

Helpful HHS

UNITED STATES OPERATIONS MISSION TO VIETNAM
SAIGON

TO: All Division Chiefs and Technical Advisors
FROM: Milton J. Esman, Chief, Program Office
SUBJ: 1958 Project Agreements

January 28, 1958

I. Introduction

This memorandum and its attachments provide the principles underlying, and the format governing the 1958 Project Agreements. The following paragraphs state in general these principles which will be applicable to almost all projects. The attachments are three Sample Project Agreements illustrating the application of the principles stated herein.

II. Purpose of the Project Agreement

A) Basically the Project Agreement is a bilateral agreement between the USOM and the GVN setting forth the following:

1. Purpose of the Project.
2. Respective responsibilities of the agreeing parties.
3. Respective contributions (men, materials, and money) to be made by the agreeing parties.
4. Work plan for a stated fiscal period.
5. Dollar and LC budgets of estimated costs for implementation of the work plan.
6. Special provision governing certain aspects of particular projects.
7. General provisions.

B) Since the Project Agreement is essentially a contractual agreement between the agreeing parties, statements of the various provisions enumerated in (A) above should be concise and to the point. In other words, because of the nature of the Project Agreement, no justification-type narrative language should be used anywhere in the document.

III. Financing and Budgets

A) The Project Agreements are intended to provide authority and financing; i.e., budgets and sources of LC funds for project activities for the calendar year 1958 which is also the FY of the GVN. Furthermore, for all projects the 1958 Project Agreements will be the sole authority to incur LC obligations for project activities.

B) As in the past, approved 1958 Project Agreements constitute the obligating documents for US FY 1958 dollars for contract services, commodities, and other costs. Obligations for participants and U.S. technicians, however, are not a function of the Project Agreements.

C) For local currency financing, the Project Agreement is the document which makes local currency in the Special Counterpart Fund available for project obligations during the stated GVN fiscal year, i.e., the calendar year 1958. The Project Agreement should also state the amount of LC financing to be furnished from sources other than the Special Counterpart Fund, such as the GVN, UN, private sources, etc. (See Block 10 and item III B of Sample Project Agreement No. 1.) Of course the principal fund source outside of the Special Counterpart Fund is the regular GVN budget. In this connection Technical Advisors are requested to check carefully with their appropriate GVN Project Managers regarding amounts proposed to be shown on the Project Agreements as contributions to project activities from the 1958 GVN budget. In order to implement the principle stated in (III A), above, regarding the 1958 Project Agreements being the sole authority to incur LC obligations for all project activities during 1958, the following procedure will be used in preparing the 1958 Project Agreements and the accompanying final amendments to the appropriate prior year Project Agreements.

1. The original 1958 Project Agreements will include, among other things, a work plan for all work approved for the calendar year 1958. The 1958 Project Agreement will authorize approved U.S. dollar funds, new or 1958 LC counterpart funds, and balances from prior year Project Agreements as of December 31, 1957. Thus, the combination of new funds and balances or balances only from the prior year or years will finance the 1958 work plan. (See items III B and IV of the Sample Project Agreement No. 1.)
2. Simultaneously with the issuance of the 1958 Project Agreements will be the issuance of final revisions to the appropriate prior year Project Agreements. These final project revisions will reduce the LC counterpart funds authorized therein to the amount of obligations incurred as of December 31, 1957, as shown by the records of the FAI, GVN (See sample Project Agreement No. 2.)
3. In those few cases where 1958 Interim Project Agreements have been issued, Project Agreement Revisions which will serve to cancel interim actions in total must be prepared and approved before formal 1958 Project Agreements may be issued. (See Sample Project Agreement No. 3.)

D) The budgets and their sources of financing will be handled in the 1958 Project Agreements in the following manner:

1. It should be borne in mind that the budget of estimated obligations for the calendar year 1958 consists of anticipated commitments for implementing the Work Plan set forth in the Project Agreement. Furthermore, for most of the 1958 Project Agreements covering continuing projects, this Work Plan consists of two parts; viz., (a) work unperformed in the prior year or years and rescheduled for performance in 1958 and (b) new work for 1958. Technical Advisors should be aware that work of continuing projects proceeds in 1958, despite the absence of a 1958

PROJECT AGREEMENT
 BETWEEN THE INTERNATIONAL COOPERATION ADMINISTRATION (ICA),
 AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
 The Foreign Aid Administration
 AN AGENCY OF THE GOVERNMENT OF Viet-Nam

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in the Standard Provisions annex and in any additional annexes attached hereto.

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

GENERAL AGREEMENT FOR TECHNICAL COOPERATION
 DATE:

ECONOMIC COOPERATION AGREEMENT
 DATE: Sept. 7, 1951, as amended

OTHER:
 DATE:

1. PROJECT NO.	30-XX-XXX	3. ORIGINAL <input checked="" type="checkbox"/>
2. AGREEMENT NO.		REVISION NO.

4. PROJECT TITLE	(Same title as on 1958 PPA) (1958)
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5. PROJECT DESCRIPTION AND EXPLANATION	(See Annex A attached)
6. ICA APPROPRIATION SYMBOL	7. ICA ALLOTMENT SYMBOL
Copy from 1958 PPA	

8. ICA DOLLAR FINANCING	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total		20,000		20,000
(b) Contract Services		5,000		5,000
(c) Commodities		10,000		10,000
(d) Other Costs		5,000		5,000

9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT			
\$1.00 = VN\$ 35			

Chief Div.	(e) Total (Counterpart only)	VN\$ 10,000,000	VN\$ 10,000,000
		US\$ 285,714	US\$ 285,714
	(b) Technical and Other Services	VN\$ 1,000,000	VN\$ 1,000,000
		US\$ 28,571	US\$ 28,571
	(c) Commodities	VN\$ 2,500,000	VN\$ 2,500,000
		US\$ 71,428	US\$ 71,428
	(d) Other Costs	VN\$ 6,500,000	VN\$ 6,500,000
		US\$ 185,715	US\$ 185,715

10. SPECIAL PROVISIONS	Financing from sources other than counterpart:	US\$ Equivalent
	(b) Technical and other services:	VN\$ 300,000 8,571
	(c) Commodities	
	(d) Other costs	VN\$ 1,500,000 42,857
	(e) Kind	VN\$ 2,000,000 57,142
	Total	VN\$ 3,800,000 108,570
	Grand Total	VN\$ 13,800,000 394,284

DATE OF ORIGINAL AGREEMENT	DATE OF THIS REVISION	FINAL CONTRIBUTION DATE
To be completed by Program Office after final typing		
FOR THE COOPERATING AGENCY		FOR THE DIRECTOR, ICA
To be completed by Program Office after final typing		

ICA-10-5A
(7-55)PRO AG
ANNEX

PROJECT AGREEMENT BETWEEN ICA AND

AN AGENCY OF THE GOVERNMENT OF

1. PROJECT NO.
30-XX-XXX
2. AGREEMENT NO.3 ORIGINALS
REVISION NO.

ANNEX

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I. Description of Project

The purpose of this project is to assist the Cooperating Country to:

- 1.....
- 2.....
- 3.....

(the contents of this paragraph should state as concisely as possible the essential purposes of the project as stated somewhat more extensively in Block 5 of the 1958 PPA. The tabular outline form of presentation above is proposed in the interests of clarity and brevity.)

II. Responsibilities

A. Of ICA:

1. To furnish technical advice and guidance through Technical Advisor(s), Consultant(s) and/or Contractor(s) to assist the appropriate technical services of the Department of _____ of the Cooperating Country in all technical and financial aspects pertaining solely to this project including planning, development, and implementation stages.
2. (If appropriate include here any special responsibilities of ICA not covered by paragraph 1, above.)
3. (Insert only if participant training program is part of projects.)

To assist the Cooperating Agency in the selection of GVN technicians for further training in the USA or third country or to plan study or inspection tours, when such study or inspection tours are required.

B. Of the Cooperating Agency:

1. The Secretary of State of _____ or his authorized representative shall appoint a Project Manager, who shall be the technical specialist in this field having delegated authority and whose full-time duty shall be to develop, supervise, and implement this project. In carrying out his duties he will have the assistance of _____ US Technical Advisor(s). Notification of appointment of the Project Manager shall be made to USGM within ten days after this agreement has been signed.

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PROJECT AGREEMENT BETWEEN ICA AND

AN AGENCY OF THE GOVERNMENT OF

1. PROJECT NO.

30-XX-XXX

2. AGREEMENT NO.

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2. The Secretary of State of _____ or his authorized representative shall make available to the Project Manager from time to time or as required such technical, financial or administrative services as may be necessary to implement the Project on schedule.

3. The Secretary of State of _____ shall render to ICA such reports, at such time and in such manner as agreed by the ICA and the Cooperating Agency, for purposes of reviewing and evaluating project implementation.

4. (Insert if a participant program was planned in the PPA.) In accordance with the ICA rules governing the selection of participants it shall be the responsibility of the Cooperating Agency to recommend technician(s), who qualify for participant training, and who are actively engaged in this project to the US Advisor in order that he may observe their work and mutually assist in selection of technician(s). The Cooperating Agency agrees that all participants selected and mutually approved by ICA and GVN to receive training in this field be released for training when scheduled and shall receive an amount of their salaries as approved by Presidential Arreté while away on training and shall be immediately re-employed upon their return in the same or a more responsible position.

III. Contributions

A. Of ICA:

(a) Through this Project Agreement as follows:

Contract Services	\$ 5,000
Commodities	10,000
Other Costs	5,000
Total	\$20,000

(b) In addition to the above, ICA will make provisions to finance up to the following:

5 U.S. Technicians
30 man-months of participant training

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AN AGENCY OF THE GOVERNMENT OF

1. PROJECT NO.

2. AGREEMENT NO.

3. ORIGINAL

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B. Of the Cooperating Agency :

	Counterpart	Other Financing
Technical and other services	VN\$ 1,000,000	VN\$ 300,000
Commodities	VN\$ 2,500,000	---
Other Costs (salaries, labor)	VN\$ 3,500,000	VN\$ 1,500,000
Kind (land, buildings)	---	VN\$ 2,000,000
Total	VN\$10,000,000	VN\$3,800,000

Source of Counterpart Funds
 From funds previously allocated to this project VN\$1,500,000
 From 1958 funds allocated to this project VN\$8,500,000

Total 1958 Project Counterpart Funding VN\$10,000,000

IV. Work Plan for CY 1958

(The following text is presented as assistance for preparation of Work Plans. The material in the Work Plan should be a logical presentation of three components; viz., (1) goals to be achieved, (2) ways of achieving these goals, and (3) timing. The exact manner of presentation of the work plan will vary with the nature of the project. Projects involving construction will necessarily require more details in the work plan than projects involving only technical assistance. It is suggested, therefore, that the work plan consist of setting forth the goals to be achieved at the end of each of the four quarters of the calendar year together with a detailed but concise exposition of the means to be utilized in achieving these quarterly goals. Finally, if no subprojects are planned, the work plan should contain all requisite detail. On the other hand, if sub-projects are contemplated, the work plan in the Project Agreement may be couched in more general terms with detailed work plans appearing in the Sub-Project Agreements.)

V. Dollar and IC Counterpart Budgets

A. ICA Dollar Budget :

(Breakdown below three major segments is optional)

Contract Services	\$ 5,000
Survey Contract	2,500
Technical Contract	2,500
Commodities	\$10,000
Steel pipe	8,000
Electric pumps	2,000

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AN AGENCY OF THE GOVERNMENT OF

1. PROJECT NO.

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Other Costs	\$ 5,000
Total	\$20,000

B. LC Counterpart Budget for CY 1958

Estimated Obligations by Object of
Expenditures and by Economic Character
ClassificationEstimated Obligations by Activity

1. (activity)	VN\$ 3,500,000
2. (activity)	VN\$ 2,500,000
3. (activity)	VN\$ 3,000,000
4. Administration	VN\$ 1,000,000

Wages and Salaries	
01 Personal Services	VN\$ 6,000,000
01.2 Labor Costs	VN\$ 500,000
	VN\$ 6,500,000

Total Estimated Obligations	VN\$10,000,000
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Goods and Services	
02 Travel	VN\$ 300,000
03 Transportation of things	VN\$ 200,000
04 Communication Services	VN\$ 50,000
06 Printing and Binding	VN\$ 450,000
08 Supplies and Materials	VN\$ 1,000,000
	VN\$ 2,000,000

Investment Expenditures	
09 Equipment	VN\$ 1,500,000

Loans (possible)	
Grants (possible)	
Total Estimated Obligations	VN\$10,000,000

VI. Special Provisions Governing Certain Aspects of Projects

A. (Include here any provision for preparation of Sub-Project Agreements for implementation of this Project Agreement.)

B. (Include here any special provisions that are needed for proper implementation of this project, such as: (1) submission of building designs for approval by USOM before starting constructions, (2) joint approval by the VN Project Manager and USTA on dollar procurement of commodities, (3) selection of sites, (4) types of reports to be furnished frequency of reports, which should be of minimum length but objectively stated so that progress or accomplishments are readily identifiable, and related to quarterly budgets in the Quarterly Project Status Reports, (5) GVN decrees, etc.)

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		2. AGREEMENT NO.	
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C. Repayment of Fund (Insert only if there is to be a repayment of funds and state the amount of funds that the Cooperating Agency is expected to recover from the ultimate beneficiary including interest, if any, the proposed method by which the beneficiary will reimburse the co-operating agency, and the proposed final disposition of collected funds as to whether they are to be reprogrammed or deposited to the Special Account, or other.)

VIII. General Provisions

A. USOM may require such arrangements as it deems appropriate in the circumstances to satisfy itself that obligations to be incurred by the Cooperating Agency and proposed to be paid from counterpart funds under this Project and/or Sub-Project Agreements are proper and required for the effective implementation of the agreed project. Such arrangements may vary with attendant circumstances and may include such steps as requiring prior USOM approval of detailed periodic forecasts of estimated obligations or, where judged necessary, prior USOM approval of specific obligating transactions. If the USOM, pursuant to this general provision, proposes to pass on planned obligations, it will advise the Ministry concerned in writing of the manner and extent to which it intends to accomplish this. The USOM will furnish also a copy of such letter to the Director General, Foreign Aid Administration.

B. Obligations incurred for any quarter of calendar year 1958 should not exceed the quarterly total of the estimated obligations mutually agreed to by appropriate Technical Advisor, USOM, and the appropriate Cooperating Agency Project Manager for this project as shown in Item No. 7 Anticipated Commitments of the USOM Quarterly Project Status Reports for the pertinent quarters. The authoritative record of obligations incurred will be the project accounts maintained by the Foreign Aid Administration of the GVN.

(Paragraph B, above, represents the minimum obligational control for all projects. If desired, additional obligational control provisions may be provided in manner outlined by Paragraph A, above.)

C. (1) Where ICA determines that counterpart funds released for purposes designated in this project agreement have been expended or used in a manner or for purposes not authorized by this agreement, the cooperating agency will redeposit promptly to the SPECIAL ACCOUNT upon demand made by ICA an amount equivalent to the counterpart funds released, or such lesser amount as ICA may demand.

(2) Demand for such deposits may be made during the term of this project and three years after the completion of this project.

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PROJECT AGREEMENT BETWEEN ICA AND

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1. PROJECT NO.

2. AGREEMENT NO.

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ANNEX

- D. Upon completion of this project, and final acceptance by both parties, as evidenced by the execution of the "Completion Report", any previously released but unobligated counterpart funds remaining to the credit of this project, shall revert to the Special Account.
- E. Counterpart funds authorized by this Project Agreement may not, without prior written approval by USOM, be used for the purchase of capital equipment nor for materials nor large quantities of expendable supplies imported under the ICA financed commercial import program.
- F. Counterpart funds authorized by this Project Agreement may not be used for rental payments for or purchase of government owned land or structures.
- G. Inland freight costs (within the borders of VietNam) required for proper implementation of the activities of this project are properly payable from LC Counterpart Funds authorized by this Project Agreement. An estimate of LC Counterpart Funds necessary for this purpose is included in the budget in Item V(B) of this Project Agreement.
- H. For the purpose of Section N of the Standard Provision annexed to this project agreement, funds provided from the special account, and properties and contract services procured through financing with such funds, shall be deemed to have been provided or financed by ICA.

(CONCURRED IN BY)

Secretary of State of _____ (his name)

(date)

FOR THE COOPERATING AGENCY

FOR THE DIRECTOR, ICA

PRO AG

PROJECT AGREEMENT
BETWEEN THE INTERNATIONAL COOPERATION ADMINISTRATION (ICA),
AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
The Foreign Aid Administration
AN AGENCY OF THE GOVERNMENT OF... VietNam

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in the Standard Provisions annex and in any additional annexes attached hereto.

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

GENERAL AGREEMENT FOR TECHNICAL COOPERATION
DATE:

ECONOMIC COOPERATION AGREEMENT
DATE: Sept. 7, 1951, as amended

OTHER:
DATE:

1. PROJECT NO. <u>30-XX-XXXX</u>	3. ORIGINAL <input type="checkbox"/>
2. AGREEMENT NO.	4. REVISION NO. <u>4</u>

4. PROJECT TITLE

(Prior Year Project Agreement Title)
(1956 or other prior year)

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. ICA APPROPRIATION SYMBOL	7. ICA ALLOTMENT SYMBOL

B.	ICA DOLLAR FINANCING	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a)	Total	<u>20,000</u>			<u>20,000</u>
(b)	Contract Services	<u>10,000</u>			<u>10,000</u>
(c)	Commodities	<u>10,000</u>			<u>10,000</u>
(d)	Other Costs				

Tech. Advisor

Ch. Dir

Controller's
Office

Program Off.

	COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT \$1.00 = VN\$ 35			
(a)	Total (counterpart only)	<u>VN\$10,000,000</u> <u>US\$ 285,714</u>	<u>VN\$2,500,000</u> <u>US\$ 71,428</u>	<u>VN\$ 7,500,000</u> <u>US\$ 214,286</u>
(b)	Technical and Other Services			
(c)	Commodities			
(d)	Other Costs			

10. SPECIAL PROVISIONS

This revision serves to reduce the amount of IC counterpart authorized under this Project Agreement (as revised--date of last revision) to VN\$7,500,000, the amount of obligations incurred as of December 31, 1957, as shown by the Records of the Foreign Aid Administration, GVN. Of the decrease of VN\$2,500,000, VN\$1,500,000 is being reprogrammed in the 1958 Project Agreement and VN\$1,000,000 reverts to "unprogrammed counterpart". All other provisions of this Project Agreement (as revised--date of last revision) remain in force.

DATE OF ORIGINAL AGREEMENT	DATE OF THIS REVISION	FINAL CONTRIBUTION DATE

FOR THE COOPERATING AGENCY	FOR THE DIRECTOR, ICA

1/28/58

Project Agreement Sample No. 3 (for cancelling 1958 Interim Proj. Agreement)

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(5-58)

PRO AG

PROJECT AGREEMENT

BETWEEN THE INTERNATIONAL COOPERATION ADMINISTRATION (ICA),
 AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND
 The Foreign Aid Administration
 AN AGENCY OF THE GOVERNMENT OF Vietnam

The above-named parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in the Standard Provisions annex and in any additional annexes attached hereto.

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

GENERAL AGREEMENT FOR TECHNICAL COOPERATION
 DATE:

ECONOMIC COOPERATION AGREEMENT
 DATE: Sept. 7, 1951

OTHER:
 DATE:

1. PROJECT NO.	3. ORIGINAL <input type="checkbox"/>
30-XC-100	REVISION NO. 1

4. PROJECT TITLE

(Same title as on 1958 Interim Project
 Agreement)

5. PROJECT DESCRIPTION AND EXPLANATION

(See Annex A attached)

6. ICA APPROPRIATION SYMBOL	7. ICA ALLOTMENT SYMBOL
(same as before)	

8. ICA DOLLAR FINANCING	PREVIOUS TOTAL (A)	INCREASE (B)	DECREASE (C)	TOTAL TO DATE (D)
(a) Total				
(b) Contract Services				
(c) Commodities				
(d) Other Costs				
9. COOPERATING AGENCY FINANCING - DOLLAR EQUIVALENT $\$1.00 = VNs 35$				
(counterpart only)	VNs 3,500,000 US\$ 100,000		VNs 3,500,000 US\$ 100,000	= 0 = = 0 =
(a) Total only)				
(b) Technical and Other Services				
(c) Commodities				
(d) Other Costs				

10. SPECIAL PROVISIONS

This revision serves to cancel the 1958 Interim Project Agreement issued (date).

DATE OF ORIGINAL AGREEMENT	DATE OF THIS REVISION	FINAL CONTRIBUTION DATE
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FOR THE COOPERATING AGENCY

FOR THE DIRECTOR, ICA

UNITED STATES OPERATIONS MISSION TO VIETNAM

SAIGON

PROJECT AGREEMENT

Transmittal Slip

Herewith is attached the draft form of Project Agreement for 1958

No. _____ Titles: _____
for concurrence. (date: _____)

Date in: Date out:

1. Program Office _____
2. Controller's Office _____
3. Program Office _____
4. Return to Chief of _____ Division for final typing on HECTO.