

PROJECT APPRAISAL REPORT (PAR)

PAGE 1

1. PROJECT NO. 520-11-790-199	2. PAR FOR PERIOD: 04-01-74 TO 09-15-75	3. COUNTRY GUATEMALA	4. PAR SERIAL NO. 77-2
---	---	--------------------------------	----------------------------------

TAX ADMINISTRATION

6. PROJECT DURATION: Began FY 71 Ends FY 75	7. DATE LATEST PROP June 11, 1970	8. DATE LATEST PIP --	9. DATE PRIOR PAR April 23, 1974
---	---	---------------------------------	--

10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ 792,000	b. Current FY 1975 76 Budget: \$ -0-	c. Estimated Budget to completion After Current FY: \$ N/A
------------------	---	--	---

11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
Internal Revenue Service	PASA LA(TA) 57-00

I. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
			PROJECT TERMINATED	

D. REPLANNING REQUIRES				E. DATE OF MISSION REVIEW			
REVISED OR NEW:	<input type="checkbox"/> PROP	<input type="checkbox"/> PIP	<input type="checkbox"/> PRO AG	<input type="checkbox"/> PIO/T	<input type="checkbox"/> PIO/C	<input type="checkbox"/> PIO/P	November 15, 1976
PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE				MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE			
George A. Hill, Program Officer				Frederick W. Schieck, Acting Director			

AID 1020-28 (10-70)	PROJECT NO. 520-11-790-199	PAR FOR PERIOD: 04-01-74 TO 09-15-75	COUNTRY GUATEMALA	PAR SERIAL NO. 77-2
---------------------	-------------------------------	--	----------------------	------------------------

II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTARY AGENCY	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)					
	UNSATISFACTORY		SATISFACTORY			OUTSTANDING		LOW			MEDIUM		HIGH
	1	2	3	4	5	6	7	1	2	3	4	5	
1. Internal Revenue Service						X							X
2.													
3.													

Comment on key factors determining rating

This evaluation period saw the culmination of an intimate association between an advisor contracted through IRS on a PASA agreement and the Electronic Data Processing Department of the Ministry of Finance. He advised on personnel, programs, systems, organization, and equipment specifications, and was instrumental in guiding growth of the EDP Department.

4. PARTICIPANT TRAINING					X									
-------------------------	--	--	--	--	---	--	--	--	--	--	--	--	--	--

Comment on key factors determining rating

Employees of the Internal Revenue Office benefitted from IRS INTAX Middle Management Development Training.

5. COMMODITIES	N/A													
----------------	-----	--	--	--	--	--	--	--	--	--	--	--	--	--

Comment on key factors determining rating

6. COOPERATING COUNTRY	a. PERSONNEL		X											X
	b. OTHER			X										X

Comment on key factors determining rating

(a) Personnel deficiencies have impinged upon effectiveness of the program. The EDP Department had no qualified systems person; the Department's 5-computer operators will have to be augmented since 2 to 3 operators per shift are needed for the new computer; 3 of the 6 programmers were trainees, 3 were students working part-time.

(b) GOG has met all its commitments agreed to in the ProAg. Nevertheless, personnel deficiencies were attributable to inadequate salary levels. Personnel were subject to piracy by other organizations.

7. OTHER DONORS		X									X			
-----------------	--	---	--	--	--	--	--	--	--	--	---	--	--	--

(See Next Page for Comments on Other Donors)

AID 1020-28(10-70)	PROJECT NO. 520-11-790-199	PAR FOR PERIOD: 04-01-74/09-15-75	COUNTRY GUATEMALA	PAR SERIAL NO. 77-2
--------------------	-------------------------------	--------------------------------------	----------------------	------------------------

11. 7. Continued: Comment on key factors determining rating of Other Donors

OAS, the other donor, did not provide advisory assistance.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS	TARGETS (Percentage/Rate/Amount)						
	PLANNED	CUMULATIVE PRIORITY	CY XXXXXXXXXX 75		FY ____	FY ____	END OF PROJECT
			TO DATE	TO END			
Training - Supervisors and middle management in U. S. through IRS INTAX	PLANNED	35	41				45
	ACTUAL PERFORM- ANCE	32	36				
	REPLANNED						
Increase number of computer operators	PLANNED	5	8				8
	ACTUAL PERFORM- ANCE	5	5				
	REPLANNED						
	PLANNED						
	ACTUAL PERFORM- ANCE						
	REPLANNED						
	PLANNED						
	ACTUAL PERFORM- ANCE						
	REPLANNED						
D. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS	COMMENT:						
	1. Capable personnel to occupy responsible positions in EDP Department.	The Department is heavy with administrative personnel, but suffers from a shortage of qualified programmers and systems analysts, who are underpaid.					
	2. Control and identification of taxpayers by use of a single taxpayer identification number.	COMMENT: Will probably never be effected unless a national numbering system is adopted, because of the diverse ministries involved.					
3.	COMMENT:						

AID 1020-25 (10-70)	PROJECT NO.	PAR FOR PERIOD	COUNTRY	PAR SERIAL NO.
PAGE 4 PAR	520-11-790-199	04-01-74/09-15-75	GUATEMALA	77-2

IV. PROJECT PURPOSE

1. Statement of purpose as currently envisaged.

2. Same as in PROP? YES NO

Modernize and improve Guatemala's tax administration practices, policies and procedures.

<p>b. 1. Conditions which will exist when above purpose is achieved.</p>	<p>2. Evidence to date of progress toward these conditions.</p>
<p>Electronic Data Processing Dept. of Ministry of Finance provides the Ministry with a data base of information to properly assess and control revenue.</p>	<ul style="list-style-type: none"> - IBM medium-scale computer system with multi-programming capability fully operational, replacing 2 small-scale computers. - Completely computerized sales tax "master file" cross referenced to vehicle registration and sanitation license lists. - On-line billing and current account maintenance system for land tax program not fully operational because of lack of programmers. However, a vital part of basic files was completed: conversion of names and amounts from ledgers to the computer system.

V. PROGRAMMING GOAL

A. Statement of Programming Goal

Increase tax revenue collections to help the GOG meet its financial requirements to carry out National Development Plan.

B. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.

Modernization and improvement of tax administration practices, policies and procedures have contributed to the goal of increasing tax revenue collections. Sales tax collections for 1973 were \$24.3 million; 1974 collections were \$39 million; collections for first three-quarters of 1975 totalled \$32.4 million.

Modernization in the form of upgrading of the computer capability was an essential step toward effecting more efficient, and therefore higher, tax collections in view of the magnitude of the tax base and variety of taxes.