FUNDS Technical Cooperation	
	PRIOR REFERENCE p. 112, FY 66 AFR P.D.B.	INITIAL OBLIGATION FY: 1963	SCHEDULED FINAL OBLIGATION FY: 1969

**Project Target and Course Action:** To assist the East Africa Common Services Organization (EACSO) in meeting its requirements for trained African staff capable of filling essential administrative positions in order to help make EACSO self-sufficient in African administrative staff by 1970. This AID project provides short-term management training in the U.S. for upper level staff and a U.S. training specialist for EACSO's in-service training program for middle level and clerical personnel. The considerable strain on EACSO services caused by the rapid departure of expatriates and the quick elevation of inexperienced African personnel has created an urgent need for improved and accelerated training at the middle and upper managerial levels. Management training is particularly important in the 65,000-people EACSO complex.

Of the 41 participants financed by AID up to June 30, 1965, 33 have returned to East Africa and are now serving in high level positions in EACSO. Among these are EACSO's highest executive, the Secretary General; others include the Secretary for Administration, the Deputy Secretary for Personnel, the Director of Recruitment and Training, the Executive Officer of the Labor Ministerial Committee and the Executive Officer of the East African Income Tax Department. Seventeen additional EACSO upper level personnel will begin U.S. training early in 1966.

This project complements other assistance. The UK is providing the bulk of overseas technical training. The Ford Foundation has been financing post-graduate

training in the U.S.

FY 1967 funds are requested for 4-6 months management training for 18 EACSO executives, 18 months continuing contract costs for the U.S. training specialist, and a small quantity of training materials and logistical support for the U.S. technician. There is also the possibility of U.S. assistance to EACSO to establish a supply management course for EACSO and East African national government personnel. Since this requirement (estimated at \$25,000) is not yet firmly established, it does not figure in the firm funding request for FY 1967.

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U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1966			Proposed FY 1967		
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Through 6/30/65	225	95	130							
Estimated FY 66	102	135		U.S. Technicians	-	13	13	-	43	43
Estimated through 6/30/66	327	230	97	Participants ...	85	-	85	85	-	85
		Future Year Obligations	Estimated Cost to Complete	Commodities ...	-	2	2	-	2	2
				Other Costs ...	-	2	2	-	2	2
Proposed FY 67	132	350	809	Total Obligations	85	17	102	85	47	132

Public Administration Services (PAS) of Chicago, Illinois

PROJECT TITLE EACSO - Tax Administration Assistance	ACTIVITY Public Administration	FUNDS Technical Cooperation	
PROJECT NUMBER 618-11-790-620	PRIOR REFERENCE P. 114 FY 66 AFR P.D.B.	INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: 1968

**Project Target and Course of Action:** To assist the East Africa Common Services Organization (EACSO) in maintaining and improving its capability to obtain revenue from income tax collection by providing advisory and training services to the East Africa Income Tax Department. This project includes (1) creating more effective tax administration organization and procedures through the services of a U.S. tax advisor, (2) providing the services of a training expert to help in systematically meeting manpower requirements through upgraded, specialized and accelerated employee training programs keyed to staffing priorities, and (3) providing experienced U.S. tax assessors to serve in operating positions to help sustain tax collection activities in East Africa at an adequate level during a difficult transitional period when the departure of expatriates and staffing shortages in the crucial area of tax assessment threaten a serious deterioration in effective tax collection for the high revenue-producing corporate accounts.

Income tax collection is an important source of revenue in East Africa, totaling \$72.2 million in FY 1965. Although the existing regional income tax organization is sophisticated by African standards, there is significant potential for increasing income tax revenues through improved management and certain revisions in organization and procedures. Furthermore, existing operations are severely strained by a general shortage

of trained staff and a particular shortage of senior staff including the all important tax assessors. With respect to the latter problem, the departure of trained expatriates has resulted in approximately 30 vacancies in senior staff positions.

AID approved funding for this project late in FY 1965, drawing upon the recommendations of the Internal Revenue Service (IRS) experts who surveyed the situation earlier that fiscal year. Since IRS was unable to field personnel for this project because of already extensive personnel requirements in connection with AID operations in Latin America, AID sought the services of several U.S. state governments. One showed an early interest but later withdrew causing a delay of several months in the project's implementation. This was resolved with the selection in September 1965 of Public Administration Services (PAS) of Chicago for contract services. The tax management advisor began duty in December; the tax training advisor and six tax assessors are expected to begin services in March 1966. EACSO has appropriated funds to pay the basic salaries of the assessors and is providing housing, hard furnishings and round-trip international travel from London to East Africa.

FY 1967 funds are needed to continue for one year the contractual services of PAS for two tax advisors, fully funded by AID, and six tax assessors for whom AID provides salary topping; and for specialized U. S. training in tax administration and collection for four high level African tax personnel.

U.S. DOLLAR COSTS (In thousands of dollars)				Cost Components	OBLIGATIONS						PRINCIPAL CONTRACTORS' AGENCIES
Through 6/30/65	Obligations	Expenditures	Unliquidated		Estimated FY 1966			Proposed FY 1967			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
	327		327								Public Administration Services, Inc. Chicago, Illinois
Estimated FY 66	-	75									
Estimated through 6/30/66	327	75	252				20	-	20		
		Future Year Obligations	Estimated Cost to Complete								
Proposed FY 67	180	80	587				20	160	180		
				Total Obligations							

Country: Argentina

## PROJECT DATA

TABLE III

PROJECT TITLE Public Administration 510-11-790-064	ACTIVITY Public Administration		FUNDS Technical Cooperation
	PRIOR REFERENCE P. 15 of FY 66 LA P.D.B.	INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: 1970
PROJECT NUMBER			

Project Target and Course of Action

To assist the GOA overcome serious deficiencies in the National Government by improving the methods and structure of several of the key organizations and by the training of personnel.

In line with the National Development Plan objectives the project will focus on agencies that have started training programs or reorganizations, or expressed a desire to improve their services. Specifically, the project will assist the GOA National Tax System to maximize tax collections and improve the system; assist in the reformation of the National Budget Bureau and to achieve a national program and activity budget over the next three years; assist in improving the collection and quality of central government statistics; assist a number of branches of the GOA in the development of administrative and management training programs.

Project Progress to Date

The GOA expressed interest in the tax project underway in Chile and, with the pre-project assistance rendered by the USAID/Chile tax expert during various consultation visits to Argentina, an adaptation of the Chilean program has been instituted in Argentina. Consequently, an agreement providing for at least a four-year

major cooperative effort in the field of tax administration and reform was signed in September 1965. Although AID assistance has been only one of several contributing factors it is worth noting that Argentine tax collections for CY 1965 increased 54.3% over the previous year.

USAID has been able to assist the GOA to introduce a program and activity system of accounting for the national budget which should lead to greater precision in the administration of public funds.

FY 1967 Program

U.S. Technicians (12) Eight direct-hire Public Administration advisors under a PASA will advise the GOA in Tax Administration and Central Government statistics. Two direct-hire Public Administration specialists will be added to the USAID staff. Two contract technicians will assist the General Accounting Office.

Participants (9) employees of GOA to receive U.S. training in program budgeting and tax administration.

Commodities Demonstration materials.

The GOA has indicated interest in AID assistance in management for a number of governmental organizations and state enterprises. These needs will be evaluated in FY 1966 with possible increased AID program emphasis in this area.

U.S. DOLLAR COSTS (In thousands of dollars)				Cost Components	OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
Through 6/30/65	Obligations	Expenditures	Unliquidated		Estimated FY 1966			Proposed FY 1967			
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	
	35	9	26		11	116	127	45	270	315	Internal Revenue Service  FY 1966
	185	145		U.S. Technicians	45	-	45	25	-	25	
	220	154	66	Participants ...	9	-	9	20	-	20	
				Commodities ...	4	-	4		-	-	
	360	1,000	1,580	Other Costs ...	69	116	185	90	270	360	
Proposed FY 67				Total Obligations							

Country: BOLIVIA

PROJECT DATA

TABLE III

PROJECT TITLE Government Management Assistance	ACTIVITY Public Administration		FUNDS Technical Cooperation
	PRIOR REFERENCE p. 37 FY 66 LA P.D.B.	INITIAL OBLIGATION FY: 56	SCHEDULED FINAL OBLIGATION FY: 71
PROJECT NUMBER 511-11-720-082			

**Project Target and Course of Action:** To increase the revenues; to reduce and eventually eliminate its continuing large public sector deficit; to improve government administration; to establish an effective economic planning mechanism. Because these goals are vital in U.S. efforts to reduce Bolivia's dependence on outside budget support, and because of progress (outlined below) in achieving these goals, the final obligation date of this project is being extended to FY 71, with a consequent rise in the estimated cost to completion.

**Progress to Date:** In 1962-63 the GOB accepted recommendations contained in detailed reports prepared by AID and others including installing of a comprehensive budget system encompassing the deficit-producing state-owned enterprises. The authority of the Minister of Finance over state-owned enterprises has been increased. The 1966 GOB Budget will include all government activities for the first time; improvements in auditing of these enterprises have been initiated. Specific results to date include: 1) adoption of a new civil service statute and installation of classification and wage plans in key ministries; 2) increases in Customs revenues of 22% in 1965 over 1964 resulting from anti-contraband measures and improved procedures; 3) adoption of a new Customs tariff and improved entry and liberation procedures; 4) increases in internal tax revenue of 10% in 1965 over 1964; 5) issuance of OAS/GOB/AID agreement on establishment of Institute of Public Administration. The Agricultural land tax program is to be delayed until FY 1968. Progress on new tax code was

slight since contract technician's arrival was deferred to November 1965. Pipeline: result of continued delay in contract recruitment. By March, 1966, however, contract teams will be on-board in following areas: 1) tax administration (IRS); 2) fiscal reform; 3) tax policy; 4) urban property assessment; 5) municipal finance; 6) civil service; 7) customs. These teams will continue into FY 1967. By late FY 1966 contract technicians will also be assisting on economic planning and in-service training activities; these technicians will also continue through FY 1967.

During FY 1967 the GOB will contribute the equivalent of \$364,000 from central budget revenues and \$91,000 from counterpart in support of local cost for Fiscal Reform and Supply projects; equipment for tax and customs programs, and for customs building program. Other contributions: OAS, for Institute of Public Administration; UN for statistical, social security, sectoral planning, and computer training programs.

FY 1967 Program:

U.S. Technicians - (21): 2 Direct-Hire Public Administration Advisors, 2 Direct-Hire Supply Advisers; 2-man IRS tax reform team; 2 GSA technicians; 1 Bureau of Census statistician. Contract - 7-man fiscal reform team; 1 Customs; 1 Civil Service; 3-man team, Institute of Public Administration. Participants - (25): 1 personnel; 2 budget; 1 O&M; 2 tax; 1 urban property assessment; 2 public administration teacher training; 8 financial management; 2 supply; 6 economic planning.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1966			Proposed FY 1967			
Through 6/30/65	1,601	1,067	534		Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	U.S. Internal Revenue Service (FY66)  U.S. Bureau of Census (FY 66)
Estimated FY 66	463	300		U.S. Technicians	88	274	362	88	479	567	
Estimated through 6/30/66	2,064	1,367	697	Participants ...	92	-	92	99	-	99	
		Future Year Obligations	Estimated Cost to Complete	Commodities ...	6	-	6	6	-	6	
				Other Costs ...	3	-	3	3	-	3	
Proposed FY 67	675	1,801	4,540	Total Obligations	189	274	463	196	479	675	

STATUS OF DEVELOPMENT LOANS

TABLE IV

Country: BOLIVIA

Borrower: Government of Bolivia

Funds: AFP Loan

Title and Number of Loan: 511-L-017 - El Alto Customs and Warehousing Center	
Date Authorized: 6/29/63	Date Signed: 8/17/63
Loan Status as of 11/30/65	Loan Terms
(In thousands of dollars and equivalent)	Duration . . . . . 40 yrs
Authorized . . . . . 2,200	Grace Period . . . . . 10 yrs
Disbursed . . . . . --	Interest Rate . . . . . 3/4%
Repayments . . . . . --	Currency of Repayment.. U.S. \$
Interest Collected . . . . . --	

reduce government operating costs. The loan has been delayed by disagreements between the various GOB agencies over the exact location and design of the Center. These have been resolved by the present government. Construction of the Center is expected to begin in April 1966 and should be completed within 18 months. All conditions precedent to the loan have been met except procurement of construction services.

Purpose of Loan: To finance the construction of a new customs and warehouse center located at El Alto. The facility will control customs operations affecting air, rail, and major highway freight traffic for the La Paz Customs district. It will replace the overcrowded and deficient facility which is located in the center of La Paz. The improved customs control and operation will result in an estimated \$300,000 per year additional revenues.

Physical and Financial Status: The original engineering designs required modifications because of a GOB decision to change the customs center site and plans for associated railroad connections. The changed site also increased the original cost estimates for the center. The GOB has now approved final design plans and eliminated certain less essential items. Construction is expected to commence in April 1966. Total project costs are a little over \$2.2 million, of which \$1.4 million is for dollar procurement and \$.8 million for local costs.

Host Country Contribution: Procurement Sources: The GOB is purchasing the necessary land for the Center at a cost estimated at \$30,000. All procurement will be from U.S. or Bolivian sources.

Comments on Implementation: This project is an important part of the GOB's efforts to increase budgetary revenues and

Country: BRAZIL

## PROJECT DATA

TABLE III

PROJECT TITLE Economic Development Planning	ACTIVITY PUBLIC ADMINISTRATION	FUNDS TECHNICAL COOPERATION
PROJECT NUMBER 512-11-990-122	PRIOR REFERENCE p. 70 of FY '66 LA P.D.B.	SCHEDULED FINAL OBLIGATION FY: 1970
	INITIAL OBLIGATION FY: 1962	

Project Target and Course of Action: The objective of this project is to assist Brazilian national, regional and state planning organizations in their efforts to achieve administrative reform, to upgrade the quality of their planning and administrative processes and to develop a more rational allocation of public and private resources necessary for economic and social development.

Progress to Date: The Brazilian Congress has approved a constitutional amendment reorganizing Brazil's tax system. By September 1966, the Government intends to submit legislation to implement this amendment and to codify existing income tax laws. U.S. tax advisors have completed a review of Brazilian tax operations as a basis for improved procedures and key Ministry of Finance officials received specialized training in the U.S. during 1965.

Comprehensive legislation is also being submitted to Brazil's Congress which would permit modernization of the executive establishment. Reforms include such measures as centralizing and strengthening the planning process, reorganization of the Ministry of Finance, introduction of up-to-date budgetary and fiscal practices, and a general up-grading of administrative efficiency in all Ministries. The immediate goal of the new Ministry of Planning, assisted by several U.S. advisors, is to complete the first Brazilian long-range plan by the end of 1966. Brazilian planning efforts to date have been warmly endorsed by the Inter-American Committee on the Alliance for Progress (CIAP).

The assistance for this project as previously programmed has been re-examined in the light of Brazil's vig-

orous self-help measures. To provide adequate support for these measures will require greatly increased assistance in such activities as development planning, tax administration, budgeting, auditing systems, and executive development. The increased cost of the revised program is reflected in the current estimated cost to completion. The increase in FY 1966 funding will finance advisors for two years to assist the Ministries of Finance and Planning in their newly acquired budgeting and statistical functions, and to support the U.S. technicians in tax administration for whom contemplated loan funding failed to materialize. The pipeline at the end of FY 1965 reflects contracts with the University of California (UC) and the Public Administration Service of Chicago (PAS), scheduled for expenditure in FY 1966 and FY 1967.

FY 1967 Program: In addition to increased assistance to the Ministries of Planning and Finance and to SUDENE, programs will be initiated with the Brazilian Institute of Municipal Administration (IBAM) and state institutes of public administration in the Northeast. FY 1967 funding includes \$469,000 for participating agencies, \$510,000 for the UC and PAS contracts, and \$653,000 for the IBAM and state institutes. U.S. Technicians: 27 contract technicians, 15 participating agency experts and six direct-hire technicians.

Participants: 90 medium level officials will receive U.S. training for two months to one year in various fields of development planning and public administration.

Commodities: Training aids not procurable locally.

Other Costs: Local technical supplies, services, and travel.

## U.S. DOLLAR COSTS (In thousands of dollars)

	U.S. DOLLAR COSTS (In thousands of dollars)			Cost Components	OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated		Estimated FY 1966			Proposed FY 1967			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/65	1,489	412	1,077								University of California at Berkeley (FY 65, 7, 9) Internal Revenue Service (FY 64, 6, 7) Public Administration Service, Chicago (FY 65,7) Bureau of Census (FY 66, 7)
Estimated FY 66	1,270	740									
Estimated through 6/30/66	2,759	1,152	1,607	U.S. Technicians	123	923	1,046	168	1,523	1,691	
		Future Year Obligations	Estimated Cost to Complete	Participants ...	122	-	122	228	-	228	
				Commodities ...	9	10	19	62	-	62	
				Other Costs ...	33	50	83	14	109	123	
Proposed FY 67	2,104	2,733	7,596	Total Obligations	287	983	1,270	472	1,632	2,104	

PROJECT TITLE Improvement of Development Administration	ACTIVITY Public Administration		FUNDS Technical Cooperation
	PRIOR REFERENCE P. 107 of FY 1966 C.P.	INITIAL OBLIGATION FY: 1963	SCHEDULED FINAL OBLIGATION FY: 1968
PROJECT NUMBER 596-11-720-007			

Project Target and Course of Action: To assist selected aspects of development administration important to regional development and economic integration.

In FY 1967 the principal activity will be an effort to improve the training at university level of persons responsible for policy, planning, implementation, and day-to-day administration in that portion of governmental activity directly involved in economic and social development and in economic integration.

This objective will be sought by means of strengthening ESAPAC (The Superior School of Public Administration of Central America) through a university contract which would permit the development of a modern curriculum, the highest standards of instruction, and an effective program of research and consultation. A second immediate objective is to finish the establishment in Central America of program type budgeting systems on a completely comparable basis. The third objective is the improvement of managerial standards and procedures in the regional agencies themselves.

Progress to Date: ESAPAC, which receives contributions from the governments of the region (increased in 1965 by 50 percent from \$72,000 to \$115,000) and the UN Special Fund, has been steadily expanding its activities under able Central American leadership. It has offered numerous specialized courses (up to several months) in subjects such as statistical administration, the administration of public health projects, the administration of highway programs, the management of

electrification projects, development administration in general, and other similar topics. It has sponsored seminars and meetings in the fields of budgeting and tax administration and has published studies of various phases of administration in the region, pointing up problems urgently requiring solution, such as that of the executive control of autonomous agencies.

The Central American budget directors have adopted uniform standards, including definitions, classifications and over-all budgetary breakdowns; it now remains to reform the accounting systems to conform to these budgetary standards in uniform fashion. In tax administration, some progress has been made in the consideration of the regional aspects of fiscal reform and in the management of regional agencies.

FY 1967 Program: U.S. Technicians: one regional public administration advisor for project direction and one tax advisor.

Participants: U.S. training (twelve months) for two participants in tax administration, two participants in loan activities for CABEI, three U.S. grants of three months for economic and social studies for ODECA and SIECA, three grants of three months at CEMLA (Mexico) for special studies for CABEI.

Other Costs: A university contract to aid in the organization of a top-level administration course at ESAPAC, and aid for meetings of budget directors, chief accountants, and tax officers.

U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS						PRINCIPAL CONTRACTORS/ AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1966			Proposed FY 1967			
				Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	
Through 6/30/65	752	338	414							
Estimated FY 66	208	250								
Estimated through 6/30/66	960	588	372							
		Future Year Obligations	Estimated Cost to Complete							
Proposed FY 67	212	228	1400	59	149	208	98	114	212	
				Cost Components						
				U.S. Technicians Participants ...						
				Commodities ...						
				Other Costs ...						
				Total Obligations						

Country: ROCAP-Central American Regional Organizations PROJECT DATA

TABLE III

PROJECT TITLE Improvement of Statistics and Census	ACTIVITY Public Administration		FUNDS Technical Cooperation
	PRIOR REFERENCE P. 109 of FY 1966 C.P.	INITIAL OBLIGATION FY: 1963	SCHEDULED FINAL OBLIGATION FY: 1968
PROJECT NUMBER 596-11-780-008			

Project Target and Course of Action: To establish a coordinated statistical system to serve as a basis for regional economic and social planning. This activity will stimulate the production of improved statistics for the effective coordination of development, fiscal, and trade policies within the region.

Progress to Date: The census enumeration phase of the current census series has been completed in all Central American countries and the results have been published in preliminary or final form. Preparation for a Central American Household Survey were begun in FY 1965. Regional cooperation and coordination has been fostered by means of working groups and seminars, observation trips, and short-term exchange of technicians. Regional statistical sections have been established in the Common Market Secretariat (SIECA) and in the Organization of Central American States (ODECA).

FY 1967 Program: ROCAP will continue to cooperate with the regional statistical offices in SIECA and ODECA and to provide technical and financial assistance for the development of a regional program of current statistics to be correlated with the recent series of basic censuses. This activity will include the second year of a three-year program for the development of a regional household survey which is capable of furnishing general information on income, employment, education, housing, etc. It will also include efforts to place statistical series such as the cost-of-living index, the industrial

production index, and demographic data on a regionally comparable basis.

U.S. Technicians: A team of three U.S. Census Bureau advisors and other short-term consultants for special problems in data processing, demography, and industrial statistics.

Participants: One year of U.S. graduate study in advanced statistics for one trainee who will then join the faculty of the Central American Institute of Statistics in San Jose, Costa Rica; and U.S. training of one year for a member of the Central American regional statistics staff.

Commodities: None

Other Costs: Travel and per diem for temporary exchange assignments, consultations, seminars, and working groups of the Central American statistics staff.

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U.S. DOLLAR COSTS (In thousands of dollars)				PRINCIPAL CONTRACTORS/AGENCIES							
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete	Estimated FY 1966			Proposed FY 1967		
Proposed FY 67					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
	674	543	131								U.S. Bureau of Census FY 1963-1967
	243	240		U.S. Technicians	15	88	103	16	93	109	
	917	783	134	Participants ...	-	14	14	-	12	12	
				Commodities ...	-	5	5	-	-	-	
				Other Costs ...	8	113	121	8	41	49	
	170	148	1235	Total Obligations	23	220	243	24	146	170	

PROJECT TITLE	ACTIVITY	FUNDS	
		INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
Regional Development Planning	Public Administration		Technical Cooperation
PROJECT NUMBER 596-11-790-009	P. 110 of FY 1966 C.P.	FY: 1963	FY: 1968

**Project Target and Course of Action:** To encourage, through assistance to the Central American Secretariat for Economic Integration (SIECA), increased capability in regional economic planning.

The Central American effort in economic planning and assistance thereto has been coordinated by the Joint Planning Mission (JOPLAN), established in October 1962 with funding from the OAS, IDB, the UN, SIECA, and the Central American Bank for Economic Integration (CABEI). This mission, created and staffed quickly, is designed to be temporary. Total assistance from all sources has been at the level of approximately \$650,000 annually. The Central American countries support national planning offices with annual budgets which range from \$150,000 to \$300,000.

Planning and plan coordination at the regional level is being gradually shifted to a permanent basis in SIECA. The present phase of the project is to provide financial and technical aid to SIECA in this transition (with the expectation that tripartite fundings--OAS, IDB, and the UN--will be continued to JOPLAN). Limited to specialized technical assistance, the final phase is expected to be needed through the formulation of the countries' Second Five-Year Plans, which will probably be for the period 1970-74.

**Progress to Date:** The first phase of this project which regionally funded personnel in each of the five country planning offices, was largely completed in

early 1965 and was terminated at the end of 1965. This assistance has played an important role in getting the five country plans started and in furthering their coordination at a regional level.

**FY 1967 Program: U.S. Technicians:** Two senior direct-hire economists and four short-term consultants to provide general and specialized guidance on the preparation of economic projections and related sector plans.

**Participants:** U.S. university-level training related to regional planning for personnel of SIECA's planning office for three trainees, 1 for 12 months and 2 for 4 months.

**Commodities:** None

**Other Costs:** Funding of one-half of the base salaries of 12 Central American planning officials in SIECA and regional travel for the U.S. technicians.

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U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES			
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete	Estimated FY 1966		Proposed FY 1967		
	239	196	43		Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
	160	155		U.S. Technicians	64	20	84	65	40	105
	399	351	48	Participants . . .	10	-	10	16	-	16
				Commodities . . .	-	-	-	-	-	-
				Other Costs . . .	6	60	66	6	60	66
Proposed FY 67	187	64	650	Total Obligations	80	80	160	87	100	187

Country: ROCAP-Central American Regional Organizations PROJECT DATA

TABLE III

PROJECT TITLE Customs Policy and Administration	ACTIVITY Public Administration	FUNDS Technical Cooperation	
PROJECT NUMBER 596-11-740-017	PRIOR REFERENCE p. 108 of FY 1966 C. P.	INITIAL OBLIGATION FY: 1966	SCHEDULED FINAL OBLIGATION FY: 1970

Project Target and Course of Action: To assist the Central American Common Market to achieve its established goal of a smoothly operating customs union by 1970. U.S. assistance will be directed toward: (a) the development of customs regulations that are both uniform and adaptable to local practices; (b) the interpretation and implementation of these regulations in an effective and uniform fashion; (c) the establishment of a region-wide system permitting the development of customs policies and administration suitable for the establishment of a custom union. To attain these objectives ROCAP will assist the Central American Secretariat for Economic Integration (SIECA) to continue the analysis of customs administration in the region, to develop common customs regulations and their concomitant interpretations, manuals, and procedures, to aid in the development of trade statistics, to update and modify as necessary the Customs Tariff Rate Book and the uniform commodity classifications.

Progress to Date: A Uniform Customs Code for the five Central American countries has been approved and adopted; a tentative set of regulations has been prepared; studies of the effects of the removal of intra-regional tariffs on specific commodities have been initiated; the Directors General of Customs and the Customs Coordinators have undertaken a coordination and observation trip to the U.S.; a customs office has been established in SIECA; and a Regional Customs

Study group has been formed.

FY 1967 Program: U.S. Technicians: One public administration advisor; 12 man-months of U.S. customs service trainee-technicians under PASA; and three customs specialists under contract.

Participants: Four weeks of observational study training in the U.S. and Puerto Rico for 28 participants.

Commodities: None.

Other Costs: Support to the SIECA Customs Project consisting of four C.A. technicians and a course for 50 customs officials in the implementation of uniform regulations.

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U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS/AGENCIES  U.S. Customs Service, FY 1967			
	Obligations	Expenditures	Unliquidated	OBLIGATIONS					
				Estimated FY 1966			Proposed FY 1967		
				Direct AID	Contract/Other Agency		Total	Direct AID	Contract/Other Agency
Through 6/30/65	-	-	-	Cost Components  U.S. Technicians Participants ... Commodities ... Other Costs ...  Total Obligations					
Estimated FY 66	114	50							
Estimated through 6/30/66	114	50	64						
		Future Year Obligations	Estimated Cost to Complete						
Proposed FY 67	183	461	758						

Country: ROCAP-Central American Regional Organizations PROJECT DATA

TABLE III

PROJECT TITLE Legal Publications and Studies	ACTIVITY Public Administration		FUNDS Technical Cooperation
	PRIOR REFERENCE p. 111 FY 1966 C. P.	INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: 1970
PROJECT NUMBER 596-11-790-018			

Target and Course of Action: To provide technical guidance and support for comparative legal studies and for the publication of Central American Integration and national laws, treaties, and related documents in a form appropriate to the needs of the business and government communities. This activity is designed to facilitate the development of uniform legislation and the harmonization of existing tax and regulatory laws and administrative regulations among the countries of the region as required for perfection of the Central American Economic Community.

The project will provide support to the publication, in loose-leaf form to be annotated regularly, of the treaties, protocols and related documents on Central American Integration. The project will be carried out by working with groups of Central American lawyers with review by local bar associations and by law schools of the Central American universities.

Progress to Date: This project was initiated during 1965 following seminar discussions by Central American lawyers with members of the Inter-American Bar Association on legal problems related to the integration movement. It was refined in subsequent meetings, the most recent of which took place at Southern Methodist University in Dallas, Texas during October 1965. The total cost to completion has been increased in order to provide for the services of a U.S. university in support of regional efforts to harmonize legal procedures.

FY 1967 Program: U.S. Technicians: One direct hire legal advisor.

Participants: None.  
Commodities: Paper and supplies for loose-leaf publications.  
Other costs: Printing, services of a C.A. lawyer, and a contract with a U.S. university to provide intensive course work and research in Central American Integration Law.

U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS/AGENCIES	
	Obligations	Expenditures	Unliquidated	OBLIGATIONS			
				Estimated FY 1966	Proposed FY 1967		
				Direct AID	Contract/Other Agency	Total	
Through 6/30/65	31	1	30				
Estimated FY 66	115	111		24	45	69	
Estimated through 6/30/66	146	112	34	-	-	-	
		Future Year Obligations	Estimated Cost to Complete				
Proposed FY 67	116	369	631	3	28	31	
				27	88	115	
				25	91	116	

Country: COSTA RICA

## PROJECT DATA

TABLE III

PROJECT TITLE Development Planning and Administration	ACTIVITY Public Administration	FUNDS Technical Cooperation	
PROJECT NUMBER 515-11-720-060	PRIOR REFERENCE p. 128 FY 1966 LA P.D.B.	INITIAL OBLIGATION FY: 1956	SCHEDULED FINAL OBLIGATION FY: 1969

Project Target and Course of Action: To assist the GOCR in developing and implementing its economic development plans and in increasing its revenues through administrative and fiscal reforms. AID will provide U.S. advisors and financial assistance in improving tax administration, developing regulations and policies, as well as in economic development planning. The Costa Rican Government's contribution to the activities covered by this project is estimated at \$275,000 annually plus the repayment of a \$1.6 million loan for a cadastral survey related to improve property taxation and a \$1.2 million loan for feasibility studies.

Progress to Date: The National Planning Office (OFIPLAN) has completed a 4-year development plan and legislation has been introduced to unify and coordinate development policy.

Improvements in tax administration and property assessment have resulted in a 50% increase in revenues from direct taxes in 1964; when combined with several new excise taxes, ordinary revenues increased by 10%. In FY 1965, Automatic Data Processing equipment was used to prepare a list of 13,000 delinquent property tax accounts involving 6 million colones. Two million property tax accounts have been updated and are reasonably current. In addition, approximately 350,000 colones have been collected from advanced tax payments. A U.S. contractor

(Nathan Associates) is working with OFIPLAN on the nation's economic development planning.

FY 1967 Program: Through technical assistance and training, basic development plans will be refined. In the fiscal area, structural, administrative, and tax collection reforms will be implemented in accordance with legislative reforms to be introduced to the Assembly during FY 1966. The GOCR has budgeted \$250,000 in FY 1966 and plans to budget \$265,000 for OFIPLAN operations in FY 1967.

U.S. Technicians: (1) Chief Public Administration Advisor. Under PASA agreement: (1) senior tax advisor, long-term; (1) collections tax advisor, long-term; and (2) short-term tax advisors in statistics and research.

Participants: 1-yr. graduate training program in U.S. universities for 12 GOCR employees in economics, accounting and taxation.

Commodities: Equipment for Direct Tax Office, OFIPLAN and Census Bureau.

Other Costs: Translations, materials, local travel, and misc.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES							
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS									
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete	Estimated FY 1966			Proposed FY 1967					
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	U.S. Internal Revenue Service			
	1,286	843	443											
	190	488		U.S. Technicians	35	80	115	25	67	92				
	1,476	1,331	145	Participants ...	50	-	50	60	-	60				
				Commodities ...	20	-	20	10	-	10				
				Other Costs ...	5	-	5	10	-	10				
Proposed FY 67	172	400	2,048	Total Obligations	110	80	190	105	67	172				

PROJECT TITLE Higher Level Manpower Training	ACTIVITY Education	FUNDS Technical Cooperation	
PROJECT NUMBER 519-11-690-062	PRIOR REFERENCE Vol. III, P. 145 of FY 65-66 C.P.	INITIAL OBLIGATION FY: 1964	SCHEDULED FINAL OBLIGATION FY: 1967

**PROJECT TARGET AND COURSE OF ACTION:** To provide post-graduate specialized training in fields essential to the economic and social development of El Salvador for potential leaders of agriculture, industry, public administration, public services and other sectors of the economy.

In FY 1967, the USAID will provide funds to train 10 key government officers and technicians, business and industrial managers, agricultural specialists and technicians. The USAID and the GOES agencies jointly select these trainees on the basis of the priorities established in the GOES Five Year Plan as well as on the findings of studies conducted by CSUCA and other organizations and will include applicants whose major field is business administration, economics and public administration.

**PROGRESS TO DATE:** This activity was initiated in FY 1964 and through June, 1965, the USAID had provided scholarship training in the U.S. and Puerto Rico leading to Masters degrees as follows: Economics, 2; Public Administration, 4; Monetary and Fiscal Policy, 1; Structural Engineering, 1; Industrial Development, 1; Public Health Administration, 3; Physics, 1; Chemistry, 1; Radiology Diagnosis, 1; Agricultural Economics, 1; Plant Pathology, 1; Agronomy, 1; Entomology, 1; Agricultural Chemistry, 1; and Mathematics, 1. The host country contribution amounts to approximately \$4,000 annually per participant for salaries and stipends for those participants employed by the GOES. The pipeline represents obligations for

participants who are only partially through their training and the obligations will be expended during the subsequent semesters.

**FY 1967 PROGRAM:**

**PARTICIPANTS:** Ten participants for post graduate university training in the U.S. and Puerto Rico. Funding includes tuition and travel for a year's academic study per technician.

\* Superior Council for Central American Universities

U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES	
	Obligations	Expenditures	Unliquidated	Estimated FY 1966			Proposed FY 1967				
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total		
Through 6/30/65	132	43	89							None.	
Estimated FY 66	100	125									
Estimated through 6/30/66	232	168	64								
		Future Year Obligations	Estimated Cost to Complete								
Proposed FY 67	50	-	282								
				<b>Total Obligations</b>	100	-	100	50	-		50
				<b>Cost Components</b>							
				U.S. Technicians	-	-	-	-	-	-	
				Participants . . .	100	-	100	50	-	50	
				Commodities . . .	-	-	-	-	-	-	
				Other Costs . . .	-	-	-	-	-	-	

Country: EL SALVADOR

## PROJECT DATA

TABLE III

PROJECT TITLE Education Planning and Administrative Improvement	ACTIVITY Education	FUNDS Technical Cooperation	
PROJECT NUMBER 519-11-680-071	PRIOR REFERENCE Vol. III P. 146, of FY 65-66 C.P.	INITIAL OBLIGATION FY: 1963	SCHEDULED FINAL OBLIGATION FY: 1969

**PROJECT TARGET AND COURSE OF ACTION:** To assist in the reorientation of public education below the university level to increase emphasis on secondary education and Teacher Training as key elements necessary to fill the manpower requirements of the developing economy.

The high priority of expanding secondary education and secondary teacher training was confirmed in the World Bank/UNESCO Mission report to the GOES in May, 1965. The need for vocational agriculture and industrial secondary-level training was stressed in particular. In addition, the report emphasized the need to retrain large numbers of rural primary teachers.

Accordingly, in FY 1967 the USAID will provide assistance to the GOES to: 1) modernize the curriculum and improve the facilities of the GOES Superior Normal School in preparation for the major expansion in secondary teacher training to meet the requirements of the Five Year Development Plan; 2) help the Ministry of Education's vocational education program by providing a vocational education consultant to help formulate detailed plans for the operation of expanded vocational schools with special attention to student selection and job placement; and 3) continue the following on-going projects, the objectives of which are to complete construction of the San Andres Model Normal School by early FY 1967 and continue the regional textbook program which has become the single most important in-service teacher training device in the country. A loan will also be proposed to modernize and expand the National School of Agriculture to provide

important agricultural vocational training.

**PROGRESS TO DATE:** An Educational Planning Office has been established and was responsible for the educational chapter of the Five Year Plan; 93 schools containing 738 classrooms have been completed under a \$1.5 million AID grant and ten schools with 100 classrooms have been completed with funds from a \$2.4 million 1963 loan; 48 additional schools are under construction or planned. Over 1,000,000 textbooks have been printed and distributed and 4,100 teachers have received in-service training. Under the Five Year Plan, the GOES will devote about 24% of its annual budget to education; a rise from 16.4% in 1958.

**FY 1967 PROGRAM:**

**U.S. TECHNICIANS:** A Chief Education advisor, an elementary education textbook advisor, and two vocational education consultants (contract).

**PARTICIPANTS:** Three Superior Normal School teachers for training in the U.S., one teacher for administrative training in the U.S., and two vocational instructors for training in appropriate institutions in Puerto Rico.

**COMMODITIES:** Textbook paper and trucks for deliveries.

**OTHER COSTS:** Local printing costs, local transportation for technicians and support for Teacher Training seminars.

U.S. DOLLAR COSTS (In thousands of dollars)				PRINCIPAL CONTRACTORS/AGENCIES		
	Obligations	Expenditures	Unliquidated	OBLIGATIONS		
Through 6/30/65	1259	1174	85	Estimated FY 1966		Proposed FY 1967
				Direct AID	Contract/Other Agency	Total
Estimated FY 66	198	100		50	45	95
Estimated through 6/30/66	1457	1274	183	35	35	70
		Future Year Obligations	Estimated Cost to Complete	15	-	15
				25	-	25
				20	-	20
				68	-	68
Proposed FY 67	185	106	1748	65	-	65
				153	45	198
				150	35	185

PRINCIPAL CONTRACTORS/AGENCIES

Not yet designated

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PROJECT TITLE Public Administration	ACTIVITY Public Administration	FUNDS Technical Cooperation	
PROJECT NUMBER 519-11-740-032	PRIOR REFERENCE Vol. III, P. 149 of FY 65-66 C.P.	INITIAL OBLIGATION FY: 1958	SCHEDULED FINAL OBLIGATION FY: 1969

**PROJECT TARGET AND COURSE OF ACTION:** To increase the availability and improve the management of governmental resources for national development by increasing tax collections and instituting reforms in government organization and operating procedures at both the national and municipal levels.

In FY 1967 U.S. assistance will help the Government of El Salvador (GOES) to: (1) improve the tax administration in both direct and indirect tax bureaus of the GOES so as to contribute to annual increases of 15% in tax collections over the next five years, modernize and re-organize the bureaus for greater efficiency, and give better service to tax-payers; (2) establish a central management analysis unit in the GOES to spearhead organizational and procedural reform and to assist in instituting systems of effective executive direction necessary for the implementation of national development plans; (3) provide participant training in developmental work in the field of municipal government reform; and (4) render some continued support for the GOES development planning in order to obtain full benefits of the work successfully completed under the terminated Development Planning Project. These activities are fundamental to the successful implementation of the GOES Five Year Development Plan which constitutes the basic pattern for Salvadoran economic and social progress over the next five years.

**PROGRESS TO DATE:** By the end of 1965, basic reforms in the tax structure, including modern income, luxury, and excise tax laws had been enacted and implementation was

well underway. Tax revenues increased by 20% in 1964 and a further 10% rise is anticipated in 1965. Recommendations to improve and modernize the audit operations of the Direct Tax Bureau have been submitted to the Minister of Finance and are being implemented. A new real estate appraisal manual has been prepared and 50 appraisers have been trained. In addition to contributing \$75,000 in 1964, toward improved tax administration, the GOES increased its administrative studies budget to \$240,000 in 1965, to acquire the personnel to carry out improved financial management throughout the GOES.

**FY 1967 PROGRAM:**

**U.S. TECHNICIANS:** One full-time direct hire public administration advisor and 3 full-time IRS-PASA technicians as well as 3 consultants in management analysis to assist the host government in administrative reform, project implementation, tax administration, municipal reform and training.

**PARTICIPANTS:** 6 participants for 2 months each in tax administration, 5 participants for 6 months each in management analysis and 8 participants in municipal government for short periods.

**COMMODITIES:** Books and Training Supplies.

**OTHER COSTS:** Local supplies, printing costs, clerical assistance and technicians' travel costs.

**U.S. DOLLAR COSTS (In thousands of dollars)**

	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1966			Proposed FY 1967			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/65	446	378	68								
Estimated FY 66	182	200		U.S. Technicians	20	119	139	20	149	169	
Estimated through 6/30/66	628	578	50	Participants ...	31	-	31	37	-	37	
		Future Year Obligations	Estimated Cost to Complete	Commodities ...	2	-	2	2	-	2	
				Other Costs ...	10	-	10	17	-	17	
Proposed FY 67	225	591	1444	Total Obligations	63	119	182	76	149	225	

**PRINCIPAL CONTRACTORS/AGENCIES**

IRS-PASA: Consulting firm not yet designated.

Country: GUATEMALA

## PROJECT DATA

TABLE III

PROJECT TITLE Rural and Urban Development	ACTIVITY	FUNDS	
	Public Administration	Technical Cooperation	
PROJECT NUMBER 520-11-730-175	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
	P. 166 of FY 1965 C.P.	FY: 1966	FY: 1970

**Project Objective and Description:** To strengthen and to support those institutions, private and public, which are working to improve the economic and social life of rural Guatemala.

**Project Progress:** Work in the initial year of this project has been focused largely on research, planning and initial reorganization of selected planning offices and related institutions. Urban and regional planning offices have been established in several key institutions, and studies of problems of growth and change are under way in selected rural areas and in Guatemala City. Rural development planning is being carried out within a total country team effort, based in part on the results of research carried out by a contract team from the University of Texas, which surveyed economic and social problems in rural areas (financed under terminating activity 520-11-760-146). Priority fiscal area activities, providing revenues for development programs, were assumed under this project during the course of the year and reoriented from the national government to local governments.

The GOG provided \$500,000 for community development during 1965.

**FY 1967 Program:** Problems to be addressed during FY'67 include: population growth and increased migration to the cities; expansion of rural purchasing power and the growth of the national market; regional resource inventory and development; physical planning; community organization for self-help; and the strengthening of local

government institutions in order to foster fiscal and administrative governmental decentralization.

**U.S. Technicians:** A supervisory division chief; a local government advisor; two community development officers; two customs advisors; two tax advisors; two regional planners; short-term consultants in population planning, urban and regional planning, local government, and development administration; and 40 months of consultant services in artisan handicrafts.

**Participants:** Short-term training, mainly in the U.S. and Puerto Rico, for approximately 50 Guatemalans in development administration, planning, population, local government, customs, tax administration, mapping, and community development. Longer-term university training will be needed for approximately four participants in development administration and resources planning.

**Commodities:** Office equipment and vehicles for pilot projects in planning, community development and development administration.

**Other Costs:** Support of a management intern programs in development administration (\$12,000), population planning and local government seminars (\$12,000), and local travel of direct-hire and consultant staff (\$6,000).

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U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
Through 6/30/65	Obligations	Expenditures	Unliquidated	Estimated FY 1966			Proposed FY 1967			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Estimated FY 66	188	77		14	88	102	104	236	340	Internal Revenue Service (IRS) Cooperative League of the U.S. (CLUSA) Bureau of Customs
Estimated through 6/30/66	188	77	111	36	-	36	136	-	136	
		Future Year Obligations	Estimated Cost to Complete	40	-	40	35	-	35	
				10	-	10	30	-	30	
Proposed FY 67	541	1,166	1,895	100	88	188	305	236	541	
				<b>Total Obligations</b>						

**STATUS OF DEVELOPMENT LOANS**

**TABLE IV**

Country: GUATEMALA

Borrower: Government of Guatemala

Funds: AFP

<b>Title and Number of Loan:</b> Customs Improvement 520-L-009		<b>Host Country Contribution, Procurement Sources</b>	
<b>Date Authorized:</b> 6/30/64		<b>Date Signed:</b> 8/17/65	
<b>Loan Status as of 11/30/65</b>		<b>Loan Terms</b>	
(In thousands of dollars and equivalent)			
Authorized .....	700	Duration .....	40 yrs.
Disbursed .....	-	Grace Period .....	10 yrs.
Repayments .....	-	Interest Rate .....	3/4%-2%
Interest Collected .....	-	Currency of Repayment..	U.S. \$

The GOG will contribute \$425,000 to this program, including all architectural and engineering services, construction of a new customhouse, and rehabilitation of existing structures. The GOG has already begun the construction and rehabilitation activities with their own funds. Disbursements for the project shall be for procurement of goods and services totaling approximately \$375,000 in the Central American Common Market and \$325,000 in the United States.

Purpose of Loan: As part of an overall customs improvement and modernization effort, to support a comprehensive two-year program of construction of customs buildings and living quarters space, as well as the procurement of modern warehouse, office, and cargo-handling equipment. The loan will overcome existing adverse working and storage conditions which handicap productive customs operations and result in significant losses in customs revenue.

Physical Status: The loan agreement was signed on August 17, 1965. It is expected that the consulting engineering contract will be signed during January of 1966 and that the construction plans will be approved shortly thereafter.

Financial Status: Full loan disbursement is expected by the end of 1966.

Country: HONDURAS

## PROJECT DATA

TABLE III

PROJECT TITLE Public Administration	ACTIVITY Public Administration	FUNDS Technical Cooperation	
PROJECT NUMBER 522-11-720-017	PRIOR REFERENCE P. 186, FY 66 IA P.D.B.	INITIAL OBLIGATION FY: 1956	SCHEDULED FINAL OBLIGATION FY: 1969

Project Target and Course of Action: To assist the GOH in identifying and overcoming particular problems of public administration directly affecting the country's economic and social development. The areas of personnel management and revenue administration have been selected on the basis of their priority in the development process and the prospects for effective cooperation on the part of the GOH. This program will assist the Honduras Government: to establish and implement a Civil Service System, to improve personnel administration through installation of systems of position classification, pay, and recruitment and selection; to overcome problems and develop action to achieve effective tax administration including customs management (through improved regional regulations, tariffs and operational systems); and to strengthen national planning and development through the preparation and execution of feasibility studies and projects of development.

Progress to Date: A position classification and pay system embracing approximately 13,000 employees is being installed. A citizens committee designated by the Executive Branch has reviewed U.S. and Puerto Rican Civil Service systems and prepared a critique and recommendations pertinent to the national civil service law. The committee's report is to be reviewed by the National Congress in February 1967. Preparations for installation of procedures for recruitment and selection by examination techniques and employee training in civil service are

underway. A draft of a national property tax law, prepared with USAID assistance, is being considered by local and central government officials. Collaborative analysis of tax administration between the tax agencies and the Superior Council of Economic and Social Planning has been effected. The Superior Council, created in the Fall of 1965, is an integral part of the office of the President, responsible for national and sectorial planning, developing and coordinating planning between government components and the public and private sectors, and achieving viable and effective execution of the 1965-69 national development plan. The estimated cost to complete has been increased to enable the provision of a municipal planning advisor, a sales tax advisor and short term audit and training assistance.

FY 1967 Program: During FY'67, contract assistance in personnel management will be supplied, and a customs advisor will be provided. Technical consultants will assist the GOH in implementing a tax modernization program.

U.S. Technicians: One Public Administration Advisor, five long term and two short term tax experts under a PASA with IRS; and 11 contract advisors in personnel management, customs and municipal planning.

Participants: Civil Service Orientation (2), Position and Salary (2), Recruitment (2), Taxation Seminars (4), and Customs (3).

Other Costs: Local salaries, travel, publications and vehicles.

U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS			PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated				
				Estimated FY 1966	Proposed FY 1967		
Through 6/30/65	672	613	59	Direct AID	Contract/Other Agency	Total	Internal Revenue Service Collett and Mayne
Estimated FY 66	196	172		28	149	177	
Estimated through 6/30/66	868	785	83	14	-	14	
		Future Year Obligations	Estimated Cost to Complete	47	28	247	
Proposed FY 67	329	400	1,597	5	-	5	
				7	-	7	
				47	149	196	
				82	247	329	

PROJECT TITLE	ACTIVITY		FUNDS	
	Tax and Administrative Reform	Public Administration		Technical Cooperation
PROJECT NUMBER	PRIOR REFERENCE	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION	
524-11-720-025	p.202 of FY 1966 C.P.	FY: 1962	FY: 1970	

**Project Objective and Description:** To provide the organization, financial resources, and essential manpower to complement development planning efforts. To achieve these goals our assistance will continue to be directed to assisting Nicaraguan Ministries and Agencies to : 1) improve central government and municipal administration; 2) institute a system for program budgeting and accounting 3) obtain a more equitable and extensive application of the tax burden while increasing government revenues, particularly from direct taxation; 4) strengthen the central organization and management office; 5) establish an in-service training Center; 6) improve tax administration on national and local levels; and 7) increase capacity for combatting ordinary crime and lawlessness.

**Project Progress:** Under USAID contract, Public Admin. Services (PAS) made a thorough study of public administration in Nicaragua. PAS recommendations on GON Administrative improvements will continue to be the vehicle for AID assistance in the tax and administration area for the coming year. With the help of technicians from the Joint Planning Mission, the GON has converted to a system of program budgeting. This has helped to strengthen the entire administrative structure. Aided by an IRS tax team provided by AID, the GON has been able to improve the machinery for tax appraisal and collection. Improved techniques contributed to a 58% rise in income

tax revenue, a 19% increase in personal property tax revenue, and a 35% increase in real property tax revenue for the year ending June 30, 1965, over the previous year.

GON contributions will be made through the national budget and will help pay for increased salaries for key tax officials and the salaries of participants during their training.

**FY 1967 Program:**

**U.S. Technicians:** One direct-hire public administration training advisor; three long-term tax specialists under PASA as follows: principal tax advisor, collections advisor, and property tax advisor; and one public safety advisor.

**Participants:** There will be 23 participants from the Tax Office training in the United States and Puerto Rico in tax administration and related fields.

**Commodities:** Audio-visual aids and Library materials for the in-service Training Center, and supplies for public safety activities.

**Local Expenses:** Supplies, secretarial services, and local travel for technicians.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES						
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS								
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete	Estimated FY 1966			Proposed FY 1967				
Proposed FY 67					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Internal Revenue Service		
	572	404	168		35	135	170	59	112	171			
	270	391		U.S. Technicians	50	-	50	45	-	45			
	842	795	47	Participants . . .	20	-	20	25	-	25			
				Commodities . . .	30	-	30	29	-	29			
				Other Costs . . .	135	135	270	158	112	270			
	270	729	1,841	Total Obligations									

STATUS OF DEVELOPMENT LOANS

TABLE IV

Country: NICARAGUA

Borrower: Government of Nicaragua

Funds: Alliance for Progress

<b>Title and Number of Loan:</b> Tax Improvement & National Resources Survey 524-L-012	
<b>Date Authorized:</b> 6/29/65	<b>Date Signed:</b> 2/28/66
<b>Loan Status as of 11/30/65</b>	<b>Loan Terms</b>
(In thousands of dollars and equivalent)	Duration . . . . . 40 yrs.
Authorized . . . . . \$5,400	Grace Period . . . . . 10 yrs.
Disbursed . . . . . -	Interest Rate . . . . . 1% GP 2½% thereafter
Repayments . . . . . -	Currency of Repayment.. \$ US
Interest Collected . . . . . -	

Financial Status: No funds have been disbursed.

Host Country Contribution - Procurement Sources: This project, which is a portion of a \$28.0 million ten-year program, will cost \$10.36 million, of which and in addition to the AID loan, the GON will finance \$3.7 million, the United Nations will provide \$.3 million, a German grant will cover \$.2 million, a ROCAP grant \$.06 million, and IAGS technical assistance will amount to \$.7 million. All materials or services procured with U.S. dollars under this loan will be procured from the U.S. or member countries of the Central American Common Market. U.S. dollars utilized to finance local currency costs shall be used for procurement only in the United States.

Purpose of Loan: To assist the Government of Nicaragua in the accelerated three-year portion of an integrated ten-year program of evaluation and utilization of natural resources and improvement in the real property tax system. The basic aim is to increase government revenues to help finance the country's economic development. The project will also contribute to economic growth by identifying natural resources to accelerate their exploitation.

Under the present project, intensive surveys will be conducted over 35,000 square kilometers of the Pacific area where 91% of the population and the greatest agricultural and industrial activity are centered. The project will supply the Government with an overall property index, land capability classification maps, land use maps, land tenure information, trained local personnel, and a basis for taxation and distribution of rural land.

Physical Status: This project represents the result of a report prepared by Collett and Clapp which studied the existing real property tax system and recommended comprehensive modernization. The Collett and Clapp report was generally endorsed by an Internal Revenue Service Team.

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PROJECT TITLE Training and Research in Economics and Social Sciences	ACTIVITY Education	FUNDS Technical Cooperation	
	PRIOR REFERENCE p. 218 of FY-66 C.P.	INITIAL OBLIGATION FY: 1964	SCHEDULED FINAL OBLIGATION FY: 1968
PROJECT NUMBER 513-11-690-172			

Project Target and Course of Action: To provide during FY 1964-1968 graduate level training in the United States to 85 well-qualified Chilean university graduates in the fields of economics and related social sciences of importance to the development process. These individuals will be trained to enter key positions in the university departments, public agencies, and other institutions concerned with Chile's development effort. Also, this project will in FY 1967 finance special studies by leading Chilean educational and research institutions to provide information needed for achieving solutions to social and economic development problems and, at the same time, it will provide essential training to professionals and researchers in these fields.

Progress to Date: During FY 1964 ten participants were sent to the United States for graduate study for eight to twenty-four months in U.S. universities. In FY 1965, 20 participants were selected and 25 are being selected during FY 1966. This project has also financed 17 studies by two Chilean universities and the Agrarian Reform Research and Training Institute.

#### FY 1967 Program

Participants: Twenty-five participants to study in United States universities for periods of eight to twenty-four months.

Other Costs: To finance research contracts by Chilean universities or other selected institutions on topics concerning economic and social development in Chile.

Host Country Contribution: The Chilean contribution during FY 1964-1968 is estimated at \$225,000 consisting of international air travel for all participants serving in government institutions and salaries of participants while they are in their training program.

U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS/AGENCIES				
Through 6/30/65	Obligations	Expenditures	Unliquidated	OBLIGATIONS						
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations	Estimated Cost to Complete	Estimated FY 1966		Proposed FY 1967			
				Cost Components	Direct AID		Contract/Other Agency	Total	Direct AID	Contract/Other Agency
	203	42	161		-	-	-	-	-	-
	196	105		U.S. Technicians	-	-	-	-	-	-
	399	147	252	Participants . . .	171	-	171	170	-	170
				Commodities . . .	-	-	-	-	-	-
				Other Costs . . .	-	25	25	-	15	15
Proposed FY 67	185	105	689	<b>Total Obligations</b>	171	25	196	170	15	185

Country: CHILE

## PROJECT DATA

TABLE III

PROJECT TITLE Modernization of Internal Tax Administration	ACTIVITY Public Administration	FUNDS Technical Cooperation	
PROJECT NUMBER 513-11-750-109	PRIOR REFERENCE p. 221 of FY-66 C.P.	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: 1967

Project Target and Course of Action: To assist in the re-organization, improvement and modernization of the Internal Tax Service of Chile including the collections function of the Department of Justice so as to form an organization capable of: (1) increasing revenue through efficient administration; (2) developing a more equitable tax system and sponsoring improvements in substantive tax laws; (3) establishing a firm financial base and providing resources for implementation of Chilean national development programs; and (4) providing a model of efficient public administrative practices within the Chilean Government.

It was deemed necessary to extend this project into FY 1967 at less than 50 percent of the FY 1966 funding to provide the necessary technical assistance to achieve a more effective transfer of the tax administration functions to the Chileans.

Progress to Date: The Internal Tax Service has been re-organized. The administrative mechanism has been decentralized; a general tax manual and specific handbooks on specialized subjects have been prepared; all personnel have been given training so as to improve their efficiency and all aspects of collections, from auditing to claims to tax fraud prosecution, have been modernized. Since the initiation of the project, substantive tax law has been reformed: revised stamp, income, and inheritance taxes have become law; new capital gains and imputed income (net worth) taxes are in effect; all real property has been reassessed, pro-

viding a realistic basis for the property tax; and a pay-as-you-go system for the income tax, a restructuring of the tax incentives, and a complete reform of the sales and production taxes are expected in CY 1966. Tax revenues for 1965 alone increased 26 percent in real terms over 1964.

FY. 1967 Program

U.S. Technicians: Four technicians to advise on collection procedures, tax fraud prevention, auditing, machine data processing and organization and management.

Other Costs: Travel and consultation.

Host Country Contribution: It is estimated that Chile's material contribution to this six-year project will be approximately \$3.7 million in the form of personnel, equipment, office space, furniture and supplies.

U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS/AGENCIES					
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1966			Proposed FY 1967			
Through 6/30/65	973	926	47		Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Internal Revenue Service (FY 1962-3-4-5-6-7)
Estimated FY 66	240	225		U.S. Technicians	56	117	173	-	84	84	
Estimated through 6/30/66	1,213	1,151	62	Participants ...	-	25	25	-	-	-	
		Future Year Obligations	Estimated Cost to Complete	Commodities ...	-	-	-	-	-	-	
				Other Costs ...	-	42	42	-	26	26	
Proposed FY 67	110	-	1,323	Total Obligations	56	184	240	-	110	110	

Country: CHILE

## PROJECT DATA

TABLE III

PROJECT TITLE Customs Administration	ACTIVITY Public Administration	FUNDS Technical Cooperation	
	PRIOR REFERENCE p. 223 of FY-66 C.P.	INITIAL OBLIGATION FY: 1963	SCHEDULED FINAL OBLIGATION FY: 1967
PROJECT NUMBER 513-11-750-139			

Project Target and Course of Action: To create an efficient, modern customs service capable of maximizing revenue potential through improved administration, and which can effectively assist the private sector through the more equitable and expeditious application of customs duties and procedures.

This project seeks the attainment of reforms in Chilean Government financial management, as well as the expansion of public savings through increased administrative efficiencies. The major target of this project is a 10% real increase in customs revenues in CY 1966 through improvements in administration. Other specific targets are a major decrease in evasion of the foreign exchange controls applied by the Customs Service; a sharp reduction in the normal transaction and handling time; at least a 10% reduction in the \$2.5 million losses suffered each year by importers and exporters; a speedier and more accurate compilation of trade and financial statistics; a reduction in contraband and internal customs irregularities; and improved manpower utilization within the 1,300 man Customs Service.

The delay in obtaining a qualified technician in Customs enforcement and the fact that the Frei Administration has demonstrated a more active customs improvement program have made it necessary to expand this project and extend it into FY 1967.

Progress to Date: The establishment by legislative action in 1964 of a permanent Customs Advisory Office. It is

staffed by the U.S. and Chilean personnel carrying out the work program for this project.

Acceptance by the Frei Administration and transmittal to the Congress of two bills designed to bring about fundamental reforms in Customs procedures.

The Chilean Government has assigned a number of its most capable Customs officials to the project. To further strengthen and add impetus to the project, the Subsecretary of Finance has assumed the role of Executive Director of the project.

Formal agreement has been reached between the Customs Service and the Port Authority to institute merchandise handling procedures that are expected to reduce significantly the estimated \$2.5 million worth of loss and damage that takes place annually in the port of Valparaiso.

FY 1967 Program:

U.S. Technicians - Three long-term technicians to advise on customs procedures and enforcement.

Participants - Two participants for a total of four man-months of customs procedures and enforcement training in the U.S.

Host Country Contribution: The Chilean contribution during the four-year period of this project is estimated at \$144,000 consisting of personnel, participant training costs such as international and domestic travel, office space, equipment and supplies.

U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS/ AGENCIES						
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS							
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete	Estimated FY 1966			Proposed FY 1967			
Proposed FY 67				Total Obligations	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	U.S. Customs Service (FY-1965-66-67)	
	87	82	5		37	19	56	51	15	66		
	63	45		U.S. Technicians	5	-	5	5	-	5		
	150	127	23	Participants ...	-	-	-	-	-	-		
				Commodities ...	-	2	2	-	2	2		
	73	-	223	Other Costs ...	42	21	63	56	17	73		

Country: COLOMBIA

## PROJECT DATA

TABLE III

PROJECT TITLE Customs Administration	ACTIVITY Public Administration	FUNDS TC	
PROJECT NUMBER 514-11-750-115	PRIOR REFERENCE p. 249 of FY '66 C.P.	INITIAL OBLIGATION FY: 1965	SCHEDULED FINAL OBLIGATION FY: 1968

Project Objective and Description: To assist the Minister of Finance in the improvement of the operations and management of the Bureau of Customs. Specifically the project provides technical advice and training for a program designed to achieve (a) significant increase in collection of customs duties through improved appraisal, examination, and collection procedures, and better training, morale, and supervision of customs personnel; (b) faster and more efficient customs processing service for Colombian importers and exporters; and (c) a reduction of contraband imports.

On the basis of a 1964 survey, agreement was reached on means for improvement of deficient areas in Colombian customs administration, and funds were provided in FY 1965 to finance contracts for 3 technical experts to provide the Directorate General of Customs with (a) a short-term specialist to advise on organizing a new customs investigation section, (b) an appraiser for a one year assignment to help improve examination appraisal and classification procedures, and (c) an O and M specialist for a one-year assignment to assist in improving internal customs administration. In FY 1967 it is planned to add one Senior Customs Advisor for a two-year assignment, one training and one laboratory advisor for assignments of one year each, and provision for short-term consultancy on special problems. Provision is also being made for U.S. training of 4

Colombian officials.

Project Progress: Recruitment of the three specialists funded in FY 1965 has not progressed as rapidly as planned and none of the technicians have arrived. Progress toward project objectives has therefore been limited. Exploration of a PASA agreement with the U.S. Bureau of Customs is presently in progress.

FY 1967 Program: Implementation of the project is scheduled to begin in FY 1966 and continue through 1968. Funds proposed for FY 1967 cover the additional 3 long-term consultants for a 2-year period, 6-months consultancy, related contract costs and travel.

## U.S. DOLLAR COSTS (In thousands of dollars)

	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						PRINCIPAL CONTRACTORS' AGENCIES U.S. Bureau of Customs
					Estimated FY 1966			Proposed FY 1967			
					Direct AID	Contract Other Agency	Total	Direct AID	Contract Other Agency	Total	
Through 6/30/65	138	3	135								
Estimated FY 66	-	55		U.S. Technicians				-	187	187	
Estimated through 6/30/66	138	58	80	Participants ...				-	-	-	
		Future Year Obligations	Estimated Cost to Complete	Commodities ...				-	-	-	
Proposed FY 67	192	-	330	Other Costs ...				5	-	5	
				Total Obligations				5	187	192	

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<b>PROJECT TITLE</b> Tax Administration	<b>ACTIVITY</b> Public Administration	<b>FUNDS</b> TC	
<b>PROJECT NUMBER</b> 514-11-750-100	<b>PRIOR REFERENCE</b> Pg. 248 of FY '66 C.P.	<b>INITIAL OBLIGATION</b> FY: 1963	<b>SCHEDULED FINAL OBLIGATION</b> FY: 1968

**Project Objective and Description:** To help the Government of Colombia meet its development and investment goals in 1966 and beyond without resorting to inflationary borrowing. Specifically this project is targeted to an increase of 10% in income tax collection and 35% in sales tax collections over and above the generally upward trend already projected from 1965, primarily through improved and reformed administration of existing tax laws.

In FY 1967, AID is continuing to provide an IRS team of 9 advisors plus one local data processing expert to assist the Ministry of Finance in improved tax administration.

The GOC is contributing the peso equivalent of U.S. \$296,000 in the CY 1966 budget for specific tax enforcement programs.

**Project Progress:** The Electronic Data Processing Division financed by AID and installed in 1965 with GOC funds now handles tax returns for over 40% of the country, and its coverage is being extended. The computer has also prepared accurate registers of overdue accounts for the revised and enlarged collection section. Closer integration of tax division sections with the data processing division is speeding handling of tax returns and resulting in savings in personnel. Programs for

speeding liquidation and auditing of tax returns are underway. A program to administer the national sales tax effectively has been developed and is being implemented. Both in-service and U.S. training programs for tax division employees were continued. A team of land evaluation and property tax consultants completed an initial survey in FY '65 on which a loan proposal in FY '66 will be based.

**FY 1967 Program:** (11 PASA) 9 long-term IRS advisors plus 2 short-term specialists. A local hire data processing expert is also part of the group. The IRS group will be headed by a supervisor, with 8 technicians in the areas of tax collection, audit, investigation, electronic data processing, withholding tax, sales tax, organization and methods and training.

**Participants:** 11 tax and data processing technicians will be sent to the U.S. for specialized (1-2) month courses in tax administration and supervision.

**Other Costs:** Travel and per diem for travel of IRS team, and audio-visual materials. A long-term Colombian data processing and tax administration expert, an interpreter and a bilingual secretary. The originally estimated total cost to complete the project was increased in FY 1965 from \$891,000 to \$1,611,000 in view of the IRS recommendation that the existing multi-year PASA be extended to the end of FY 1968 in order to assure full and permanent operation of the basic administrative reforms introduced.

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U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS/AGENCIES					
Through 6/30/65	Obligations	Expenditures	Unliquidated	OBLIGATIONS							
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations	Estimated Cost to Complete	Estimated FY 1966		Proposed FY 1967				
Proposed FY 67	360	510	1611		Direct AID		Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
	443	318	125								IRS
Estimated FY 66	298	160		Cost Components	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Estimated through 6/30/66	741	478	263	U.S. Technicians	-	273	273	-	335	335	
				Participants . . .	-	23	23	-	23	23	
				Commodities . . .	-	-	-	-	-	-	
				Other Costs . . .	-	2	2	-	2	2	
Proposed FY 67	360	510	1611	Total Obligations	-	298	298	-	360	360	





PROJECT TITLE Public Administration	ACTIVITY Public Administration	FUNDS TC	
PROJECT NUMBER 518-11-750-017	PRIOR REFERENCE p. 289, FY'66 LA P.D.B.	INITIAL OBLIGATION FY: 55	SCHEDULED FINAL OBLIGATION FY: 69

**Project Objective and Description:** To assist the GOE to design and carry out fiscal and other administrative reforms. Primary emphasis will be on helping the GOE organize and staff its ministries and other agencies so that its development plans can be implemented. Assistance will be provided to help the GOE attain increased budgetary control over the revenues received by the autonomous agencies. Advice and assistance will be provided to improve revenue collection, budget formulation and implementation, and to continue implementing the new career civil service decree.

**Progress to Date:** Coordination of public financial practices has been made more effective through the establishment of two high-level finance committees. A Civil Service and Career Law was enacted in 1965 under which 11,500 positions were classified and 1,300 employees were granted career status. Corporate taxes have been revised so as to encourage new foreign investment in the private sector; over 100 nuisance type taxes on sale and export of various commodities have been abolished and over 700 provincial and municipal taxes have been consolidated or eliminated; the number of income tax returns filed increased from 27,000 in 1964 to 58,000 in 1965 and income tax revenues in the first quarter of 1965 were more than in the same period in 1964. Income taxes constitute about 19% of central government revenues. Studies of autonomous agencies in the agricultural and health sectors will be completed by June, 1966. Estimated contribution by the GOE is \$1,000,000. The

GOE contribution of office space, transportation and training materials, etc., is estimated at \$200,000. The UN contribution of \$38,000 will cover the costs of fellowships and limited technical services. The amount of unobligated obligations at the end of FY 1966 are largely earmarked for contracts that will not be completed until mid 1967. Funding for these contracts is being provided in 1966.

**FY 1967 Program:** Continuing emphasis will be on central government reform, tax administration, financial management, civil service and training. Contracts will be completed in FY 1967 with organizations presently assisting in improvement of customs collection, studies of certain autonomous agencies, and the Guayaquil municipality; necessary follow-up will be made by direct-hire personnel. **Technicians:** Four direct-hire technicians will speed implementation of loan funded activities and will furnish technical assistance in public administration areas not covered by the loan. The IRS/PASA team will be loan-funded and \$26,000 will fund short-term technicians and travel.

**Participants:** 12 Ecuadoreans will receive U.S. or third country training in administration, records management, planning, statistics, personnel administration and accounting.

**Commodities:** Office equipment, training equipment and printed materials.

**Other Costs:** Local hire, support to the Institute of Administrative Studies (\$20,000), travel and materials.

U.S. DOLLAR COSTS (In thousands of dollars)				PRINCIPAL CONTRACTORS/AGENCIES							
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	Estimated FY 66	Estimated through 6/30/66	Proposed FY 67		Estimated FY 1966			Proposed FY 1967			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
	1,541	1,388	153		90	95	185	125	-	125	IRS/PASA FY 65,6,7 Clapp & Mayne FY 65,6 Govt. Affairs Inst. FY 65, 6,7
	255	150		U.S. Technicians	13	-	13	53	-	53	
	1,796	1,538	258	Participants . . .	8	-	8	18	-	18	
		Future Year Obligations	Estimated Cost to Complete	Commodities . . .	49	-	49	37	-	37	
Proposed FY 67	233	841	2,870	Other Costs . . .	160	95	255	233	-	233	
				Total Obligations							

STATUS OF DEVELOPMENT LOANS

TABLE IV

Country: Ecuador

Borrower: Government of Ecuador

Funds: IAPSP (AB) Loan

Title and Number of Loan: Administrative & Fiscal Reform 518-M-019	
Date Authorized: 4/26/63	Date Signed: 9/2/63
Loan Status as of 11/30/65	Loan Terms
(In thousands of dollars and equivalent)	Duration . . . . . 40 yrs.
Authorized . . . . . \$1,600	Grace Period . . . . . 12 mo.
Disbursed . . . . . 728	Interest Rate . . . . . 3/4 of 1%
Repayments . . . . . 8	Currency of Repayment . US\$
Interest Collected . . . . . 1	

increased from 27,000 in 1964 to 58,000 in 1965. Improved tax administration has been a major factor in a 16% increase in tax collections in the first nine months of 1965. Nearly 100 nuisance taxes have been abolished and over 700 provincial and municipal taxes have been consolidated. The budgets of eight large autonomous agencies were brought under central budgetary review.

C. Financial Status: Although only \$728,000 has been disbursed, firm commitments, including contracts approved for AID financing total \$1,350,000.

D. Host Country and Procurement Sources: The GOE contribution is estimated at \$1.0 million by the project completion, and includes office space, office supplies and equipment, transportation, secretarial services, counterparts, and training materials.

All goods and services must be procured from the United States or Ecuador except for participant training which may be in the U.S. or any country of Latin America except Cuba. Appropriate AID procedures will be applied to insure that the loan dollars used to secure local currency to cover projects costs are used to finance goods from the U.S.

The contractors are: U.S. Internal Revenue Service, the Governmental Affairs Institute, the J.L. Jacobs and Co. (two contracts, one of which is completed), and Collett and Clapp (completed).

E. Implementation Comments: Delay in disbursements and change in estimated terminal date for completion of projects from September 1966 to January 1967 have been due largely to the inability of two contractors - IRS and GAI - to fully staff their teams in Ecuador. During the last half of CY 1965, GAI essentially completed its staffing. IRS is continuing its efforts to complete its staffing requirements by the end of the first quarter CY 1966.

A. Purpose of Loan: To finance technical assistance and equipment required for a program of administrative and fiscal reform with the Ministry of Treasury, the Controller General's Office, the Municipality of Guayaquil, and other public entities.

The most crucial problem faced by the Ecuadorean Government in carrying out a development program is its lack of control over fiscal resources. About 60% of tax revenues go to the autonomous agencies outside the budgetary control of the central government. The project is designed to attack directly the problems of insufficient revenues and poor control of expenditures and assist the government in planning further fiscal and administrative reform. The project is divided into five sub-projects as follows: improvements of tax and customs collections; establishment of a Career Civil Service in key GOE agencies; improvements of fiscal controls, accounting and audit procedures in the Controller General's Office; reprogramming the machine accounting system of the Treasury and Controller General's Office; and preparation of fiscal and administrative proposals for legislative consideration.

B. Physical Status: Five U.S. contractors are being financed to carry out the purpose stated above. Two contracts have been completed and the others should be completed by January 1967. The number of tax returns filed

Country: PANAMA

## PROJECT DATA

TABLE III

PROJECT TITLE Government Administration and Fiscal Reform	ACTIVITY Public Administration		FUNDS TC
	PRIOR REFERENCE pp. 322 and 323 FY '66 LA P.D.B.	INITIAL OBLIGATION FY: 1955	SCHEDULED FINAL OBLIGATION FY: 1970
PROJECT NUMBER 525-11-720-048			

Project Target and Course of Action: To assist the Government of Panama to accomplish key administrative and fiscal reforms, strengthen tax and customs administration, and execute an effective long-range social and economic development plan.

Progress to Date: President Robles appointed an Administrative Reform Commission on December 14, 1965 to reorganize ministries, reduce the number of decentralized agencies, reduce duplication, create a political-economic cabinet, and reform the budgetary system. The Panamanian Internal Revenue Bureau, with U.S. technical assistance, has improved procedures so that govt. revenues have increased 14 percent in January-December 1965, compared with the same period in the previous year. Manpower and job vacancy surveys have been made. A procurement and supply manual has been prepared for the Ministry of Agriculture, and employees are being trained to follow its recommendations. A U.S. economic consulting firm is being hired to assist the Director General of Planning and Administration in carrying out the long-range development plan. Estimated costs to completion have increased \$200,000 in order to provide technical support for President Robles' administrative reform program.

FY 1967 Program: U.S. public administration advisors will continue to assist the GOP in the solution of problems related to efficient government management, tax administration, customs, statistics, budgeting, and accounting.

U.S. Technicians - Direct hire - 2 public administration advisors. U.S. Government agencies (4) - U.S. Internal Revenue Service - 1 senior tax advisor, 1 audit advisor, 1 collection advisor, and short-term consultants (8 months); U.S. Bureau of Customs - 1 customs advisor (1 year) and short-term customs consultants (6 months); U.S. Bureau of Census - short-term consultants (3 months).  
Contract - 1 budget and accounting technician (1 year).  
Participants (38) - 6 economic development, 1 year graduate study, U.S.; 12 tax policy, collection, audit, and administration, 2 months, U.S.; 6 customs policy and collection techniques, 3 months, U.S.; 4 budget and accounting, 6 months, U.S.; 6 statistical methods, 4 months, Puerto Rico; 4 public administration, 6 months, Puerto Rico.  
Other Costs - 1 secretary, local travel, and supplies.

U.S. DOLLAR COSTS (In thousands of dollars)				PRINCIPAL CONTRACTORS/AGENCIES							
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	1,214 a/	704	510		Estimated FY 1966			Proposed FY 1967			
Estimated FY 66	288	370		U.S. Technicians	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Other Agencies: U.S. Internal Revenue Service U.S. Bureau of Customs U. S. Bureau of Census
Estimated through 6/30/66	1,502	1,074	428	Participants . . .	41	135	176	42	143	185	
				Commodities . . .	79	-	79	71	-	71	
		Future Year Obligations	Estimated Cost to Complete	Other Costs . . .	5	-	5	-	-	-	
Proposed FY 67	280	400	2,182	Total Obligations	28	-	28	24	-	24	
					153	135	288	137	143	280	

a/ Includes National Economic Planning.

STATUS OF DEVELOPMENT LOANS

TABLE IV

Country: PANAMA

Borrower: Government of Panama

Funds: Alliance for Progress

Title and Number of Loan: Cadastral Survey and Natural Resources Evaluation and Tax Administration, 525-L-007	
Date Authorized: 6/26/64	Date Signed: 8/6/64
Loan Status as of 11/30/65	Loan Terms
(In thousands of dollars and equivalent)	Duration . . . . . 40 yrs.
Authorized . . . . . 2,400	Grace Period . . . . . 10 yrs.
Disbursed . . . . . 587	Interest Rate . . . . . 3/4% during Grace Period; 2% thereafter.
Repayments . . . . . -	Currency of Repayment . . US\$
Interest Collected . . . . . -	

pretation, and related activities. Plans are being reviewed for technical assistance in the areas of tax appraisal, administration and maintenance of the cadaster and improvement of tax collections. The total project covers 3 years and is scheduled for completion by December 1967.

Financial Status: Of the total \$2.4 million AID loan, about \$2 million is for contract costs. As of November 30, 1965, \$587,000 had been disbursed and additional contract and direct commodity purchase expenditures are estimated to bring total disbursements to about \$1 million by the end of this fiscal year.

Host Country Contribution: The GOP is contributing an equivalent of \$1,778,509 during the period 1965-1967 for local cost items.

Procurement Sources: The AID loan will be used for the foreign exchange costs of U.S. consulting services and U.S. equipment and vehicles.

Purpose of Loan: To assist the Agrarian Reform Commission in establishing a basis for orderly land settlement, improved land use, and land title registration. The loan will also provide for an evaluation of natural resources, and assistance to the Ministry of Finance for establishment of an equitable and efficient rural land tax system. Activities under the natural resources evaluation include the survey and study of present land use and natural resources capability, including soil capability, fertility, groundwater, drainage, erosion, geomorphology, geology, and economic and location factors. The rural cadastral survey covers 46% of Panama and includes the definition and mapping of property boundaries and land ownership, development of land valuation formulae, and assessment of rural land values.

Physical Status: Project operations got underway in December 1964 and the total project is now about 30% complete. Technical assistance under the loan is provided by CATAPAN, a consortium of three U.S. consultant firms, Int'l Resources and Geotechnics, Inc., J.L. Jacobs & Co., and Int'l Engineering Co., Inc. Aerial photography is about 85% complete and about 40% of work on preparation of mosaic maps has been completed. Total cadastral survey work is about 27% complete, with the U.S. contractors providing on-the-job training for Panamanian technicians in geology, soils, cartographic mapping, aerial photo inter-

Country: PARAGUAY

## PROJECT DATA

TABLE III

PROJECT TITLE <b>Government Management &amp; Organization</b>	ACTIVITY <b>Public Administration</b>	FUNDS <b>Technical Cooperation</b>	
PROJECT NUMBER <b>526-11-790-018</b>	PRIOR REFERENCE <b>Pg. 343 of FY 66 LA P.D.B.</b>	INITIAL OBLIGATION <b>FY: 1952</b>	SCHEDULED FINAL OBLIGATION <b>FY: 1969</b>

**Project Target and Course of Action:** To help the GOP achieve reforms in the fields of taxation, budgeting, and general Public Administration. The course of action includes: (a) assistance in developing effective training programs for central government and municipal employees; (b) support for improved tax administration with emphasis on the collection system, auditing, and enforcement procedures; (c) assistance to the Ministry of Finance in modernizing its accounting and fiscal control systems.

**Progress to Date:** AID assisted the GOP in establishing a government-wide In-Service Training Center for public employees in 1961. Until 1965, emphasis was given to clerical training and office management, but since then the center has expanded its program to include courses for management level employees including Justices of the Peace and Municipal Government Administrators. To date, close to 3,000 employees have attended courses at the center. The center has been assimilated by the National University. AID financial assistance to the School of Public Administration was terminated in January, 1965, when the school was formally incorporated into the faculty of economics of the National University. A revised tax administration program was prepared in early 1965, and implementation of reform measures is starting with assistance from IRS advisors.

**FY 1967 Program:** U. S. Technicians - One direct-hire Public Administration Advisor to coordinate AID efforts

U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS						PRINCIPAL CONTRACTORS/ AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1966			Proposed FY 1967			
				Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total	
Through 6/30/65	989	965	24							U. S. Internal Revenue Service (FY1965-66)
Estimated FY 66	141	80								
Estimated through 6/30/66	1130	1045	85							
		Future Year Obligations	Estimated Cost to Complete							
Proposed FY 67	174	187	1491							
Cost Components										
U.S. Technicians				29	71	100	25	88	113	
Participants . . .				31	-	31	36	-	36	
Commodities . . .				1	-	1	5	-	5	
Other Costs . . .				9	-	9	20	-	20	
Total Obligations				70	71	141	86	88	174	

to improve in-service training, government accounting, and fiscal control systems, and tax administration. Two IRS (PASA) advisors will continue assistance in tax auditing and improvement of collections. Two contract consultants for six months to assist the GOP in coordinating its program budget with accounting and fiscal control systems.

**Participants:** U. S. training by the IRS in Washington is scheduled for three participants in Tax Administration two months; three in Public Administration three months; and eight in Public Safety at the International Police Academy in Washington four months.

**Commodities:** Training aids and books for training programs.

**Other Costs:** Support for the In-Service Training Center, travel, and miscellaneous expenses.

Country: PERU

## PROJECT DATA

TABLE III

PROJECT TITLE Government Finance and Administration	ACTIVITY Aggregate Resources Management	FUNDS T.C.	
PROJECT NUMBER 527-11-790-057	PRIOR REFERENCE p.300 of FY 1966 C.P.	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: 1971

**Project Target and Course of Action:** (A) Tax Administration: To improve tax administration, collection and enforcement through technical assistance provided by a team of U.S. Internal Revenue Service advisors. (B) Customs Administration: Overall improvement of the Customs Service, emphasizing training of personnel, improved enforcement, use of modern appraisal and classification systems, and reorganization of the Customs Superintendency. (C) Public Administration: To strengthen the recently created National Office of Public Administration (ONRAP) as a center for the modernization and reorganization of government at all levels, with the assistance of the New York Institute of Public Administration under contract to AID.

**Progress to Date:** The National Tax Superintendency was reorganized along modern lines by Supreme Decree, May 21, 1965, based on thorough studies and detailed recommendations made by the IRS team. As a result of IRS recommendations, an Intelligence Division was instituted to investigate serious cases of tax violations; two new single tax return forms replaced eighteen forms formerly used; and a public information program in January, 1965, resulted in a record number of tax return filings in March, 1965.

Substantial improvement in customs operations and revenues at Lima-Callao Airport and the post office in Lima were made during 1964 and 1965 under the customs improvement pilot program, and the AID contract team's efforts are being extended to the Port of Callao. Overall improvements in appraisal, enforcement, accounting and

collection activities contributed to increases in customs revenues in 1965.

Due to the success of the customs pilot program, the team of U.S. advisors has been doubled and assistance extended to other entry points. This personnel change and increased in federal salaries and housing allowances have resulted in the increase in total project costs. The change in the date of completion is due to extension of the tax administration subproject..

ONRAP, assisted by the Institute of Public Administration, conducted courses of instruction for over 300 government employees in 1965; completed several special research studies on public administration, and gave advisory services to 5 major government agencies. Host country contributions for CY 1966 will be approximately equivalent to \$900,000.

**FY 1967 Program:**

**U.S. Technicians:** 9 long-term tax advisors and one short-term consultant from the Internal Revenue Service; 4 full-time technicians and several short-term consultants on customs administration from Clapp & Mayne; and 8 long-term advisors and one short-term consultant from IPA of N.Y. **Participants:** 13 non-contract and 15 contract participants will receive U.S. training, and 3 will receive 3rd country training.

**Commodities:** Misc. commodities in support of the contracts.

**Other Costs:** Funds for local travel, training aids, other misc. costs of the U.S. technicians, 2 local hire employees, and local support of the contractors.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES				
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	2,034	801	1,233		Estimated FY 1966			Proposed FY 1967			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Estimated FY 66	828	545		U.S. Technicians	29	523	552	26	491	517	PASA: Internal Revenue Service Contracts: Collett & Mayne, Inc. Institute of Public Administration of New York
Estimated through 6/30/66	2,862	1,346	1,516	Participants . . .	56	35	91	18	45	63	
		Future Year Obligations	Estimated Cost to Complete	Commodities . . .	-	12	12	-	15	15	
				Other Costs . . .	48	125	173	57	85	142	
Proposed FY 67	737	1,371	4,970	Total Obligations	133	695	828	101	636	737	

Country: PERU

## PROJECT DATA

TABLE III

PROJECT TITLE Economic Research and Planning No. 527-11-790-066	ACTIVITY Public Administration	FUNDS T.C.	
PROJECT NUMBER 527-22-790-066	PRIOR REFERENCE p. 361 of FY 1966 C.P.	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: 1971

Project Target and Course of Action: To assist three new interrelated institutions which are playing key economic planning and research roles basic to the development process. The National Planning Institute is preparing an overall economic development plan for 1967-1971, and is upgrading its professional staff in the planning area (under project 527-22-170-053), and is conducting intensive surveys of natural resources' availabilities and development potential in various regions. The Sample Survey Center of the Ministry of Labor is receiving assistance to improve its ability to conduct, at a high level of professional competence, the statistical surveys needed to fill the present serious gaps in information about the Peruvian economy and society. The recently established Center for the Study of Population and Development is receiving AID support in promoting and expediting seminars and studies with a view toward the formulation of a national population policy.

Progress to Date: The National Planning Institute has been making various studies essential to its next major project--a full-scale national development program covering the period 1967-71. The Planning Institute's natural resources department (ONERN), assisted by IAGS specialists under a PASA agreement with AID, has already completed several detailed, regional feasibility studies required for planning agriculture development and colonization in promising new areas, and has additional studies

under way.

In only a year of operations, the Sample Survey Center, assisted by Michigan University advisors, has trained a substantial number of Peruvians in survey work through intensive formal courses--entailing the preparation of the first operational manual on this subject available in Spanish--and has completed a labor market survey in Arequipa.

The first major task of the Center for Population Studies, which began operation in May 1965, was the organization of the first Peruvian seminar on population and development, attended by government officials, university representatives and private individuals.

In 1966, the GOP plans to contribute \$1,400,000 toward the work of the Planning Institute, \$53,000 for the Sample Survey Center, and \$20,000 for the Population Study Center.

The pipeline is caused by contract forward funding and an average 6-month delay in billing for services performed. FY 1967 Program: \$140,000 is required to fund contract services to the Sample Survey Center and the Center for the Study of Population and Development.

Technicians: 6 direct-hire AID advisors including a Natural Resources advisor, 2 engineers, 2 loan officers, and a demographic officer, and 4 contract technicians.

Participants: 15 participants will receive U.S. training and 10 will receive third country training.

Commodities: Funds are required for data processing and other equipment for the Population Center.

Other Costs: Miscellaneous costs for local travel of the technicians and local support of the PASA advisors.

## U.S. DOLLAR COSTS (In thousands of dollars)

	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
					Estimated FY 1966			Proposed FY 1967			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/65	1,174	419	755								PASA: IAGS  University of Michigan
Estimated FY 66	340	225									
Estimated through 6/30/66	1,514	644	870								
		Future Year Obligations	Estimated Cost to Complete	U.S. Technicians	149	35	234	150	112	262	
				Participants ...	60	-	60	30	-	30	
				Commodities ...	25	-	25	10	2	12	
				Other Costs ...	21	-	21	73	26	99	
Proposed FY 67	403	1,054	2,971	Total Obligations	255	85	340	263	140	403	

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Country: PERU

## PROJECT DATA

TABLE III

PROJECT TITLE Community and Local Government Development	ACTIVITY Community and Local Government Development	FUNDS T.C.	
PROJECT NUMBER 527-11-990-061	PRIOR REFERENCE p.353 of FY 1966 C.P.	INITIAL OBLIGATION FY: 1963	SCHEDULED FINAL OBLIGATION FY: 1970

Project Target and Course of Action: To support the GOP efforts to reach local communities with effective technical and material assistance to supplement the communities' own self-help and self-government efforts.

The most far-reaching AID activity under this project is support of the nationwide program of Cooperación Popular, the Peruvian government's community development agency. Other activities include technical assistance to rural electrical cooperatives, and the cooperative movement in general, to local governments accepting increased responsibilities and improving their financial capabilities, and a program of "special project" grants to help demonstrate the principles of the Alliance for Progress at the grass roots level in the urban slums and depressed rural communities.

Progress to Date: In one year 48 field centers of the Cooperación Popular program have been placed in operation. Cooperación Popular has finished 2,000 projects (schools, roads, reservoirs, etc.), has 4,000 projects underway, and has been unable to fulfill 11,000 requests due to lack of funds. AID technicians have contributed by assisting decentralization measures to achieve greater operating efficiency, by advising on the establishment of training and evaluation programs, and by helping plan and prepare various programs and projects. Activities under this program were greatly expanded in FY 1965, contributing to the increase of estimated project costs.

In July 1965, the first technical conference of municipal mayors was held in Arequipa, resulting in the form-

ation of the Association of Municipalities of Peru (AMPE). Official charter and recognition of Indian communities has reached over 1,600 villages with nearly 1,500,000 inhabitants.

There are presently about 1,000 cooperatives with over 300,000 members in Peru, of which 650 are officially recognized. A rural electric cooperative organized in 1964, with AID assistance, now has more than 3,000 members. Technical assistance to this cooperative was initiated in 1965 by U.S. advisors under contract from NRECA.

Eighty-seven "Special Projects"--ranging from the purchase of pumps for small local irrigation works to the provision of breeding stock to newly formed cooperatives--have been undertaken since 1963, plus 43 projects co-sponsored through the Peru-Texas Partners of the Alliance program initiated in May 1964.

The pipeline is caused by forward funding of the NRECA contract and delays in billing for commodities.

FY 1967 Program:

Technicians: 4 AID technicians, one short-term contract advisor in community development, and one contract advisor for urban development.

Participants: U.S. training is scheduled for 11 participants who hold or will hold leading positions in the community and local government development program, and for 20 rural youth leaders in conjunction with the Farmers Union.

Other Costs: Funds are required for local travel, secretarial help, and locally procured commodities for small impact projects.

U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS/ AGENCIES				
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS			NRECA contract		
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete	Estimated FY 1966			Proposed FY 1967	
	737	353	384		Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
	301	185		U.S. Technicians	67	54	121	79	38	117
	1,038	538	500	Participants ...	75	-	75	70	-	70
				Commodities ...	-	-	-	-	-	-
				Other Costs ...	105	-	105	110	-	110
Proposed FY 67	297	753	2,088	Total Obligations	247	54	301	259	38	297

Country: URUGUAY

## PROJECT DATA

TABLE III

PROJECT TITLE Development Planning and Administration	ACTIVITY Public Administration	FUNDS Technical Cooperation	
PROJECT NUMBER 528-11-720-001	PRIOR REFERENCE p. 389 of FY 66 LA P.D.B.	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: 1967

**Project Target and Course of Action:** To improve tax administration in the field of collections, enforcement, and tax processing; to develop more reliable and up-to-date statistics for sound economic planning; and to encourage greater participation by the National University in Development Planning and Administration.

In mid-FY 1965, a new activity in the project was introduced to encourage and assist improved technical performance in key areas of tax administration and statistics, including improvements in coordination of statistical work.

**Progress to Date:** Technical assistance to the General Tax Office of Uruguay began in late 1964. Special attention was given to problems of collection and enforcement through analysis of tax sources and penalties for non-payment. Greater attention is now being given to processing tax returns, accounting procedures, and strengthening the division assigned to tax collection. The purchase of IBM data processing equipment by the government is expected to improve the compilation of tax information. U.S. training was provided for three participants in tax audit procedures and six participants are scheduled for training in FY 1966 and FY 1967.

**FY 1967 Program:** The Internal Revenue Service (IRS) will provide a tax advisory team consisting of a Tax Administration Generalist for one year and a short-term advisor in Automatic Data Processing. Training in the U.S. for six participants in tax audit procedures and tax enforce-

ment and purchase of automatic data processing training equipment is also planned. (Total FY 1967: \$12,000).

A statistics advisor from the U.S. Bureau of Census will be provided for one year to assist in developing statistical surveys recommending improved coordination among government statistic departments, and providing training for key personnel. Four participants will receive U.S. training. (Total FY 1967: \$39,000).

A specialist in higher education will work for six months with the National University to evaluate various proposals to up-grade the School of Public and Business Administration, and study the possible role of the Faculties of Law and Economic Science in support of National Economic Planning. (Total FY 1967: \$21,000).

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U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS						PRINCIPAL CONTRACTORS, AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1966			Proposed FY 1967			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/65	361	225	136							U.S. Internal Revenue Service (IRS) FY 1965, 66 U.S. Bureau of the Census FY 1966
Estimated FY 66	125	175								
Estimated through 6/30/66	486	400	86							
		Future Year Obligations	Estimated Cost to Complete							
Proposed FY 67	101	-	587							
				<b>Total Obligations</b>	29	96	125	18	83	

PROJECT TITLE Government Management Assistance	ACTIVITY Government Management Assistance	FUNDS Technical Cooperation
PROJECT NUMBER 529-11-790-018	PRIOR REFERENCE pg. 402 FY 1966 P.D.B.	SCHEDULED FINAL OBLIGATION FY: 1968
	INITIAL OBLIGATION FY: 1962	

Project Objective and Description: To provide assistance to the Government of Venezuela on the national level in carrying out its various programs of administrative, budget and tax reforms and in improving the direction and management of its general public administration. Host country contributions to the project are estimated at \$4.0 million through CY 1966.

Project Progress: About 240 participants from selective government agencies have been trained in budgeting, organization and methods, personnel management and procurement. The USAID has helped conduct job income surveys, advised in collection of the tax audit system, assisted with reforms of alcohol and tobacco tax administration, and helped with tariff classification. In addition, the USAID has been active in securing technical assistance from New York State on budget operations for Venezuelan budget and planning entities and has helped foster a local government training program with the cooperation of the Creole Foundation, the University of Southern California and the Venezuelan Foundation for Community Development. The Foundation also provided support for Community Development activities as well as training of municipal administrators and planners and helped sponsor a training program for Municipal Council Presidents.

FY 1967 Program:

U.S. Technicians -- One full-time direct-hire Public Administration Adviser. Three short-term contract consultants to provide specialized advisory services in public administration and internal revenue services.

Participants -- Short-term training in the United States and Puerto Rico for 34 Venezuelan participants in the fields of general public administration, municipal administration, budgeting, customs, and tax administration.

Other Costs -- Demonstration supplies and local travel of U.S. technician.

Pipeline results from lag in billing charges for technician and participant training contract services.

U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS/AGENCIES	
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS		
					Estimated FY 1966		Proposed FY 1967
					Direct AID	Contract/Other Agency	Total
Through 6/30/65	836	641	195				
Estimated FY 66	233	200		U.S. Technicians	32	103	135
Estimated through 6/30/66	1069	841	228	Participants ...	90	-	90
		Future Year Obligations	Estimated Cost to Complete	Commodities ...	-	-	-
Proposed FY 67	150	200	1419	Other Costs ...	8	-	8
				<b>Total Obligations</b>	130	103	233
					109	41	150

1. US Internal Revenue Service
2. US Post Office Department
3. State of New Yorks' Division of the Budget
4. University of Southern California
5. Government of the Commonwealth of Puerto Rico.

PROJECT TITLE Public Administration Improvement	ACTIVITY Public Administration	FUNDS TC	
PROJECT NUMBER 306-11-750-029	PRIOR REFERENCE Page 17, FY 1966 PDB	INITIAL OBLIGATION FY: 1956	SCHEDULED FINAL OBLIGATION FY: 1968

Project Target and Course of Action:

Afghanistan's governmental structure lacks effective administrative procedures and the budgeting and accounting competence necessary for an expanding development program. In 1956, the U.S. agreed to provide technical assistance and training to the Ministry of Finance and other ministries to improve existing and develop new administrative procedures, personnel policies, budgeting and accounting systems and tax administration.

Progress to Date:

U.S. contract technicians have helped reorganize the Ministry of Finance's Budget Department and developed an improved budgeting procedure in conjunction with the U.S.-financed economic planning team. The joint efforts of AID, Peace Corps and Ministry of Finance accountants created a new accounting system which is being installed in Government ministries and in provincial offices. Accountant supervisors and bookkeepers have been trained in its use. A central ledger for daily recording of expenditures has been set up in the Ministry of Finance. A course in Government Accounting has been instituted at Kabul University's Faculty of Economics. An income tax law has been adopted and implementation manuals prepared.

Cadastral Survey Organization field parties have been surveying Government-owned land for the past two years. The adoption of the Land Survey and Statistics Regulation in May 1965 provided the legal basis for surveying private land and establishing a land registration system. The U.S.-

assisted Cadastral Survey School has trained 200 surveyors; this is one-half the goal of the program.

Two eminent U.S. jurists conducted a survey in 1965 to determine what assistance might be needed to establish the independent judicial system provided for in the new constitution. An Afghan Government request for U.S. assistance based on their recommendations is under consideration.

FY 1967 Program:

The contract team will continue to install the new accounting system; it will complete its work in 1968. Assistance to the Cadastral Survey Organization will terminate in October 1967. During the next eighteen months, survey teams will continue to be directed by the American contract advisors and technicians. The Cadastral School will graduate an additional 200 field surveyors.

U.S. Technicians: 1 direct-hire Public Administration Advisor. Six contract technicians in the fields of budgeting, accounting and tax administration.

Participants: 35 Afghans will be trained for one year in the U.S. in budgeting, accounting, economics, management, and cadastral surveying. The training of twenty Afghans in judicial administration procedures will be financed if the U.S. agrees to help the Afghan Government in that area.

Commodities: Scientific and professional instruments.

Contract: The budget and accounting element of the contract team is funded through October 1968.

U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES  Public Administration Services, Inc.
	Obligations	Expenditures	Unliquidated	Estimated FY 1966			Proposed FY 1967			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/65	4,177	3,177	1,000							
Estimated FY 66	742	867								
Estimated through 6/30/66	4,919	4,044	875							
		Future Year Obligations	Estimated Cost to Complete							
Proposed FY 67	777	403	6,099							
				Total Obligations	392	350	742	392	385	777



Country: INDIA

## PROJECT DATA

TABLE III

PROJECT TITLE Government Operations	ACTIVITY Public Administration		FUNDS TC
	PRIOR REFERENCE Page 64, FY 1966 PDB	INITIAL OBLIGATION FY: 1956	SCHEDULED FINAL OBLIGATION FY: 1968
PROJECT NUMBER 386-11-720-170			

Project Target and Course of Action:

To help the Indian Government introduce modern methods of financial management into its regular operations with emphasis on income tax administration. The Indian Government has been extremely cautious in accepting foreign technical assistance in the administrative area. U.S. assistance from 1956 to 1963 was limited to short term assistance to a number of Central Government in-service training programs. In 1964 the Government recognized that the public sector development program had serious operational and management problems and asked for U.S. assistance to improve tax administration and to correct specific problems in stock exchange organization and regulation. AID agreed to provide advisors in these fields after obtaining Indian Government agreement in 1965 to a specific three year plan of action.

Progress to Date:

An Internal Revenue Service consultant team visited India in 1965 and outlined a program which envisioned a 5 man I.R.S. team to provide assistance for 3 years. Before the arrival of the first members of the IRS team in April, 1965 the Indian Government took action on certain points in the consultants' outline. 500,000 taxpayers (a 34% increase) were added to the tax rolls, a law simplifying tax computation was passed, and a major drive was mounted against tax evaders. At present the IRS team has achieved about two thirds of its objective. Segregation of tax audit, collection and enforcement functions and development of a separate collection program will be more than

half complete by the end of FY 1966. A revenue service management improvement program is well underway, and a fraud investigation program has been started. Nine Indian income tax officers have completed training programs in the U.S., returned to duty, and are of decisive importance in working with the IRS team.

FY 1967 Program:

The IRS team will begin organization of a selective rather than the present complete audit program, and draft legislation to strengthen tax administration. Short-term IRS tax consultants in specialized fields such as tax law and forms control will complement the team effort. The U.S. provided two short term consultants from the SEC to provide assistance in stock exchange revision. The GOI is implementing their recommendations.

Twelve Indian tax officers will receive 3 months training in tax administration in the U.S. and two others will attend the Harvard University tax program for 12 months. Five Indian stock exchange officers will receive six months training in the U.S. in stock exchange regulation practices.

U.S. Technicians: Five IRS tax specialists, 4 IRS short-term consultants.

Participants: Fourteen Indian income tax officers and 5 Indian stock exchange officers for up to 6 months training in the U.S.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL AGENCIES			
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
	466	365	101		Estimated FY 1966			Proposed FY 1967		
Estimated FY 66	250	268		U.S. Technicians Participants ... Commodities ... Other Costs ...	Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
Estimated through 6/30/66	716	633	83		-	204	204	-	213	213
		Future Year Obligations	Estimated Cost to Complete		46	-	46	47	-	47
Proposed FY 67	260	80	1,056		-	-	-	-	-	-
				<b>Total Obligations</b>	46	204	250	47	213	260

Internal Revenue Service  
Securities and Exchange  
Commission

PROJECT TITLE Improvement of Management of Industrial Enterprises	ACTIVITY Public Administration	FUNDS TC	
PROJECT NUMBER 386-11-720-242	PRIOR REFERENCE Page 65, FY 1966 PDB	INITIAL OBLIGATION FY: 1964	SCHEDULED FINAL OBLIGATION FY: 1969

Project Target and Course of Action:

A critical impediment to India's economic growth is the inefficient utilization of scarce resources, because of the continued use of outdated and costly industrial management practices. AID agreed to test the adaptability to the Indian scene of modern systems of management control in various industries, and to apply these information retrieval and control systems to selected industrial enterprises. This project should make an important contribution to India's development by introducing a system of management control, material planning and meaningful cost estimates to assure the economic use of resources for major industrial projects.

Progress to Date:

The Indian Planning Commission is charged with responsibility for the development of procedures designed to assure effective and timely execution of the country's development plans. A study carried out by the Planning Commission in 1963 to examine the operations of 15 major economic enterprises and to determine the nature of administrative and planning deficiencies requiring attention led the Commission to the conclusion that radical changes were needed in programming and control of major industrial projects. In April 1964, a contract was concluded with Management Systems Corporation to enable the Planning Commission to test modern techniques developed in the United States such as the "Progress and Evaluation Report Techniques" (PERT) and the "Critical Path Method" (CPM). The management systems techniques proved to be adaptable.

Significant construction bottlenecks were identified and removed in 1964, and a study in 1965 cut train assembly time by 40% in ten important marshalling yards. More importantly U.S. advisors have completed a manual for the Planning Commission which will serve as a guide for new project planning. A Project Information and Control Room within the Planning Commission will be completed in 1966. Work has begun on the application of modern management techniques within the transportation industry.

An essential part of the project is the participant training program for Indian planners and managers in the transportation industry. The new systems require radical changes in concept and behavior. Observation of these techniques in operation in the U.S. will supplement training in India.

FY 1967 Program:

The Management System Team of five specialists will continue their work throughout the year (funded in 1966). Forty general and technical executives from the Indian railroads and port authorities with top level responsibility for operations and management will receive six months training in the U.S. In addition to the latest techniques in general management control, individual trainees will learn specialized techniques including methods and equipment used in bulk handling of cargo, central traffic control and piggy backand container services.

Participants: 40 non-contract participants to receive advanced transportation management training.

U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS			PRINCIPAL CONTRACTORS/ <del>X</del> Management Systems Incorporated			
	Obligations	Expenditures	Unliquidated	Estimated FY 1966				Proposed FY 1967		
				Direct AID	Contract/Other Agency	Total		Direct AID	Contract/Other Agency	Total
Through 6/30/65	672	230	442							
Estimated FY 66	245	350								
Estimated through 6/30/66	917	580	337							
		Future Year Obligations	Estimated Cost to Complete							
Proposed FY 67	120	240	1,277							
				<b>Total Obligations</b>	90	155	245	120	-	120

Country: IRAN

## PROJECT DATA

TABLE III

PROJECT TITLE Financial and Economic Statistics	ACTIVITY Public Administration	FUNDS TC
PROJECT NUMBER 265-11-780-131	PRIOR REFERENCE Page 131, FY 1966 PDB	INITIAL OBLIGATION FY: 1958
		SCHEDULED FINAL OBLIGATION FY: 1968

Project Target and Course of Action:

To help develop Iranian capabilities for compiling the basic statistical data needed by both the Government of Iran and private enterprise for intelligent planning and policy formulation in fiscal, monetary, and investment areas. Efforts of the A.I.D. advisors in the past have been centered mainly on helping Central Bank staff develop modern methods of gathering, tabulating, verifying, and analyzing basic "raw" data for compilation into statistical indices. The Government of Iran is planning its second census of population. A.I.D. will help the Statistical Center plan and carry out this important task by adding five specialists to the project which will terminate when this added element is completed.

Progress to Date:

U.S. advisors have guided Central Bank staff through the numerous steps required to carry out consumer expenditure surveys, develop reliable wholesale and retail price indices, balance of payments data, and monetary and financial statistics. Since 1962 these series have been published in the Central Bank's bimonthly Bulletin. The Bank's Economic Research Department, with its central office and 32 field offices, is now capable of tackling more sophisticated problems, and the development of more reliable GNP and related economic indicators is underway.

FY 1967 Program:

Three advisors will continue to help Central Bank staff

compile a comprehensive set of basic industrial statistics leading to a more reliable production index and develop a system of output and expenditure accounts as a basis for an annual series of gross national product estimates.

AID has agreed to provide additional advisory assistance to the newly created Statistical Center to help it with the 1966 Census of Population. The team will help develop geographic coding systems, instruction manuals, create training programs, and help establish the multitude of procedures required for successive phases of a Census operation.

Technicians: Under a PASA, three general statistical advisors and five census advisors in the following fields: Data Collection and Processing, Cartography, and Training.

Participants: Twelve Iranians will receive training in the fields of national income accounting, industrial and construction surveys, and consumer expenditure analysis, census procedures.

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U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS						PRINCIPAL CONTRACTING AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1966			Proposed FY 1967			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/65	466	433	33							Bureau of the Census
Estimated FY 66	180	189								
Estimated through 6/30/66	646	622	24							
		Future Year Obligations	Estimated Cost to Complete							
Proposed FY 67	263	263	1,172	21	159	180	48	215	263	

PROJECT TITLE Administrative Reforms and Training	ACTIVITY Public Administration	FUNDS TC	
	PRIOR REFERENCE Page 132, FY 1966 PDB	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: 1968
PROJECT NUMBER 265-11-740-233			

Project Target and Course of Action:

Over the past several years A.I.D. has been providing the services of short-term advisors in budget and tax administration to help the Plan Organization and Ministry of Finance improve their administrative procedures and modernize their budgeting. We have also agreed to finance the services of advisors to the High Council on Government Administration, which has the responsibility of drawing up and carrying out a government-wide modernization program.

Progress to Date:

In recent years, with the help of short-term advisors provided by A.I.D., systematic and continuing improvements have been made in the vital area of budget formulation. In 1964, the Budget Bureau in the Plan Organization prepared the first comprehensive annual budget. Further improvements were made in 1965 with the establishment of program budgeting methods. In the Ministry of Finance further work on revenue collection has led to improvement of the organization for revenue administration, and improved procedures for collection of delinquent accounts.

FY 1967 Program

The services of the Advisor to the High Plan Council on Government Administration will be continued. We will also provide an advisor to the Ministry of Finance to help reorganize treasury operations. Iranians will be trained in modern budget and treasury administration.

Technicians: Four personal services contract advisors: one senior public administration advisor, one treasury administration advisor, a budget advisor and a personnel testing specialist.

Participants: Eight in the U.S. for one year each.

Contract: Personal services contracts for one year (FY 1967).

## U.S. DOLLAR COSTS (In thousands of dollars)

Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						PRINCIPAL CONTRACTORS/XXXXXXXX
	260	184	76		Estimated FY 1966			Proposed FY 1967			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Estimated FY 66	96	135		U.S. Technicians	-	56	56	-	50	50	Personal Services Contracts
Estimated through 6/30/66	356	319	37	Participants . . .	40	-	40	40	-	40	
		Future Year Obligations	Estimated Cost to Complete	Commodities . . .	-	-	-	-	-	-	
				Other Costs . . .	-	-	-	-	-	-	
Proposed FY 67	90	40	486	Total Obligations	40	56	96	40	50	90	

Country: IRAN

## PROJECT DATA

TABLE III

PROJECT TITLE Assistance to Development Planning PROJECT NUMBER 265-11-990-275	ACTIVITY General and Miscellaneous	FUNDS TC
	PRIOR REFERENCE -	INITIAL OBLIGATION FY: 1967
		SCHEDULED FINAL OBLIGATION FY: 1968

Project Target and Course of Action:

Iran has requested, and A.I.D. has agreed to provide, assistance in the study of alternative solutions to key development problems. The conclusions resulting from such studies will provide guidance to policy makers now engaged in preliminary planning and formulation of the Fourth Plan which will cover the five years beginning March 1968. The competence gained by the Iranian institutions receiving such assistance will enable them to conduct similar studies on a continuing basis in the future. The studies will also demonstrate to policy makers the value of depending on sound staff studies as the basis for planning the efficient and effective use of developmental resources.

FY 1967 Program.

It is anticipated that the first study to be undertaken will be in the agricultural sector. The success of this first study in achieving its goals will be appraised before a decision is reached on whether to carry out one or two more similar studies under this project prior to termination of the Technical Assistance program in Iran. It is probable that specialists with the qualifications required to conduct such a study can best be recruited from a university or a private firm of consultants.

Technicians: A contract team of seven specialists in the field of agricultural economics and project planning.

U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS/AGENCIES	
	Obligations	Expenditures	Unliquidated	OBLIGATIONS			
				Estimated FY 1966			Proposed FY 1967
				Direct AID	Contract/Other Agency		Total
Through 6/30/65	-	-	-				
Estimated FY 66	-	-					
Estimated through 6/30/66	-	-	-				
		Future Year Obligations	Estimated Cost to Complete				
Proposed FY 67	200	-	200				
				Direct AID	Contract/Other Agency	Total	
Cost Components							
U.S. Technicians				-	200	200	
Participants . . .				-	-	-	
Commodities . . .				-	-	-	
Other Costs . . .				-	-	-	
Total Obligations				-	200	200	

PROJECT TITLE Public Administration	ACTIVITY Public Administration	FUNDS TC	
PROJECT NUMBER 278-11-790-083	PRIOR REFERENCE Page 165, FY 1966 PDB	INITIAL OBLIGATION FY: 1958	SCHEDULED FINAL OBLIGATION FY: 1969

Project Target and Course of Action:

The Government of Jordan has a sizeable budget deficit, presently covered in part by grant budget support supplied by the United States. The difficulties of the Government stem in part from inadequate tax laws and collection procedures, poor coordination of program and project planning, antiquated expenditure control systems, and ambiguous functional assignments. To overcome these handicaps to development, the U. S. is assisting the Government of Jordan to: establish an equitable and efficiently administered tax system; improve its budgetary process, organizational relationships, and management processes; strengthen the new Central Bank and the Agricultural Credit Corporation; and develop a more effective civil service.

Progress to Date:

Three budgets have been prepared since the new Budget Law, developed with U. S. help, was enacted in 1962. Each succeeding budget has contained more accurate revenue estimates and an improved presentation of the Government's operating and development program. A new accounting system which is coordinated with the new method of presenting the budget is forming a basis for more responsible control of expenditures.

The Government is implementing a new tax law which enlarges the tax base and provides for more effective

tax assessment and collection. A Tax Court was established last year to process delinquent cases and an Investigation and Intelligence Unit was formed to combat tax evasion and improve assessments. Additional revenue increases are expected from the more accurate valuation of goods subject to customs duties as a result of the establishment of a laboratory at Aqaba through which 50% of the value of Jordan's imports flow.

U. S. advisors are assisting the Central Bank to develop a research and data collection capability.

The Jordanian Prime Minister, who in an earlier term in office had asked for U.S. help in modernizing the Government's fiscal procedures, in 1965 asked the U.S. to conduct a comprehensive survey of the existing Government structure which would lead to more effective Government operations. The first approved revisions of the ministerial structure have consolidated the natural resources agencies and streamlined the organization and processes of the agencies responsible for the tourism program and its administration.

FY 1967 Program:

AID will concentrate on developing improved means of raising revenues, effecting economies, and increasing efficiency designed to reduce the budget deficit and cut the requirement for U. S. budget support. Advice on

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/ AGENCIES						
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS								
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete	Estimated FY 1966			Proposed FY 1967				
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total			
	1,214	824	420		160	260	420	153	114	267	Contractor: Griffenhagen-Kroeger, Inc.  Agencies: Department of Agriculture Department of Commerce		
	647	705		U.S. Technicians	133	-	133	120	-	120			
	1,891	1,529	362	Participants ...	90	-	90	100	-	100			
				Commodities ...	4	-	4	-	-	-			
				Other Costs ...									
Proposed FY 67	487	275	2,653	Total Obligations	387	260	647	373	114	487			

Country: JORDAN

PROJECT DATA

TABLE III

PROJECT TITLE Public Administration (continued)	ACTIVITY Public Administration	FUNDS TC	
PROJECT NUMBER 278-11-790-083	PRIOR REFERENCE Page 165, FY 1966 PDB	INITIAL OBLIGATION FY: 1958	SCHEDULED FINAL OBLIGATION FY: 1969

FY 1967 Program (continued):  
organization and management will be continued under the Griffenhagen-Kroeger, Inc. contract. U. S. tax, budget, audit and accounting advisors will continue to assist the Government increase revenues and improve fiscal administration. The U. S. will procure the essential scientific equipment to equip the customs laboratory being built by the Government of Jordan at the Port of Aqaba. Assistance will continue for developing improved data collection, interpretation, and presentation. A new accounting system will be developed for the Agricultural Credit Corporation.

U. S. Technicians: Direct-hire--3 advisors: in auditing and accounting, tax administration, economic research, and data collecting. PASA--2 advisors: one each in statistics and agricultural credit accounting, and a short-term (six months) manpower consultant; Contract--4 advisors in government organization and management, budgeting and personnel management.  
Participants: 20 in the U. S. for 6-12 months in budget administration, accounting, auditing, tax administration, central banking, organization and management, and personnel management.  
Commodities: Materials testing equipment for Customs Laboratory at the Port of Aqaba.  
Contract Service: Extend contract funding through November 1967.

PROJECT TITLE General Public Administration	ACTIVITY Public Administration	FUNDS TC	
PROJECT NUMBER 367-11-720-074	PRIOR REFERENCE Page 192, FY 1966 PDB	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: 1970

Project Target and Course of Action:

The objective of this project is to help the Government of Nepal establish the basic administrative procedures and patterns for implementing its decision to decentralize by developing groups within the Government which will provide continuing management assistance to the various Government ministries and will train Government personnel. The project aims to achieve these goals through a contract team which will: 1) help create administrative relationships between the district and zonal offices and the ministries in Kathmandu; 2) help the new Department of Public Administration carry out management studies of the central ministries with special emphasis on decentralizing administration; and (3) develop the GON's capacity to provide inservice training.

Progress to Date:

A.I.D. has contracted with the Public Administration Service of Chicago for a three-man contract team which arrived in the fall of 1966. With the help of A.I.D. advisers during the past three years Nepal has developed staff to train lower level supervisors and clerical personnel in field offices. Management courses and clerical training courses have been prepared.

FY 1967 Program:

U.S. assistance will consist of providing: 1) advisory

U.S. DOLLAR COSTS (In thousands of dollars)				Cost Components	OBLIGATIONS						PRINCIPAL CONTRACTORS <del>AGENCY</del> Public Administration Services
	Obligations	Expenditures	Unliquidated		Estimated FY 1966			Proposed FY 1967			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/65	323	218	105								
Estimated FY 66	300	126		U.S. Technicians	13	250	263	-	-	-	
Estimated through 6/30/66	623	344	279	Participants ...	34	-	34	70	-	70	
		Future Year Obligations	Estimated Cost to Complete	Commodities ...	3	-	3	-	-	-	
				Other Costs ...	-	-	-	-	-	-	
Proposed FY 67	70	372	1,065	Total Obligations	50	250	300	70	-	70	

services on organization planning, training and methods, standards and procedures; and 2) participant training.

Technicians: Three contract technicians: an organization planning adviser, a training specialist, and one adviser on work methods and standards.

Participants: One year's U.S. training in financial management for five Nepalis and ten to twelve months' training in the U.S. or third countries for one management analyst, three public administration generalists, and one training administrator.

Country: NEPAL

## PROJECT DATA

TABLE III

PROJECT TITLE Statistical Development	ACTIVITY Public Administration	FUNDS TC	
PROJECT NUMBER 367-11-780-078	PRIOR REFERENCE Page 193, FY 1966 PDB	INITIAL OBLIGATION FY: 1960	SCHEDULED FINAL OBLIGATION FY: 1967

Project Target and Course of Action:

The objective of this terminating project has been to help Nepal develop a national statistical organization to collect, tabulate and publish reliable statistical data. U.S. advisers have worked closely with the U.N., Ford Foundation and Nepalese personnel and have helped organize and conduct censuses and statistical surveys.

Progress to Date:

The preliminary report on the 1961 Population Census was released in April 1962. The final detailed results of that census have now been issued. Urban housing data drawn from that census were published last year. A national sample survey of the population, based on the 1961 Population Census, has been completed. This information on birth and death rates and fertility patterns in the country is basic both for population studies and economic planning. Also, surveys have been completed on agricultural and industrial output and family expenditures. The collection, processing and analysis of these data have provided training for more than 400 Nepalese clerical and technical personnel through FY 1965. In addition, from 1964 through the termination of this project in 1967, sixty hours of classroom training will have been provided annually to forty statistical clerks. Six statistical officers have completed training in the U.S. and third countries and have returned to work in Nepal.

In connection with the pilot agricultural census con-

ducted in 1961, the FAO provided advanced training in agricultural statistics and survey methods for a number of agricultural technicians. The U.N. now has a Foreign Trade Statistical Adviser on duty with the Central Bureau of Statistics and it is contemplated that the U.N./FAO will provide an Agricultural Statistics Adviser in FY 1967.

FY 1967 Program:

Work will continue on the statistical surveys underway and U.S. training for a limited number of participants will be provided. By the end of FY 1967, the Nepal Statistics Department is expected to be able to carry on normal statistical work without U.S. technical assistance until such time as a new statistical center with mechanization is completed.

Technicians: One Bureau of the Census adviser (PASA) on organization, collection and evaluation of data. Two short-term (one to two months) consultants for specialized statistical programs.

Participants: Three participants for twelve months' U.S. training in mathematical statistics and statistical data processing.

Commodities: Calculators.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL AGENCIES							
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS									
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete	Estimated FY 1966			Proposed FY 1967					
Proposed FY 67					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Bureau of the Census, Department of Commerce			
	164	123	41		-	33	33	-	41	41				
	64	69		U.S. Technicians	21	-	21	21	-	21				
	228	192	36	Participants ...	10	-	10	10	-	10				
				Commodities ...	-	-	-	-	-	-				
				Other Costs ...										
	72	-	300	Total Obligations	31	33	64	31	41	72				

PROJECT TITLE Statistical Services	ACTIVITY Public Administration	FUNDS TC	
PROJECT NUMBER 391-11-780-C37	PRIOR REFERENCE Page 223, FY 1966 PDB	INITIAL OBLIGATION FY: 1955	SCHEDULED FINAL OBLIGATION FY: 1971

Project Target and Course of Action:

A centralized approach dominated the operations of the Central Statistical Office (CSO) until 1957. United Nations and AID advisors demonstrated that decentralization of control and operations was essential for efficiency in view of the division of the country into two separate provinces. The National Statistical Council (NSC) was set up in 1961 to coordinate the work of the national and provincial statistical offices and to maintain monitoring procedures.

This project has been supporting the work of the NSC and the provincial statistical office in integrating national and provincial statistical systems, the development of increased capabilities by using automatic data processing equipment, and refine techniques in data collection and analysis. Economic development planning in industry, agriculture and family planning will benefit from this improvement. The services provided by the U.S. Bureau of Census team to the NSC and the provincial statistical offices also will assist the Ministry of Food and Agriculture, Ministry of Home Affairs, and the State Bank.

Progress to Date:

The National Statistical Council and its Technical Advisory Committee is making steady progress towards rationalizing censuses and survey programs. Statistical

research and training institutes are in operation at the Universities of Dacca and the Punjab. Regular national sample surveys of crops, the labor force, consumer expenditure, and population growth are being carried out. Mechanized data processing equipment has been installed in both Central and Provincial Statistics Offices.

FY 1967 Program:

U.S. Advisors will continue to assist the Central and Provincial Offices plan specialized industrial, agricultural, and health censuses in addition to analytical studies. Technical advice and training will be provided for the installation and operation of electronic computer equipment in Islamabad and standard equipment in the provincial offices. Instruction will be continued at Dacca University's Institute of Statistics.

Technicians: Twelve census advisors in statistical program planning, analysis, and data processing. (PASA)

Participants:

Twenty participants, including faculty members of the Universities of Dacca and Rajshahi, will receive 12 months training in statistical survey planning, census computer programming, and organization and management of censuses at U.S. institutions.

## U.S. DOLLAR COSTS (In thousands of dollars)

Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						PRINCIPAL DIRECTORS/ AGENCIES
	1,323	1,146	177		Estimated FY 1966			Proposed FY 1967			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Estimated FY 66	326	330		U.S. Technicians	-	210	210	-	260	260	United States Bureau of Census
Estimated through 6/30/66	1,649	1,476	173	Participants . . .	116	-	116	95	-	95	
		Future Year Obligations	Estimated Cost to Complete	Commodities . . .	-	-	-	-	-	-	
				Other Costs . . .	-	-	-	-	-	-	
Proposed FY 67	355	659	2,663	Total Obligations	116	210	326	95	260	355	

Country: PAKISTAN

## PROJECT DATA

TABLE III

PROJECT TITLE Government Management	ACTIVITY Public Administration	FUNDS TC	
PROJECT NUMBER 39-11-780-140	PRIOR REFERENCE Page 226, FY 1966 PDB	INITIAL OBLIGATION FY: 1963	SCHEDULED FINAL OBLIGATION FY: 1970

Project Target and Course of Action:

The rapid expansion of Pakistan's government agencies and the increased demand on the government development agencies have put a burden on the limited number of trained administrators. The objective of this project has been to assist Pakistan increase the administrative efficiency and budget and fiscal management capability of key development agencies and government service organizations. The project is assisting the East Pakistan Water and Power Development Authority (EPWAPDA), the Central Government Comptroller and Auditor General's Office, and the Organization and Management (O&M) wings of the central and provincial governments.

Progress to Date:

A three-man contract team (California State Water Resources Department) working with EPWAPDA has completed preliminary work on a program control system and has established a management analysis section.

Direct-hire advisors have helped O&M units of the Central and two Provincial governments improve their management analysis capability and staff has been trained abroad and in Pakistan.

Thirty O&M technicians trained under the project are now working in central and agency management analysis units and have carried out several important modernization studies. The recommendations of an A.I.D. consultant have

led the Controller and Auditor General to plan to install modern accounting methods and automated equipment. Eleven participants in the fields of accounting and auditing, now in training, will have returned to positions in the Ministry of Finance and C&AG Office by June 1966.

Discussions with possible contractors on the team of accountant advisors for the C&AG Office are being held in abeyance, following retirement of the Comptroller and Auditor General, pending an indication of continued interest by his successor.

FY 1967 Program:

The team of three advisors will continue to assist EPWAPDA complete the installation of its program control system started in FY 1966. In-service training for managers will continue. One O&M direct-hire advisor will provide back-stopping services to the O&M centers. The contract team of two accountants will begin its four-year program with the Controller and Auditor-General.

Technicians: Five U.S. advisors: two contract with EPWAPDA, two contract with C&AG, one direct-hire on C&M.

Participants: Twelve participants (contract) for 5 months O&M training and 13 participants (of which five under contract) in tax, budget and accounting for one year.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1966	Proposed FY 1967					
Through 6/30/65	654	170	484		Direct AID	Contract/Other Agency	Total	Contractor: State of California  Agency: U.S. Internal Revenue Service			
Estimated FY 66	403	353		U.S. Technicians	12	140	152		20	144	164
Estimated through 6/30/66	1,057	523	474	Participants . . .	144	107	251		40	50	90
		Future Year Obligations	Estimated Cost to Complete	Commodities . . .	-	-	-		-	-	-
Proposed FY 67	254	79	1,390	Other Costs . . .	-	-	-		-	-	-
				<b>Total Obligations</b>	156	247	403		60	194	254

PROJECT TITLE Public Management Services	ACTIVITY Public Administration	FUNDS TC	
PROJECT NUMBER 277-11-730-298	PRIOR REFERENCE Page 309, FY 1966 PDB	INITIAL OBLIGATION FY: 1958	SCHEDULED FINAL OBLIGATION FY: 1969

Project Target and Course of Action:

To improve administrative procedures and organization in Turkish Government development agencies, improve the system of personnel management, provide assistance in tax administration and strengthen local government.

Public Administration consultants and Organization and Management (O&M) advisors have worked with the Ministries of Finance, Agriculture, Education, Interior, the State Institute of Statistics and the State Personnel Board on administrative and organizational procedures.

Progress to Date:

The project, begun in 1958, has helped Turkish officials gain an awareness of the importance of administrative reform to effective planning and implementation of development. Nine government agencies now have Organization and Management units, staffed by participants trained in management techniques. U.S. advisors also helped the Turkish Government complete the report on "Organization and Functions of the Central Government of Turkey" and advised on the reorganization of the Ministry of Agriculture, Turkish tax and budget administration, and the drafting of comprehensive personnel law. The report indicates that the Government is aware of the critical problems that exist in government administration by outlining a course of action which includes the establishment of a Central Organiza-

tion for Administrative Improvement under the Prime Minister. This organization would report regularly to top leadership on the steps needed to implement government wide administrative reform. The Personnel Law adopted in 1965 lays the legislative ground work for new personnel regulations, and the in-service training of personnel. A census of government employees has been completed for the State Personnel Board, and one is planned of local employees and employees of government economic enterprises. Over the past five years approximately 15,000 employees have been trained in personnel seminars conducted under AID auspices. A team from Internal Revenue Service plans to assist the Ministry of Finance study tax administration problems.

FY 1967 Program:

Advisors will continue to work with the Ministries of Interior and Finance and the State Personnel Board. The Project advisors will link their efforts to the work of the proposed Central Organization for Administrative Improvement.

Technicians:

Ten advisors: 2 in O&M; 1 each in finance, training and personnel; 3 tax advisors (IRS) and 2 tax consultants.

Participants:

Twenty participants will be trained in the U.S. for 12 months--20 in development economics and administration and 17 in public administration. A team of five high-level tax officials and a team of five high-level local government officials to observe in the U.S. for 3 mos

U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS						PRINCIPAL FEDERAL AGENCIES	
	Obligations	Expenditures	Unliquidated	Cost Components	Estimated FY 1966			Proposed FY 1967			Internal Revenue Service
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/65	1,476	1,247	229								
Estimated FY 66	270	270									
Estimated through 6/30/66	1,746	1,517	229								
		Future Year Obligations	Estimated Cost to Complete								
Proposed FY 67	288	475	2,509	Total Obligations	260	10	270	328	67	395	

Country: TURKEY

## PROJECT DATA

TABLE III

PROJECT TITLE Administrative Training Institutions	ACTIVITY Public Administration	FUNDS TC
PROJECT NUMBER 277-11-770-331	PRIOR REFERENCE Page 310, FY 1966 PDB	INITIAL OBLIGATION FY: 1962
		SCHEDULED FINAL OBLIGATION FY: 1968

Project Target and Course of Action:

This project provides assistance in the field of administrative training to two academic institutions, the Middle East Technical University (METU), the Institute of Public Administration (IPA) and to other Turkish institutions which have training programs in management and administration. The purpose of the project is to strengthen training programs for Turkish upper and middle management officers who are responsible for planning and implementing economic development projects.

Cornell University under contract with AID provides supplemental teaching and faculty training to METU's Faculty of Administrative Sciences. U.S. short term advisors assist IPA's in-service government training program. Assistance to the public administration department of the University of Istanbul and Ankara is also provided on a limited basis.

Progress to Date: Teaching and support of the new faculty appointees, curriculum changes, help given to the research program, and training of Turks in the U.S. continue to produce a marked improvement within the Department of Management at METU. Two Cornell professors and two instructors are still teaching courses, but responsibility for teaching is being assumed by the Turkish staff. Five participants have received their Masters degrees in Business Administration from U.S. universities, and are teaching at METU; five more participants, now completing their work at Cornell, will join METU's staff in the Fall

of 1966. The Management Department undergraduate program has been strengthened with the acquisition of 39,000 books and periodicals. The "President John F. Kennedy Memorial Scholarship Fund" which was established in 1964 out of counterpart funds will provide 700 scholarships over an eight-year period; to date, 62 students have received scholarships to METU.

IPA has received assistance in developing a program of in-service training for managers, supervisors and office workers. Approximately 500 management personnel have enrolled since the program began in 1964.

FY 1967 Program: The transition from teaching by Americans to teaching by the newly trained Turkish staff will be concluded by June 1967. The U.S. advisors will backstop the new staff and will concentrate on expanding and improving the research program.

Technicians: Two professors and two instructors from Cornell University. Four short-term specialists (under personal service contracts) will advise the IPA, METU and other institutions for three months.

Participants: Ten participants: three under Cornell contract, seven financed directly will begin 12 months advanced study in public administration.

Commodities: Books for METU's public administration library.

Contract: Funding of contract to September 1968.

U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCY CODES  Cornell University Personal Services Contracts
Through 6/30/65	Obligations	Expenditures	Unliquidated	Estimated FY 1966			Proposed FY 1967			
	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
	869	537	332							
Estimated FY 66	55	170		-	20	20	-	90	90	
Estimated through 6/30/66	924	707	217	35	-	35	35	20	55	
		Future Year Obligations	Estimated Cost to Complete	-	-	-	-	10	10	
				-	-	-	-	-	-	
Proposed FY 67	155	50	1129	35	20	55	35	120	155	

Country: TURKEY

## PROJECT DATA

TABLE III

PROJECT TITLE Development Statistics		ACTIVITY Public Administration			FUNDS TC	
PROJECT NUMBER 277-11-740-364		PRIOR REFERENCE Page 312, FY 1966 PDB		INITIAL OBLIGATION FY: 1962		SCHEDULED FINAL OBLIGATION FY: 1968

Project Target and Course of Action:

Comprehensive and accurate data are necessary for the government to determine economic and social policy, and prepare and evaluate its development plan. This project continues to help the State Institute of Statistics use refined statistical techniques in carrying out censuses and sample surveys by training the SIS staff in advanced systems and techniques for data gathering, processing and analyzing. By 1968 SIS will have developed a comprehensive statistical system and a training center with its own full-time staff and facilities to train statistical personnel.

Progress to Date:

U.S. advisors assisted in drafting the basic law which established the SIS three years ago. This was followed by the development of a SIS field service planned on a regional basis. Of the twelve field offices to be set up by 1968, five are in operation. The Statistical Training Center was established in 1964; 28 students received certificates of completion in 1965, most of whom assumed important positions in SIS. Technical improvements in data collection, sampling and processing helped by 15 AID financed IBM machines, have permitted the SIS to undertake a number of major censuses and surveys. These included a Census of Agriculture, Consumer's Expenditure Studies in Istanbul, Izmir and Ankara, and a survey of New Construction in Istanbul. In October 1965, the

Ministry of Health, assisted by a U.S. statistical advisor initiated a sample demographic survey which will be continued on a regular basis. This will be a major source of information for the government to determine its population planning program and an essential evaluative tool.

FY 1967 Program:

Emphasis will be given to setting up and conducting surveys in family income and expenditure and population change, and to expanding and improving the Training Center.

Technicians: A team of 7 advisors (PASA) from the U.S. Bureau of Census: a chief of party, 1 advisor on demographic survey, 1 on population statistics, 1 on agricultural statistics, 1 on data processing, 1 on sampling, and 1 training advisor to work with the Turkish staff of the Training Center.

Participants: Ten Turks will receive twelve months training in the United States; two in population/vital statistics, one each in national accounts, agricultural, labor, and sampling statistics and 4 in advanced academic programs in statistics and economics.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL <del>AGENCIES</del> AGENCIES					
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS							
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete	Estimated FY 1966			Proposed FY 1967			
Proposed FY 67	228	209	945	Total Obligations	Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	Bureau of the Census	
	305	265	40		-	136	136	-	171	171		
	203	190		U.S. Technicians	57	-	57	57	-	57		
	508	455	53	Participants . . .	10	-	10	-	-	-		
				Commodities . . .	-	-	-	-	-	-		
				Other Costs . . .	67	136	203	57	171	228		

Country: TURKEY

## PROJECT DATA

TABLE III

PROJECT TITLE Development Administration Training	ACTIVITY Public Administration	FUNDS TC	
PROJECT NUMBER 277-15-990-396	PRIOR REFERENCE	INITIAL OBLIGATION FY: 1966	SCHEDULED FINAL OBLIGATION FY: 1969

Project Target and Course of Action:

This project finances the training of Turks in important agencies and institutions which are not now being helped under specific Technical Cooperation projects. Turkey's economic development requires managers and organizers. The Turks to be selected for training under this project will have demonstrated leadership qualities and will have reached proficiency in their professional fields. They will be selected under criteria established by the Ministry of Finance, the State Planning Organization and AID. The duration and character of their training will be determined on an individual basis.

Progress to Date:

Nine middle-level administrators have been selected so far. Two from the State Investment Bank will attend the "Management of Development Projects" course at the University of Pittsburgh, and will work on feasibility studies of development projects. Three others from the State Investment Bank will study for PhD degrees in economics and will become development project analysts upon their return. Three participants from the Department of Highways will study phases of highway administration, and will return to Turkey to handle large equipment purchases. The last candidate is the State Planning Organization's coordinator for all foreign technical assistance programs, and is the key contact for the Mission's program operations. He will study programming

in development financing.

If the first years of the project prove highly successful, we may expand the effort.

FY 1967 Program:

The project will continue to seek candidates and develop training programs for specialized needs both within the Government of Turkey and the private sector.

Participants: Twelve participants will receive training in the United States for 12 months.

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U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/ AGENCIES			
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete	Estimated FY 1966		Proposed FY 1967		
Proposed FY 67	75	150	300	Total Obligations	Direct AID	Contract/ Other Agency		Total	Direct AID	Contract/ Other Agency
	-	-	-							
	75	35		U.S. Technicians	-	-	-	-	-	-
	75	35	40	Participants ...	75	-	75	75	-	75
				Commodities ...	-	-	-	-	-	-
				Other Costs ...	-	-	-	-	-	-
	75	150	300		75	-	75	75	-	75

PROJECT TITLE National Planning and Administration	ACTIVITY Public Administration	FUNDS TC	
PROJECT NUMBER 263-11-750-272	PRIOR REFERENCE Page 346, FY 1966 PDB	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: 1969

Project Target and Course of Action:

Recognizing that achievements in the economic and social fields are largely dependent on efficient administration, the UAR Government is undertaking a reorganization of its structure to improve the formulation and execution of its economic plan, the budgeting process and related administrative procedures. The GUAR's Central Agency for Organization and Administration (CAOA) is responsible for the reorganization program and has defined priority targets: assist the Ministry of Planning develop techniques for establishing criteria for selection of development projects; improve budget formulation and execution in the Ministry of Treasury; introduce management cost and programming control systems (e.g., PERT/Cost); establish clear-cut functional assignments and delegations of authority for GUAR agencies; and integrate local governmental units into the implementation of the economic development plan. The CAO A now has considerable staff resources and broad legal authority and is developing its specific role.

The U.S. will aid the CAO A to develop an integrated plan of action for improving GUAR administration by furnishing technical advice, training participants, and supplying a small quantity of demonstration equipment and materials.

Progress to Date:

Between FY 1962 and 1964 A.I.D. sent 20 participants from the Ministries of Planning, Treasury, and Economy and from two development agencies in the field of international marketing to study economic and project evaluation in the United States. Short-term consultants have helped the GUAR establish the CAO A and have advised members of its staff in their efforts to become operational. Full implementation has been delayed by the U.S. because of UAR difficulties in locating and assigning appropriate staff to the CAO A. These difficulties appear to have been remedied, permitting the U.S. to consider further implementation of the project.

FY 1967 Program:

The U.S. will provide advisory services and participant training in budget formulation, resources allocation, and systems development.

U.S. Technicians: 5 contract technicians: 1 budget adviser, 1 planning adviser, 1 systems adviser, 1 local government adviser, and 1 organizations adviser.  
Participants: Twenty for 12 months of training in the U.S. in budgeting, planning, resources allocation, and administration.

Contract: Funding to October 1968.

U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS/ <del>1966/67</del>							
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS								
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete	Estimated FY 1966			Proposed FY 1967				
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total			
	490	197	293		-	-	-	-	90	90			
	45	90		U.S. Technicians	45	-	45	120	-	120			
	535	287	248	Participants . . .	-	-	-	-	-	-			
				Commodities . . .	-	-	-	-	-	-			
				Other Costs . . .	45	-	45	120	90	210			
Proposed FY 67	210	260	1005	Total Obligations									

Country: KOREA

## PROJECT DATA

TABLE III

PROJECT TITLE	Economic Planning	ACTIVITY	Public Administration	FUNDS	Tech. Coop./D.G.
PROJECT NUMBER	489-11-720-587	PRIOR REFERENCE	P. 43, FY 1966 FE PDB	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
				FY: 1963	FY: 1971

**Project Target and Course of Action:** This project attempts to increase knowledge and understanding of the Korean economy and to provide advice to the Korean Government on methods and policies needed for an effective economic development program. A sub-project with total expenditures of \$332,000 is excluded from the data shown on this sheet. Under it A.I.D. assisted the Korean Government in its economic planning from 1958 to 1962.

**Progress to Date:** In 1964, A.I.D. contracted with Robert R. Nathan Associates to provide a team to advise the Korean Government on the preparation of the Second Five-Year Plan (1967-71). This team includes a chief economist, a fiscal and monetary economist, and development, agricultural, and industrial economists. A number of short-term advisors also have been hired. The Nathan advisors have made a number of specialized studies for the Korean Government. They participate in discussions of various economic and policy issues related to the Plan with the Korean Government, our A.I.D. Mission, the German Economic Advisory Group, and World Bank-IDA officials. While theirs is not the only counsel the Korean Government is listening to, the Plan will certainly reflect their advice. Studies of fiscal policy done by Dr. Richard Musgrave, a short-term consultant under the Nathan contract, were especially well received. The contract is scheduled to end next August.

This project also financed three short-term consultants on monetary policy -- Dr. Hugh Patrick (Yale), and Drs. Edward S. Shaw and John Gurley (Stanford). Their

report last summer led directly to a major interest rate reform in September, 1965. The Korean Government raised the ceilings on interest rates to realistic levels and thereby attracted large amounts of savings into the formal banking system. Time and savings deposits rose by 10.5 billion won (50 percent) between September 29 and December 20, 1965. They continue to rise.

The Korean Government also established a floating exchange rate in May 1965 -- something that A.I.D. and the IMF had recommended. Following this, the exchange rate did not jump sharply, but did rise from 255 won per dollar (February 1964-May 1965) to only about 272 won per dollar (January 1966).

A.I.D. expects the new Plan to be better than the First Five-Year Plan -- because of A.I.D. advice and the Koreans' growing experience. Korean statistics are not good enough (especially in some areas) to permit use of all of the more sophisticated planning techniques, but the Koreans have been introduced to these techniques. The planning assumptions, the formulas, statistics, and ideas have been scrutinized at great length by both the Koreans and their advisors.

**FY 1967 Program:** FY 1967 funds will finance 4 direct-hire economists, 3 short-term consultant economists, and 13 participants for training in economics in the U.S.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/ AGENCIES			
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1966			Proposed FY 1967		
Through 6/30/65	807	212	595		Direct AID	Contract/	Total	Direct AID	Contract/	Total
Estimated FY 66	158	378		U.S. Technicians	30	45	75	98	15	113
Estimated through 6/30/66	965	590	375	Participants ...	83	-	83	68	-	68
		Future Year Obligations	Estimated Cost to Complete	Commodities ...	-	-	-	-	-	-
				Other Costs ...	-	-	-	-	-	-
Proposed FY 67	105	245	1,315	Total Obligations	113	45	158	166	15	181

PROJECT TITLE Revenue Administration Improvement PROJECT NUMBER 489-11-750-651		ACTIVITY Public Administration	FUNDS Tech. Coop./D.3.	
PRIOR REFERENCE		INITIAL OBLIGATION FY:	SCHEDULED FINAL OBLIGATION FY:	

## A. National Domestic Tax

## 1. Activity Target

Essential to Korea's economic growth is a revenue system that will produce sufficient funds to finance the government's expenditure programs and, at the same time, exercise a positive and beneficial influence on the economy. This activity supports all USOM's goals in that revenue from domestic sources are needed for investment costs of all sectors of the economy.

The objective of this activity is maximum domestic revenue collections, derived from a realistic tax structure enforced by an efficient, effective administrative agency.

The USOM program should be substantially completed by the close of FY 1969. Peak activity will occur in FY 1967 which is the most critical period in the Second Five Year Plan as far as challenging the ROKG's capacity to raise domestic revenue is concerned, will taper off in FY 1968 and will cease - except in isolated areas - FY 1969. Two USOM technicians will be required in FY 1968 and one to close out the program in FY 1969. Thereafter, advisory services - if required in specialized areas - can be provided by short-term, TDY assignments.

A four-point program encompassing the field of revenue administration was adopted in FY 1965 as the platform for joint improvement effort. Valid for FY 1966 and the upcoming years, that program concerns:

a. Reorganization of the taxation agencies;

b. Administrative improvements; c. Training of tax officials; and d. Tax structure changes.

## B. Customs Administration

## 1. Activity Target

Sound management and simplified procedures produce customs revenue with a low cost of collection. In Customs administration these ideals can promote foreign trade through time-saving and minimum expense procedures for all concerned.

The ROKG has indicated its intention to accede to the General Agreement on Tariffs and Trade (GATT) and as a prospective member is participating in tariff negotiations at Geneva. Completion of formalities and National Assembly approval leading to full membership is expected by December 31, 1966.

The times and conditions are propitious to correct outmoded customs practices through the improvement of basic customs laws and regulations to harmonize with ROK cooperation with other world powers in GATT. This objective must be energetically pursued during the coming year.

This activity should be substantially completed by the end of FY 1968. Advisory services will be provided by short-term (4 to 6 months) customs specialists on TDY during FY's 1967 through FY 1968 and by the incumbent tax advisors, as needed.

FY 1967 Program: FY 1967 funds will finance two long-term and 3 short-term advisors under a PASA with IRS; 1 direct-hire short-term technician; 1 contract advisor and 13 participants for training in U.S. and third

U.S. DOLLAR COSTS (In thousands of dollars)

	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1966			Proposed FY 1967			
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/65											
Estimated FY 66								6	85	91	
Estimated through 6/30/66								18	-	18	
		Future Year Obligations	Estimated Cost to Complete								
Proposed FY 67				Total Obligations				24	85	109	

PRINCIPAL CONTRACTORS/AGENCIES

Country: KOREA

## PROJECT DATA

TABLE III

PROJECT TITLE Public Administration	ACTIVITY Public Administration	FUNDS Tech. Coop./D.G.
PROJECT NUMBER 489-11-790-652	PRIOR REFERENCE	INITIAL OBLIGATION FY: -
		SCHEDULED FINAL OBLIGATION FY:

## 1. Activity Target

It has been the target of this activity to assist the ROKG in its increasingly effective efforts to improve its organization, administrative techniques and operations as a means of supporting and expediting economic and social development. Under this section, USOM has provided the technical services of one advisor covering a wide range of assignments, and has financed a limited amount of participant training and a modest amount of commodities.

The ROKG has made steady progress in its program for the improvement of public administration. Examples of the overall improvement of ROKG administration include its ability to effectively organize for the dispatch of combat divisions to Vietnam; the significantly increased effectiveness of its tax collection efforts; and the successful execution of the First Five Year Plan.

During the next few years USOM will place heavy emphasis on providing public administration assistance on a functional basis in support of the varied and complex programs of the Second Five Year Plan. Much of this will be provided by technicians in the several functional areas - tax administration, highways, etc. - but, part of it will come from senior Mission personnel such as the Chief, Public Services Division, who will work at the policy level in assisting the ROKG on management problems related to the attainment of USOM-supported objectives.

FY 1967 Program: FY 1967 funds will finance two long-term and 1 short-term advisors, and 14 participants for training in the U.S. and third country.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES			
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
	Estimated FY 66				Estimated FY 1966			Proposed FY 1967		
Estimated through 6/30/66		Future Year Obligations	Estimated Cost to Complete	Direct AID	Contract/Other Agency	Total		Direct AID	Contract/Other Agency	Total
				U.S. Technicians			49	-	49	
				Participants . . .			15	-	15	
				Commodities . . .						
				Other Costs . . .						
Proposed FY 67				Total Obligations			64	-	64	

PROJECT TITLE Improved Administration of Banking and Credit	ACTIVITY Public Administration	FUNDS Tech. Coop/D.G.
PROJECT NUMBER 489-15-750-588	PRIOR REFERENCE P. 44, FY 1966 FE PDB	INITIAL OBLIGATION FY: 1962
		SCHEDULED FINAL OBLIGATION FY: 1969

**Project Target and Course of Action:** This project is designed to improve key Korean financial institutions by recommending to them and helping them adopt better banking and credit practices. This will promote the effective mobilization and use of scarce capital and credit needed for economic development. Emphasis is being placed on the organization and policies of the Korean Reconstruction Bank (KRB), which has received a large amount of A.I.D. technical assistance. It and the Medium Industry Bank (MIB) have largely been capitalized by loans and grants of A.I.D. counterpart funds.

The presentation of this project has been changed from previous years by deleting a prior-year Public Services Improvement project (\$423,000) which was completed in 1964. Consultants under the Economic Planning project also work on problems of mobilizing and allocating capital for maximum growth. An agricultural credit advisor is funded by the Rural Policy Planning and Survey project.

**Progress to Date:** The Korean Reconstruction Bank has received an A.I.D. Development Loan of \$5 million for re-lending to a broad range of small, private industrial, mining and electric utility projects. It also makes housing and other loans in local currency. A.T. Kearney & Company completed a six-month organization and management survey of the KRB in October 1964. The same contractor is now providing two years of management advice to help the KRB correct weaknesses revealed by the management survey. An operations audit, done by Arthur Young & Company in 1965, is also expected to be helpful in improving manage-

ment practices and lending policies. The KRB has applied for a second Development Loan.

The MIB Revolving Credit Fund helps to finance private industrial firms and cooperatives. A.I.D. apparently will not need to go into extensive technical assistance to the MIB, as contemplated last year. The International Executive Service Corps (IESC) is now negotiating an operating agreement with the Korean Government. If this agreement is signed, the IESC plans to provide at least one expert to help the MIB improve its operations. One of the Mission's two banking advisors will also advise the MIB. The MIB has requested its first Development Loan.

In September 1965, the Korean Government raised its ceilings on interest rates in response to advice from three economists hired under A.I.D.'s Economic Planning project. A large and continuing rise in savings deposits in commercial banks followed.

A number of research studies financed by local currency grants have been performed by Korean economists on various financial subjects. The KRB and the MIB have applied to West Germany for loans totalling \$8.75 million.

**FY 1967 Program:** FY 1967 funds will provide 4 banking advisors, and training for 7 participants from the KRB, the MIB, and the Economic Planning Board.

U.S. DOLLAR COSTS (In thousands of dollars)				OBLIGATIONS						PRINCIPAL CONTRACTORS: AGENCIES
	Obligations	Expenditures	Unliquidated	Estimated FY 1966			Proposed FY 1967			
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total	
Through 6/30/65	688	247	441							A.T. Kearney & Co. (2 contracts) Arthur Young & Co.
Estimated FY 66	117	416								
Estimated through 6/30/66	805	663	142							
		Future Year Obligations	Estimated Cost to Complete							
Proposed FY 67	104	220	1,129							
				<b>Total Obligations</b>	99	18	117	88	90	

Country: LAOS

## PROJECT DATA

TABLE III

PROJECT TITLE Customs Development	ACTIVITY Public Administration	FUNDS Tech. Coop./D.G.
PROJECT NUMBER 439-11-740-067	PRIOR REFERENCE P. 67, FY 1966 FE PDB	SCHEDULED FINAL OBLIGATION FY: 1970
	INITIAL OBLIGATION FY: 1964	

**Project Target and Course of Action:** The project is designed (a) to increase the effectiveness of the present Laos Customs Service; (b) to insure that all U.S.-financed goods arriving in Laos conform to prestated values and amounts; and (c) to insure that all necessary safeguards are in effect to deter the re-exportation of United States A.I.D. commodities through the use of a customs departure control system. Laotians participating in this program are to be equipped with weapons and transportation, communication, and administrative facilities and given pertinent technical courses in order that the necessary degree of proficiency can be maintained.

**Progress to Date:** During FY 1965 the new departure control system in the Vientiane area resulted in seizures of USIP and MAP commodities being re-exported to Thailand as well as items being illegally shipped into Laos to avoid import duties. The work of the Laotian customs officials was made easier through (a) the utilization of jeeps, radios, and weapons which arrived in Laos during FY 65, and (b) training courses covering patrol boat operation, firearms practices and safety, radio communications, interrogation, arrest and search. First aid procedures were given by experts from the U.S. Bureau of Immigration and Naturalization. At the same time five barrier stations in the Vientiane area were completed. These stations help to control the movement of goods and persons across the Mekong River. Motor patrol boats are at present supervising traffic on the river.

**FY 1967 Program:** USAID inspection of U.S.-financed imports will continue in FY 67 as will the provisions of technical assistance to the Laos Customs Service. Customs programs such as those presently in effect in Vientiane will serve as a basis for expansion of the relatively simple customs efforts in Pakse, Savannakhet and Thakhek.

No contracts are to be funded with FY 67 funds.

This program requires five U.S. technicians, grades FSR 3-6. During each year 8 participants receive six weeks of training in border patrol techniques. Five thousand dollars is required for spare parts and miscellaneous expenses. The other costs component will cover travel, rental services, commodities not included elsewhere and third country nationals.

U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS' AGENCIES							
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS								
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete	Estimated FY 1966			Proposed FY 1967				
					Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total			
	226	183	43		100	-	100	75	-	75			
	135	133		U.S. Technicians	20	-	20	25	-	25			
	361	316	45	Participants ...	5	-	5	30	-	30			
				Commodities ...	10	-	10	5	-	5			
Proposed FY 67	135	365	861	Other Costs ...	135	-	135	135	-	135			
				Total Obligations									

PROJECT TITLE Public Administration Development	ACTIVITY Public Administration	FUNDS Tech. Coop./D.G.
PROJECT NUMBER 439-11-990-073	PRIOR REFERENCE	INITIAL OBLIGATION FY: -
		SCHEDULED FINAL OBLIGATION FY: -

Activity Target

The objective of this activity is to assist in strengthening the capability of the RLG in the areas of personnel administration, fiscal administration, and manpower planning and management, especially in the Ministry of Finance, Ministry of Plan and Cooperation, and the Civil Service Commission (Fonction Publique), and in local government administration falling under the Ministry of Interior. (See TOAID A-1245, FY 1966)

FY 1967 Program: FY 1967 funds will finance 7 direct-hire technicians and 31 participants for training in the U.S. and third countries.

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U.S. DOLLAR COSTS (In thousands of dollars)						PRINCIPAL CONTRACTORS/AGENCIES		
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS			
	Estimated FY 66				Estimated FY 1966		Proposed FY 1967	
Estimated through 6/30/66				U.S. Technicians	Direct AID		Contract/Other Agency	Total
Proposed FY 67		Future Year Obligations	Estimated Cost to Complete	Participants . . .	Direct AID	Contract/Other Agency	Total	
				Commodities . . .	125	-	125	
				Other Costs . . .	50	-	50	
				<b>Total Obligations</b>	35	-	35	
					210		210	

Country: PHILIPPINES

## PROJECT DATA

TABLE III

PROJECT TITLE	Public Administration Improvement	ACTIVITY	Public Administration	FUNDS	Tech. Coop./D.G.
PROJECT NUMBER	492-11-790-079	PRIOR REFERENCE	P. 87, FY 1966 FE PDB	INITIAL OBLIGATION	SCHEDULED FINAL OBLIGATION
				FY: 1952	FY: 1968

**Project Target and Course of Action:** This project's purpose is to assist the GOP in improving tax administration, personnel administration, and financial coordination. USAID technicians will provide expertise to the Bureau of Internal Revenue to improve its organizational and functional structure; to develop effective reporting and statistical measurement systems; to establish an internal auditing program; to upgrade its staff and its personnel policies; to apply modern collection, auditing, and investigation procedures, including the use of data processing equipment; and to intensify programs in taxpayer education. Experts on tax policies and administration will work with the Joint Legislative-Executive Tax Commission in developing and revising tax policies and revenue codes. In Personnel Administration, A.I.D. assistance will concentrate on improving the effectiveness of the Civil Service, emphasizing examinations, merit promotions, performance and qualification standards, and executive development. Recognizing the need for better talent in government, the GOP joined with the University of the Philippines, the British Administrative Staff College and the Ford Foundation in establishing a Philippines Executive Academy designed to produce senior executives for both the public and private sectors. The GOP is interested in improving overall financial management and coordination. A.I.D. will assist in the establishment of a joint finance committee comprised of top level officials from the National Accounting Service, the Budget Operations Service, the Treasury Bureau of the Department of Finance, and the

**Auditor General's Office.**

**Progress to Date:** In 1965, in the area of tax administration, a detailed study of the Bureau of Internal Revenue identified shortcomings and suggested remedial measures for administrative action and legislative consideration. Plans were made for an intensive drive to collect delinquent taxes, a new system for controlling tax collections was installed, and a study of automation was begun.

Through legislation, executive action, and administrative changes, the civil service system has steadily improved. In 1965, an additional Regional Office and four additional District Offices were established. The scoring of examinations has improved with expanded use of scoring by machine. In 1965, 232,000 people were tested in 21 examinations. The merit system was extended to cover a majority of the civil police. Merit promotion systems, job performance standards, employee grievance procedures, and incentive award programs have been implemented in nearly all government agencies.

**FY 1967 Program:** Four U.S. advisors in public administration fields of tax administration, customs, financial management, budgeting, and personnel will continue to work with Philippine agencies in the areas indicated. Five individual participant trainees and one "impact team" of 10 members comprised of senior public officials from various agencies will be afforded opportunity for training and orientation in the U.S.

U.S. DOLLAR COSTS (In thousands of dollars)				Cost Components	OBLIGATIONS						PRINCIPAL CONTRACTORS/AGENCIES
	Obligations	Expenditures	Unliquidated		Estimated FY 1966			Proposed FY 1967			
					Direct AID	Other Agency	Total	Direct AID	Other Agency	Total	
Through 6/30/65	1,355	1,265	90								
Estimated FY 66	256	205									
Estimated through 6/30/66	1,611	1,470	141								
		Future Year Obligations	Estimated Cost to Complete								
Proposed FY 67	238	200	2,049	Total Obligations	100	156	256	93	145	238	

PROJECT TITLE Management Improvement	ACTIVITY Public Administration		FUNDS Tech. Coop./D.G.
	PRIOR REFERENCE P. 114, FY 1966 FE PDB	INITIAL OBLIGATION FY: 1962	SCHEDULED FINAL OBLIGATION FY: Reviewed Annually
PROJECT NUMBER 493-11-730-144			

Project Target and Course of Action: The goal of this activity is to improve the planning, management, and administrative capabilities of the central government. At present, the capacity of Thai ministries to administer their various programs is hampered by the lack of a sufficient grasp of these skills.

Under a contract with Public Administration Services (PAS) of Chicago, advisors are attached to the Thai Budget Bureau to provide technical assistance and on-the-job training in organization and procedures. This assistance allows the Budget Bureau to make administrative management services and analyses available throughout the Thai Government. In the past, the advisors have been assigned to various ministries and departments, working through the Bureau of the Budget. It is now intended to place greater emphasis on training and on the role of the Thai technicians in the Budget Bureau's O & M Division so as to be able to phase out the PAS contract by the end of FY 1967.

To date, the technical assistance provided has been directed towards (1) the Department of Highways; (2) the Ministry of Agriculture; (3) the Ministry of Education; and (4) the Revenue Department.

Progress to Date: A survey of every significant administrative procedure and practice in the Department of Revenue was carried out in 1965 and the substantial changes which were developed will be initiated in 1966. These reviews have produced substantial improvements in

the enforcement of the revenue codes, as well as revisions in the codes themselves. The anticipated increases in business tax collections resulting from these new procedures are expected to produce significant revenue increases. Extensive reviews of the other three agencies have been completed, or are near completion, which recommend broad reorganization and refinement in many departments. Implementation of the approved recommendations should be completed by the end of FY 1967.

FY 1967 Program: The funding for FY 1967 provides for 7 PAS contract advisors (\$285,000) and U.S. training for 23 participants (\$138,000). 13 of these participants will be from the Bureau of the Budget and the rest will be from the National Economic Development Board and the Department of Technical and Economic Cooperation. The Thai Government is expected to provide \$113,000 in financial support for the project.

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U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS AGENCIES			
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete	Estimated FY 1966			Proposed FY 1967	
Proposed FY 67	237	Undetermined			Direct AID	Contract/	Total	Direct AID	Contract/	Total
	1,264	697	567							
	360	405		U.S. Technicians	-	285	285	-	285	285
	1,624	1,103	521	Participants . . .	75	-	75	138	-	138
				Commodities . . .	-	-	-	-	-	-
				Other Costs . . .	-	-	-	-	-	-
				Total Obligations	75	285	360	138	285	423

PRINCIPAL CONTRACTORS AGENCIES

Public Administration Services (period July, 1966-June, 1967)

Country: THAILAND

## PROJECT DATA

TABLE III

PROJECT TITLE Civil Service Improvement	ACTIVITY Public Safety and Public Administration	FUNDS Tech.Coop./D.G.
PROJECT NUMBER 493-11-730-176	PRIOR REFERENCE P. 114, FY 1966 FE PDB	INITIAL OBLIGATION FY: 1965
		SCHEDULED FINAL OBLIGATION FY: 1967

Project Target and Course of Action: This marks the first year that this project will be carried out under a separate heading. It was previously incorporated with the Management Improvement project.

This project provides advisory assistance to improve personnel administration in the government of Thailand. It focuses on requirements generated by expanding economic and social development. Essential requirements are 1) the formulation and administration of adequate personnel classification procedures and pay schedules, and 2) standard methods of establishing personnel requirements and the recruitment of personnel.

An advisory team from the California State Personnel Board provides counseling and assistance to the Thai Civil Service Commission (CSC) regarding their general responsibilities, and supervises a position classification survey covering some 18,000 Thai civil service positions from which position classification plans, specifications, and titles are being developed. The team also provides training and assistance in the development of control records, the conduct of field audits, and the utilization of the completed classification project.

Progress to Date: Technical assistance has been provided to the Thai CSC since FY 1962 and has succeeded in reorganizing the Personnel Records Division of the CSC, bringing records up-to-date, simplifying procedures, and preparing an Administrative Manual. A general study of selection and promotion policies and practices has been

approved and the implementation of study recommendations is awaiting final action. In addition, the capabilities of the Thai CSC have been augmented by the return of participants who have undergone either academic or on-the-job training.

FY 1967 Program: Funding for FY 67 provides for 3 contract personnel from the California State Personnel Board and 8 participants who will be trained in the U.S. It is estimated that the Thai budget will contribute \$71,000 to this project. The contract period will be July, 1966 to June, 1967.

U.S. DOLLAR COSTS (In thousands of dollars)				PRINCIPAL CONTRACTORS/AGENCIES							
Through 6/30/65	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
	Estimated FY 66	Estimated through 6/30/66	Future Year Obligations		Estimated Cost to Complete	Estimated FY 1966			Proposed FY 1967		
Proposed FY 67	130	-	130		Direct AID	Contract	Total	Direct AID	Contract	Total	California State Personnel Board
	115	90		U.S. Technicians	-	70	70	-	131	131	
	245	90	155	Participants . . .	45	-	45	42	-	42	
				Commodities . . .	-	-	-	-	-	-	
				Other Costs . . .	-	-	-	-	-	-	
	119	-	364	Total Obligations	45	70	115	42	131	173	

PROJECT TITLE Local Government Administration	ACTIVITY Public Administration	FUNDS Tech.Coop./D.G.	
PROJECT NUMBER 493-11-740-145	PRIOR REFERENCE P. 115, FY 1966 FE PDB	INITIAL OBLIGATION FY: 1963	SCHEDULED FINAL OBLIGATION FY: Reviewed Annually

**Project Target and Course of Action:** This project's goal is to strengthen the ties between the central government and the rural areas by improving local and provincial government administration and responsiveness to local needs. Working with the Ministry of Interior, U.S. advisors are: (a) assisting to improve the administrative capability of the central government units of the ministry responsible for provincial and local government; (b) helping develop legislative-executive capabilities of local representative organizations, so that they may undertake limited governmental functions; and (c) working on the legal framework of relationships between the centrally appointed central government organizations and the locally appointed local organizations. Management and organization studies of the Local Administration Department and the Community Development Department have been made and U.S. advisors will help implement the recommended improvements. A training program for provincial government and district officers will be continued, and a project to develop testing for recruitment and promotion of key officers will be continued. Assistance will be given on the Thai "Developing Democracy Program", which is intended to lead to limited self-government at the village level. Training teams headed by district officers will provide a week's training to about 3,000 village officials in 37 security-sensitive areas.

**Progress to Date:** A study of the office of the Provincial Governor has been completed and a report with recommen-

dations for improvement will be submitted during FY 1966. A study of district administration has been initiated and will be completed during FY 1966. An academy for district officers was established in FY 1965, and successful completion of a nine month course has been made a pre-requisite to employment of new district officers.

The Thai government has become aware of the "gap" between central government and the rural populace. It has initiated the "Developing Democracy Program" as a means to close the gap by training village officials and the population for limited self-government. Community Development workers are coordinating their village programs to accomplish the same purpose.

**FY 1967 Program:** FY 67 funding provides for 4 direct hire U.S. technicians (\$70,000) who will assist in the organization and training of central government staffs of the Ministry of Interior, and 96 participants (\$182,000) who will receive training in the U.S. and third countries. Commodity funding amounting to \$203,000 is provided for training materials. The Thai budget support is expected to be in the amount of \$206,000.

U.S. DOLLAR COSTS (In thousands of dollars)				PRINCIPAL CONTRACTORS/ AGENCIES						
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS					
					Estimated FY 1966			Proposed FY 1967		
Through 6/30/65	392	194	198		Direct AID	Contract/ Other Agency	Total	Direct AID	Contract/ Other Agency	Total
Estimated FY 66	194	215		U.S. Technicians	65	-	65	70	-	70
Estimated through 6/30/66	586	409	177	Participants ...	68	-	68	182	-	182
		Future Year Obligations	Estimated Cost to Complete	Commodities ...	61	-	61	203	-	203
				Other Costs ...	-	-	-	-	-	-
Proposed FY 67	173	Undetermined		Total Obligations	194	-	194	455	-	455

Country: THAILAND

## PROJECT DATA

TABLE III

PROJECT TITLE Government Statistical Services	ACTIVITY Public Administration	FUNDS Tech. Coop/D.G.
PROJECT NUMBER 493-11-780-124	PRIOR REFERENCE P. 113, FY 1966 FE PDB	INITIAL OBLIGATION FY: 1956
		SCHEDULED FINAL OBLIGATION FY: Reviewed Annually

**Project Target and Course of Action:** This project is designed to assist the Thai government develop a sound national statistical system capable of providing data required in planning and evaluating economic and social development. Specialized advisors from the Bureau of the Census assist the Thai National Statistical Office establish and develop activities in the use and programming of sophisticated digital computers; in demography and sampling, and in mathematical statistics; and in the compilation of wage price and expenditure surveys and the development of indices of change in wage levels and price structures. Training is being provided to the staff of the National Statistical Office both by the advisors and through academic work and on-the-job training in the United States or in third countries.

The need for sophisticated skills to evaluate the effects of Thai economic growth and accelerated social change is constantly increasing. For example, during FY 1967 it is expected that the Thai government will, with Ford Foundation assistance, establish a National Institute of Development Administration designed to provide graduate training in the disciplines of economics, applied statistics, public administration, and business administration. Statistical technicians will be required for both operational and instructional purposes at the Institute, and the National Statistical Office is expected to be a primary source for such technicians.

**Progress to Date:** Assistance in this field has been provided since 1956 and has resulted in the completion or near completion of the 1960 national population census, a nationwide agricultural census, a survey of family income and expenditures in Bangkok, labor force surveys to measure employment and unemployment, and the establishment of a statistical computer center, including the installation of an IBM 1620 computer, to support statistical instruction at Chulalongkorn University.

**FY 1967 Program:** FY 1967 funds are required to provide 1) \$165,000 for six full-time plus several short term advisors from the U.S. Bureau of the Census to assist the National Statistical Office broaden the training base from which trained statistical technicians can be drawn to meet the increasing needs of the Thai government for these personnel, and 2) \$102,000 to provide academic training in the United States for 17 Thai statisticians. The Thai government is expected to contribute \$46,000 towards financing this project.

U.S. DOLLAR COSTS (In thousands of dollars)							PRINCIPAL CONTRACTORS/AGENCIES				
	Obligations	Expenditures	Unliquidated	Cost Components	OBLIGATIONS						
					Estimated FY 1966			Proposed FY 1967			
					Direct AID	Other Agency	Total	Direct AID	Other Agency	Total	U.S. Bureau of Census
Through 6/30/65	752	682	70								
Estimated FY 66	261	175									
Estimated through 6/30/66	1,013	857	156	U.S. Technicians	-	107	107	-	165	165	
		Future Year Obligations	Estimated Cost to Complete	Participants ...	132	-	132	102	-	102	
				Commodities ...	22	-	22	-	-	-	
				Other Costs ...	-	-	-	-	-	-	
Proposed FY-67	199	Undetermined		Total Obligations	154	107	261	102	165	267	

PROJECT TITLE Civil Administration Improvement	ACTIVITY Public Administration		FUNDS Supporting Assistance
	PRIOR REFERENCE P. 134, FY 1966 FE PIR	INITIAL OBLIGATION FY: 1963	SCHEDULED FINAL OBLIGATION FY: 1969
PROJECT NUMBER 430-11-790-301			

**Project Target and Course of Action:** The objective of this project is to assist the Vietnamese Government develop a governmental structure at national, provincial, village and hamlet levels which is administratively and politically more responsive to people's needs and more effective in implementing counterinsurgency/rural construction related programs. Maximum political and administrative decentralization and the introduction of citizen participation in government through local elective bodies will be one approach to achieving this objective. The civil administration corps will be expanded and improved through training and better personnel administration. More responsive administrative and fiscal procedures and a more equitable and more effective tax system are to be established. The capability through research to adapt the administrative structure to changing conditions will be developed.

Beginning in FY 1965 and continuing through termination, this project combines activities of the FY 1964 national government project with local government improvement activities previously funded under the Counterinsurgency Services project.

**Progress to Date:** Twenty-seven provincial training centers have been constructed and in-service training programs have been organized and implemented for an estimated 20,000 village and hamlet civil government cadre during FY 1965. The National Institute of Administration graduated 82 professional administrators in 1965, all of whom were assigned to District and Provincial offices; this brings the total graduates since FY 1963 to 217. In the

area of fiscal management, an in-service training course for 50 controllers and ministry budget examiners in 1965, and improved accounting procedures were developed for the Central Treasury Office and other GVN offices. In the field of taxation 1,776 employees have completed in-service training courses in various phases of taxation. Internal tax collections have shown substantial increases since the beginning of the taxation phase of this project in 1961. **FY 1967 Program:** The National Institute of Administration's output of professional administrators will reach and maintain a level of 150-200 in 1967 and succeeding years. Its in-service training program will train 150 District chiefs, 120 Province chiefs and provincial cadre supervisors, and 430 other administrative officers through special training courses. Provincial in-service training centers will train over 5,500 local governmental officials and pacification cadre. Seventy-five advisors in the fields of public and civil administration, statistics, municipal management (\$4,975,000) will provide guidance in areas throughout Vietnam. One hundred and three participants (\$427,000) will be sent overseas for training in specific areas of public administration. The majority of the above participants will receive training of 1 to 2 years, the remainder will be in programs of 6 months or less. Commodity support (in the amount of \$871,000) includes visual aids, office equipment, vehicles, accounting machines and ancillary equipment, and computer equipment.

U.S. DOLLAR COSTS (In thousands of dollars)				PRINCIPAL CONTRACTORS/AGENCIES					
	Obligations	Expenditures	Unliquidated	OBLIGATIONS					
				Estimated FY 1966			Proposed FY 1967		
				Direct AID	Contract/Other Agency	Total	Direct AID	Contract/Other Agency	Total
Through 6/30/65	1,362	731	631						
Estimated FY 66	731	1,231							
Estimated through 6/30/66	2,093	1,962	131						
		Future Year Obligations	Estimated Cost to Complete						
Proposed FY 67	1,842	835	4,770	731	-	731	6273	-	6273
				Cost Components U.S. Technicians Participants ... Commodities ... Other Costs ... Total Obligations					