

5260051001

PD-AAB-301-C1 INITIAL PAR

5260051(8)

AID 1020-28 (7-68)	SECURITY CLASSIFICATION	001 PROJECT NUMBER
PROJECT APPRAISAL REPORT (PAR) (U-446) See M.O. 1026.1	UNCLASSIFIED	526-51-950-051

002 PAR	MO. DAY -YR.	003 U.S. OBLIGATION SPAN	004 PROJECT TITLE
AS OF: 06/15/69	FY 69	Thru FY 72	PRIVATE ENTERPRISE DEVELOPMENT (Private Development and Productivity Center)
008 COOPERATING COUNTRY - REGION - AID/W OFFICE			
PARAGUAY			

AID DOLLAR FINANCING-OBLIGATIONS (\$000)	TOTAL	CONTRACT (NON-ADO)	PERSONNEL SERVICES			PARTICIPANTS		COMMODITIES		OTHER COSTS	
			AID	PASA	CONTRACT	DIR. PASA	CONTRACT	DIR. PASA	CONTRACT	DIR. PASA	CONTRACT
CUMULATIVE NET THRU ACTUAL YEAR (FY 69)	382	213	66	-	213	47	-	30	-	26	-
PROPOSED OPERATIONAL YEAR (FY 69)	136	58	33	-	58	20	-	5	-	20	-

CCC VALUE OF P.L. 490 COMMODITIES (\$000) → Thru Actual Year : None Operational Year Program : None

007 IMPLEMENTING AGENCY TABLE

If contractors or participating agencies are employed, enter the name and contract or PASA number of each in appropriate spaces below; in the case of voluntary agencies, enter name and registration number from M.O. 1551.1, Attachment A. Enter the appropriate descriptive code in columns b and c, using the coding guide provided below.

TYPE CODE b	TYPE CODE c	IMPLEMENTING AGENCY	TYPE CODE		CONTRACT/ PASA/ VOLAG NO.	LEAVE BLANK FOR AID/W USE
			b.	c.		
1. U.S. CONTRACTOR	0. PARTICIPATING AGENCY	USAID (CIPM-E.Hill)	5		AID-csd 1168	
2. LOCAL CONTRACTOR	1. UNIVERSITY	USAID (Saussette)	6		AID-526-210	
3. THIRD COUNTRY CONTRACTOR	2. NON-PROFIT INSTITUTION	Chas. Hall (H.B. Maynard Co.)	5		AID/LA 239	
4. PARTICIPATING AGENCY	3. ARCHITECTURAL & ENGINEERING	USAID (Kello)	6		AID-526-220	
5. VOLUNTARY AGENCY	4. CONSTRUCTION					
6. OTHER:	5. OTHER COMMERCIAL					
	6. INDIVIDUAL					
	7. OTHER:					

PART I - PROJECT IMPACT

I-A. GENERAL NARRATIVE STATEMENT ON PROJECT EFFECTIVENESS, SIGNIFICANCE & EFFICIENCY.

This summary narrative should begin with a brief (one or two paragraph) statement of the principal events in the history of the project since the last PAR. Following this should come a concise narrative statement which evaluates the overall efficiency, effectiveness and significance of the project from the standpoint of:

- (1) overall performance and effectiveness of project implementation in achieving stated project targets;
- (2) the contribution to achievement of sector and goal plans;
- (3) anticipated results compared to costs, i.e., efficiency in resource utilization;
- (4) the continued relevance, importance and significance of the project to country development and/or the furtherance of U.S. objectives.

Include in the above outline, as necessary and appropriate, significant remedial actions undertaken or planned. The narrative can best be done after the rest of PART I is completed. It should integrate the partial analyses in I-B and I-C into an overall balanced appraisal of the project's impact. The narrative can refer to other sections of the PAR which are pertinent. If the evaluation in the previous PAR has not significantly changed, or if the project is too new to have achieved significant results, this Part should so state.

008 NARRATIVE FOR PART I-A (Continue on form AID 1020-25 I as necessary): This PAR deals exclusively with the Private Development and Productivity Center and does not consider other elements of Project 950-051. The Center was founded in October 1966. Since this time it has gradually increased its staff and the services which it offers to the Paraguayan business community. The Center developed a series of management training courses fairly rapidly after its inception, and they have been well accepted and supported by the local business community. Beginning in early 1969 the USAID was

MISSION DIRECTOR APPROVAL →	SIGNATURE Peter W. Cody	DATE 10/1/69
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able to provide the anticipated full complement of foreign advisors and the Center is now beginning to provide the previously-lacking consulting services. It is located in the same building as the two business associations that support it. This has had advantages but the staff has now grown to the point where new quarters are needed and there is no room for expansion in the present location.

To date, the Center has suffered from limited budgetary resources. The trade association contributions have been small and the income from courses insufficient to meet all the additional needs. However, revenues are now accruing from the consulting activities and the financial situation is improving.

Despite the slow start in some of the Center's activities and the attendant financial problems, it is the USAID's judgment that, on balance, overall achievement of activity targets to date has been satisfactory. As indicated in Part I-B, project activities in the field of investment promotion and in training courses have been the most successful to date, and, while consulting services to the business community have only begun to be productive, they are expected to increase substantially in scope and importance now that the additional AID-supported advisors are working in marketing and in industrial engineering.

As shown in the Funding Table on Page 1, the major AID resource input for this activity has been USAID funding for contract and AID personnel services. A critical factor in the use of this input was the initial difficulty in locating suitable U.S. contract advisors for the Center, and the break in continuity when the USAID Private Enterprise Advisor was forced for personal reasons to return to the U.S.-- with several months elapsing before the arrival of a new advisor. In addition, one of the two original contract advisors did not work out for a variety of reasons and had to be replaced, with a lapse of almost a year in obtaining the replacement. Also, the second advisor has proved to have strength only in one of the two fields in which he was supposed to work. However, now that the full staff is on board the personnel situation is rapidly improving. This improvement is reflected in the increasing revenues of the Center and is an obvious sign of growing confidence by the private business community in the effectiveness and usefulness of the Center.

The second most important AID resource input has been the participant training program, and this has been one of the most successful aspects of the total project activity. (See p. 7A of this PAR). The Center itself received much of its initial impetus by sending participants to observe the workings of centers elsewhere in Latin America, and, in total, the USAID has provided short-term training to more than thirty participants from both the public and private sectors and to members of the Center's Directive Council and staff. In addition to the training program, the other resource inputs are commodity and local costs supporting assistance, both of which are relatively small in magnitude. As indicated in Part II-B, p. 7A, commodity procurement and arrival was delayed during the period of ad hoc changes in USAID Private Enterprise Advisors, but the matter is now under control.

In summary, in the judgment of the USAID, the basic objectives of the Center activity remain valid. The activity should continue to receive high priority in terms of its relevance to Paraguayan development and U.S. objectives. The Paraguayan Government relies heavily on resources from the private sector to finance its

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development activities, and the country badly needs a more dynamic and efficient private sector to increase the GNP. The Center is contributing towards this goal as well as promoting a dialogue between the government and the private sector which have generally viewed each other with considerable distrust.

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PART I-B - PROJECT EFFECTIVENESS

I-B-1 - OUTPUT REPORT AND FORECAST - (See detailed instructions)

ODE NO. ID/W JSE NLY	2. This section is designed to record progress toward the achievement of each project output target which was scheduled in the PIP, Part II. Where progress toward a target is significantly greater or less than scheduled, describe reason(s) beneath the target.	ACTUAL AND PLANNED OUTPUTS (ALL DATA CUMULATIVE)				
		3 ACTUAL CUM. TO DATE	4. AS OF PRIOR JUNE 30		5. PLANNED BY NEXT JUNE 30	6. PROJECTED TOTAL FOR PROJECT LIFE
			a. PLANNED	b. ACTUAL		
	<p>1. <u>Establishment of Center</u></p> <p>Under Project Agreement N°1 (FY'67) for this project activity, the Center was established, largely as a result of the efforts of Dr. Joseph Pineros, USAID's Economic Advisor in 1966, who brought together several Paraguayan private sector groups interested in development of a productivity center. Following initial discussions and organizational efforts, the Center received the joint sponsorship of the Federation of Producers, Industry and Commerce (FEPRINCO) and the Paraguayan Industrial Union. It was made a legal entity in July 1966 and formally inaugurated in October 1966.</p>					
	<p>2. <u>Training of Administrative and Technical Staff of the Center</u></p> <p>The Center's full-time staff consists of an Executive Director, Administrative Assistant-Accountant, 3 Counterpart Technicians, and a Chief of Training, together with secretarial and messenger assistance. Most of the staff have received in-service or participant training. The 3 Counterpart Technicians, however, have not had as much supervision and guidance in in-service training as originally had been planned because of delay in recruitment of AID-supported advisors. Most of the in-service training therefore has been concentrated on investment promotion and research, with the help of the one AID contractor on board during 1966, i.e., the Investment Promotion Advisor. Also, training of these counterparts abroad has not been possible because of objections raised by the Ministry of Industry and Commerce (objections on political grounds).</p>					
	<p>3. <u>Short-term Training Courses and Seminars</u></p> <p>Number of courses given</p> <p>Number of participants</p> <p>Revenue produced for the Center</p>	<p>As of May 31, 1969</p> <p>33</p> <p>1,200</p> <p>26,000 (equiv.)</p>				

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These training courses for executives, administrators, and technical and middle-level personnel have represented one of the most effective activities, to date, of the Center. Subject matter covered includes: marketing, general business management, finance and control management, industrial management, cost accounting, warehouse organization, auditing, production administration, budget preparation and control, sales supervision, and related topics.

4. Productivity Workshops for Production Personnel

This planned activity has not yet gotten underway, primarily because of delay in recruitment of AID-financed contract advisors to the Center. Now that the full complement of advisors is on board, the Center is placing priority on programming a series of productivity workshops which will combine classroom discussions with in-plant demonstrations of improved production and management methods.

5. Technical Consultation and Information Services for Business Community

Implementation of this planned activity has been delayed because of delay in the recruitment of two of the three AID-supported contract advisors, i.e. the Marketing Advisor and the Industrial Engineering Advisor. Limited assistance, however, has been provided to four Paraguayan firms through the efforts of the Investment Promotion Advisor who was on board during 1968 and who helped the Center's Counterpart Technicians in providing these services. With the full complement of U.S. Advisors on board in 1969, technical consultation services have been substantially increased. Six consulting assignments, amounting to \$4,000 in fees, already have been carried out.

Also, the Center has established a small library and reference service which is designed for the needs of the Paraguayan business community. This service is now being utilized but is considered inadequate because of lack of space and staff librarian. Steps will be taken to improve the service during 1969.

6. Investment Promotion

The Center has been active in the field of investment promotion as a result of the activities of the U.S. Advisor in this field. The Center is actively wooing several major potential foreign investors. For example, an investment in a barge project which may amount to as much as \$15 million is under consideration by a major U.S. firm and, if this investment is made, the Center can claim a major part of the credit for a project of great potential importance for the Paraguayan economy. Another project in the field of limestone exploitation allied to barge transport development could result in increasing Paraguay's foreign exchange earnings by some \$7 million annually.

In the field of investment promotional materials, the Center cooperated with the Conway Research and the Ministry of Commerce in the production of a promotional booklet entitled "Paraguay, Site of Budding Promises". Five thousand copies were prepared in English and five thousand in Spanish, which resulted in 97 letters requesting additional information or contacts with Paraguayan businessmen. Although this program has not yet resulted in an investment it has generated increased interest in Paraguay's investment possibilities.

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Also, the Center has conducted a marketing and merchandising survey for a dairy cooperative which may lead to an investment project, and has assisted a Paraguayan entrepreneur in preparing a joint venture investment project in the wood industry for submission to the Interamerican Investment Promotion Center.

7. Encouragement of the Private Sector in Establishing Institutions for Promoting Capital Formation and Credit

The Center has provided technical consultation services and cooperation to the private Paraguayan business community in its efforts to establish a Private Development Bank (COMDPSA), and has stimulated the creation of a private cooperative organization to provide financing and technical assistance to local cattlemen.

8. Promotion of Conferences and Round Tables of Private Enterprise Leaders

At the present time, the Center is playing an active role in organizing a proposed conference of businessmen from the Cuenca del Plata countries (Argentina, Uruguay, Brazil and Bolivia).

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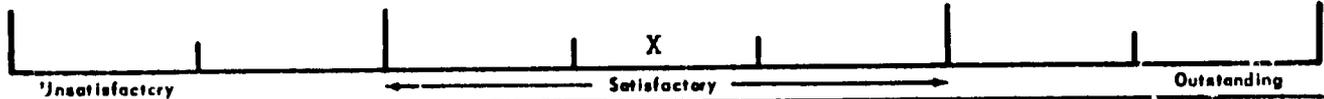
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PART I-B - Continued

010

B.2 - OVERALL ACHIEVEMENT OF PROJECT TARGETS

Place an "X" within the bracket on the following seven-point scale that represents your judgment of the overall progress toward project targets:



PART I-C - PROJECT SIGNIFICANCE

011

C.1 - RELATION TO SECTOR AND PROGRAM GOALS (See detailed instructions M.O. 1026.1)

This section is designed to indicate the potential and actual impact of the project on relevant sector and program goals. List the goals in col. b and rate potential and actual project impact in cols. c and d.

a. CODE NO. (AID/W USE ONLY)	SCALE FOR COLUMN c: 3= Very Important; 2= Important; 1= Secondary Importance SCALE FOR COLUMN d: 3= Superior/Outstanding; 2= Adequate/Satisfactory/Good; 1= Unsatisfactory/Marginal	c. POTENTIAL IMPACT ON EACH GOAL IF PROJECT ACHIEVES TARGETS	d. ACTUAL IMPACT ON GOAL TO DATE RELATIVE TO PROGRESS EXPECTED AT THIS STAGE
	b. SECTOR AND PROGRAM GOALS (LIST ONLY THOSE ON WHICH THE PROJECT HAS A SIGNIFICANT EFFECT)		
(1)	Development of institutional framework for stimulation and expansion of small and medium-scale enterprises	3	2
(2)	Promotion of private investment and foreign trade activities	3	2
(3)	Training of entrepreneurial, managerial and technical talent	2	2
(4)			

For goals where column c. is rated 3 or 2 and column d. is rated 1, explain in the space for narrative. The narrative should also indicate the extent to which the potential impacts rated 3 or 2 in column c. are dependent on factors external to the achievement of the project targets, i.e., is there a substantial risk of the anticipated impact being forestalled by factors not involved in the achievement of project targets. If possible and relevant, it also would be useful to mention in the narrative your reading of any current indicators that longer-term purposes, beyond scheduled project targets, are likely or unlikely to be achieved. Each explanatory note must be identified by the number of the entry (col. b) to which it pertains.

012 NARRATIVE FOR PART I-C.1 (Continue on form AID 1020-25 I): As shown in Part I-B-1, Output Report, the Center is making an important impact in activities related to the three sector goals listed above. Of special importance is the active role which the Center has taken in promoting the proposed Private Development Bank (COMDESA), which is now being considered for an AID development loan. If this Bank is firmly established it should be a powerful stimulus to small and medium-scale enterprises. Clearly, however, the Center cannot be regarded as the major determinant in achieving the first two sector goals listed above. These will depend in large part on the state of the Paraguayan economy, continued political stability, and the adoption of intelligent private enterprise development policies by the GOP. Also, insofar as the role of the Center itself is concerned, its activities must be carefully coordinated with (and in large part depend upon) the activities of such organizations as the National Development Bank, the Ministry of Industry and Commerce, and the In-Service Training Center of the National University if optimum results are to be obtained in achievement of sector goals.

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PART I-C - Continued

C.2 - GENERAL QUESTIONS

These questions concern developments since the prior PAR. For each question enter "Y" for Yes, "N" for No, or "NA" for Not Applicable in the right hand column. For each question where "Y" is entered, explain briefly in the space below the table.	MARK IN THIS COL.
013 Have there been any significant, unusual or unanticipated results not covered so far in this PAR?	N
014 Have means, conditions or activities other than project measures had a substantial effect on project output or accomplishments?	Y
015 Have any problems arisen as the result of advice or action or major contributions to the project by another donor?	N
016 If the answer to 014 or 015 is yes, or for any other reason, is the project now less necessary, unnecessary or subject to modification or earlier termination?	N
017 Have any important lessons, positive or negative, emerged which might have broad applicability?	Y
018 Has this project revealed any requirement for research or new technical aids on which AID/W should take the initiative?	N
019 Do any aspects of the project lend themselves to publicity in newspapers, magazines, television or films in the United States?	Y
020 Has there been a lack of effective cooperating country media coverage? (Make sure AID/W has copies of existing coverage.)	N
021 <u>NARRATIVE FOR PART I-C.2</u> Identify each explanatory note by the number of the entry to which it pertains. (Continue on form AID 1020-25 I as necessary):	

014 The generally conservative and "underdeveloped" state of the Paraguayan business community has meant that the Center has had to work actively to sell its services and convince the community of its value. In particular, this has meant that the Center has not received the financial support from the business community originally anticipated. The recent increased utilization of the Center's services on a fee basis does however indicate a willingness to pay for services rendered by individual firms.

017 The history of this project underscores the critical importance of obtaining well-qualified contract advisors who can work effectively in the Paraguayan situation. Many of the ~~initial~~ weaknesses of the Center and its difficulties in achieving a balanced growth are attributable to the lack of qualified U.S. advisors at the beginning of the project whose guidance and support is particularly important for a newly-created organization.

019 If the planned Cuenca del Plata conference of the Private Sector takes place in 1969, newspaper coverage would seem appropriate, since it demonstrates how the business sector of a small country can take the lead in regional integration.

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PART II - IMPLEMENTATION REPORT

II-A - STATUS OF SCHEDULE

022 A-1 - INDIVIDUAL ACTIONS (See detailed instructions M.O. 1026.1). This is a listing of major actions or steps which were scheduled for physical start or continuing implementation in the reporting period as reflected in the Project Implementation Plan, Part I.

(a)

PIP ITEM NO.	MAJOR ACTIONS OR STEPS; CAUSES AND RESULTS OF DELAYS; REMEDIAL STEPS	(b) STATUS - PLACE AN "X" IN, ONE COLUMN		
		(1) BEHIND SCHEDULE	(2) ON SCHEDULE	(3) AHEAD OF SCHEDULE
	1. <u>Recruitment of competent Executive Director and location of adequate working facilities</u>		X	
	2. <u>Recruitment of Paraguayan counterparts for foreign advisors.</u> This has been ahead of schedule, but it would be desirable to have more counterparts for the advisors. This is not possible at present because the financial resources of the Center will not permit the recruitment of additional counterparts until there is sufficient income generated from offering consulting services backstopped by foreign advisors.			X
	3. <u>Recruitment of competent foreign advisors</u> Recruitment of the three advisors has been slow and quality of the advisors uneven. However, by the end of February 1969, all three foreign advisor positions were filled satisfactorily.	X		
	4. <u>Offering of technical consultation services in marketing, industrial engineering and investment promotion.</u> With the exception of investment promotion, the Center has not had the required foreign advisors to promote these services. The situation should begin to improve in March 1969.	X		
	5. <u>Offer training courses to the business community</u>		X	
	6. <u>Promotion of Cuenca del Plata Conference of the private business community.</u> This activity is behind schedule and action is now being taken to ensure the participation of representatives of other countries and to establish a firm date.	X		
	7. <u>Offer productivity workshops to Paraguayan industries.</u> To date, it has been difficult to organize Paraguayan industries to effectively utilize the services of a foreign advisor. This activity should be implemented however in 1969, but must be given higher priority to prevent continuing slippage.	X		
	8. <u>Broaden the financial base of the Center, particularly through recruitment of new members.</u> Although FEPRINCO and the Unión Industrial have given lip-service to broadening the base of the Center, more initiative and action are required to obtain results. The USAID is working with the Executive Board and the Executive Director of the Center to ensure an active campaign for new members.	X		

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PART II - Continued

023 II-A.2 - OVERALL TIMELINESS

In general, project implementation is (place an "X" in one block):

	(a) On schedule	
	(b) Ahead of schedule	
	(c) Behind schedule <i>but catching up</i>	X
BLOCK (c): If marked, place an "X" in any of the blocks one thru eight that apply. This is limited to key aspects of implementation, e.g., timely delivery of commodities, return of participants to assume their project responsibilities, cooperating country funding, arrival of technicians.	(1) AID/W Program Approval	
	(2) Implementing Agency (Contractor/Participating Agency/Voluntary Agency)	
	(3) Technicians - <i>ADVISORS</i>	X
	(4) Participants	
	(5) Commodities (non-FFF)	X
	(6) Cooperating Country	X
	(7) Commodities (FFF)	
	(8) Other (specify):	

II-B - RESOURCE INPUTS

This section appraises the effectiveness of U.S. resource inputs. There follow illustrative lists of factors, grouped under Implementing Agency, Participant Training and Commodities, that might influence the effectiveness of each of these types of project resources. In the blocks after only those factors which significantly affect project accomplishments, write the letter P if effect is positive or satisfactory, or the letter N if effect is negative or less than satisfactory.

1. FACTORS-IMPLEMENTING AGENCY (Contract/Participating Agency/Voluntary Agency)

024 IF NO IMPLEMENTING AGENCY IN THIS PROJECT. PLACE AN "X" IN THIS BLOCK:		032 Quality, comprehensiveness and candor of required reports	P
		033 Promptness of required reports	P
025 Adequacy of technical knowledge	N	034 Adherence to work schedule	
026 Understanding of project purposes		035 Working relations with Americans	
027 Project planning and management		036 Working relations with cooperating country nationals	N
028 Ability to adapt technical knowledge to local situation	N	037 Adaptation to local working and living environment	
029 Effective use of participant training element		038 Home office backstopping and substantive interest	
030 Ability to train and utilize local staff	N	039 Timely recruiting of qualified technicians	
031 Adherence to AID administrative and other requirements		040 Other (describe):	

2. FACTORS-PARTICIPANT TRAINING

041 IF NO PARTICIPANT ELEMENT IN PROJECT. PLACE AN "X" IN THIS BLOCK:		TRAINING UTILIZATION AND FOLLOW UP	
		052 Appropriateness of original selection	
PREDEPARTURE			
042 English language ability	N	053 Relevance of training for present project purposes	P
043 Availability of host country funding		054 Appropriateness of post-training placement	
044 Host country operational considerations (e.g., selection procedures)		055 Utility of training regardless of changes in project	P
045 Technical/professional qualifications	P	056 Ability to get meritorious ideas accepted by supervisors	
046 Quality of technical orientation		057 Adequacy of performance	
047 Quality of general orientation		058 Continuance on project	
048 Participants' collaboration in planning content of program	P	059 Availability of necessary facilities and equipment	
049 Collaboration by participants' supervisors in planning training		060 Mission or contractor follow-up activity	
050 Participants' availability for training		061 Other (describe):	
051 Other (describe):		Initiation of new programs	P

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PART II-B - Continued

3. FACTORS-COMMODITIES

PLACE AN "X" IN APPROPRIATE BLOCK:	062 FFF	063 NON-FFF	064 NO COMMODITY ELEMENT	072 Control measures against damage and deterioration in shipment.
065 Timeliness of AID/W program approval (i.e., PIO/C, Transfer Authorization).				073 Control measures against deterioration in storage.
066 Quality of commodities, adherence to specifications, marking.				074 Readiness and availability of facilities.
067 Timeliness in procurement or reconditioning.			N/A	075 Appropriateness of use of commodities.
068 Timeliness of shipment to port of entry.			N/A	076 Maintenance and spares support.
069 Adequacy of port and inland storage facilities.				077 Adequacy of property records, accounting and controls.
070 Timeliness of shipment from port to site.				078 Other (Describe):
071 Control measures against loss and theft.				

Indicate in a concise narrative statement (under the heading a. Overall Implementation Performance, below) your summary appraisal of the status of project implementation, covering both significant achievements and problem areas. This should include any comments about the adequacy of provision of direct hire technicians as well as an overall appraisal of the comments provided under the three headings (b, c & d) which follow. For projects which include a dollar input for generation of local currency to meet local cost requirements, indicate the status of that input (see Detailed Instructions).

Discuss separately (under separate headings b, c & d) the status of Implementing Agency Actions, Participants and Commodities. Where above listed factors are causing significant problems (marked N), describe briefly in the appropriate narrative section: (1) the cause and source of the problem, (2) the consequences of not correcting it, and (3) what corrective action has been taken, called for, or planned by the Mission. Identify each factor discussed by its number.

079 NARRATIVE FOR PART II-B: (After narrative section a. Overall Implementation Performance, below, follow, on form AID 1020-251 as needed, with the following narrative section headings: b. Implementing Agency, c. Participants, d. Commodities. List all narrative section headings in order. For any headings which are not applicable, mark them as such and follow immediately below with the next narrative section heading.)

a. Overall Implementation Performance. Considering that the Center is a relatively new creation, it has made reasonably good progress in implementation. Although procurement of commodities has been slow (particularly automobiles), the critical factor until recently has been difficulty in locating suitable U. S. advisors for the Center, and the hiatus caused by the delay in securing the second USAID Private Enterprise Advisor.

The Center also has grown out of its working space and has lacked adequate financial support from the local business community, which has prevented the Center from offering new services. Thus, the Center has reached a plateau at which lack of financial resources and/or trained personnel prevent it from raising the funds for new quarters or personnel which, in turn, make it very difficult for the Center to expand the scope of its activities and earn more money. This situation has forced the Center to look increasingly to the USAID for local costs. It is anticipated that once the program of technical assistance can be more firmly established and contributions obtained from additional members, this dependence on dollar funding for local costs should decline.

b. Implementing Agency. One contract technician, selected by H.B. Maynard & Co., did not have the proper attitude and approach and had to be released after less than a year. The Investment Promotion Advisor, also selected by H.B. Maynard, has been performing exceptionally well in the investment field but his technical competence and interest does not extend to the other major field in which he initially was scheduled to work. Limited language capability is a handicap. The Private Enterprise Development Officer personally selected a replacement

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for the first technician, and steps have been taken to restructure the job of the second technician, who also is taking steps to improve his language capability.

The services of two additional U.S. financed technicians have now been secured. Both have the language, are technically qualified and have adjusted extremely well to their work, their counterparts and the Paraguayan scene.

c. Participant Training. In general, this has been one of the most successful aspects of this program. The Center itself received much of its initial impetus by sending participants to observe the workings of similar institutions elsewhere in Latin America. Some of the more successful participant training of the Center's program have included a Conway orientation tour for five participants which has generated activities for development of local economic and social development centers in interior cities of Paraguay. Another participant group sponsored by the Center which has considerable potential is one involving a group of Paraguayan government and business leaders who are organizing a conference of the private sector in Asuncion to discuss integration of the Cuenca del Plata. Other participant training for the Executive Director of the Center has proved helpful in orientating him to the operation of similar centers in other countries. As mentioned previously government objectives to a proposed participant caused the Center to postpone training abroad for the three counterpart-trainees.

Commodities. As indicated above, commodities have been slow in arriving in Paraguay -- particularly automobiles and air conditioner. In the latter case, it has been necessary to lend air conditioners from the USAID office. The basic reason for the slow arrival was the unanticipated emergency departure of the Private Enterprise Development Officer and consequent delays in executing procurement under a Project Agreement. The USAID is expediting delivery of commodities already ordered and will plan to anticipate future commodity needs well in advance while executing procurement documents rapidly. However, since commodities are a relatively small portion of the total project, (particularly now that the major commodities have been ordered and are arriving) it is not believed that inadequate performance in this area is a critical factor.

PART III - ROLE OF THE COOPERATING COUNTRY

The following list of illustrative items are to be considered by the evaluator. In the block after only those items which significantly affect project effectiveness, write the letter P if the effect of the item is positive or satisfactory, or the letter N if the effect of the item is negative or less than satisfactory.

SPECIFIC OPERATIONAL FACTORS:	
080 Coordination and cooperation within and between ministries.	N
081 Coordination and cooperation of LDC gov't. with public and private institutions and private enterprise.	N
082 Availability of reliable data for project planning, control and evaluation.	
083 Competence and/or continuity in executive leadership of project.	
084 Host country project funding.	N
085 Legislative changes relevant to project purposes.	
086 Existence and adequacy of a project-related LDC organization.	P
087 Resolution of procedural and bureaucratic problems.	
088 Availability of LDC physical resource inputs and/or supporting services and facilities.	
089 Maintenance of facilities and equipment.	P
090 Resolution of tribal, class or caste problems.	
091 Receptivity to change and innovation.	P
092 Political conditions specific to project.	
093 Capacity to transform ideas into actions, i.e., ability to implement project plans.	
094 Intent and/or capacity to sustain and expand the impact of the project after U.S. inputs are terminated.	P
095 Extent of LDC efforts to widen the dissemination of project benefits and services.	
096 Utilization of trained manpower (e.g., participants, counterpart technicians) in project operations.	P
097 Enforcement of relevant procedures (e.g., newly established tax collection and audit system).	
098 Other:	
HOST COUNTRY COUNTERPART TECHNICIAN FACTORS:	
099 Level of technical education and/or technical experience.	
100 Planning and management skills.	
101 Amount of technician man years available.	
102 Continuity of staff.	P
103 Willingness to work in rural areas.	
104 Pay and allowances.	N
105 Other:	

In the space below for narrative provide a succinct discussion and overall appraisal of the quality of country performance related to this project, particularly over the past year. Consider important trends and prospects. See Detailed Instructions for an illustrative list of considerations to be covered.

For only those items marked N include brief statements covering the nature of the problem, its impact on the achievement of project targets (i.e., its importance) and the nature and cost of corrective action taken or planned. Identify each explanatory note.

106 NARRATIVE FOR PART III (Continue on form AID 1020-25 I):

081 In general, there is an uneasy relationship between the GOP and the private sector. The GOP, while realizing that economic development depends in large part on the private sector, is taking a cautious position towards strengthening this sector.

084 Contributions from FEMPRINCO and the Unión Industrial have been small (about 11% of total resources budgeted for the Center) and have been slow in being paid. However, now that the Center has the support of a full staff of U.S. advisors, the situation is improving as additional revenues are being received not only from the training courses but also from an increasing number of consulting services.

104 Pay for the Paraguayan counterparts is too low to attract people with considerable prior experience. Thus it has been necessary to hire bright but inexperienced people and provide them with extensive in-service training. There is a danger that these counterparts will leave the Center for better-paying jobs in the private sector after gaining experience at the Center, although none have left so far. It is therefore likely that the training process for counterparts will be a continuing one unless it becomes possible to pay more.

UNCLASSIFIED

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PART IV - PROGRAMMING IMPLICATIONS
IV-A - EFFECT ON PURPOSE AND DESIGN

Indicate in a brief narrative whether the Mission experience to date with this project and/or changing country circumstances call for some adjustment in project purposes or design, and why, and the approximate cost implications. Cover any of the following considerations or others that may be relevant. (See Detailed Instructions for additional illustrative considerations.) Relevant experience or country situations that were described earlier can simply be referenced. The spelling out of specific changes should be left to the appropriate programming documents, but a brief indication of the type of change contemplated should be given here to clarify the need for change. For example, changes might be indicated if they would:

1. better achieve program/project purposes;
2. address more critical or higher priority purposes within a goal plan;
3. produce desired results at less cost;
4. give more assurance of lasting institutional development upon U.S. withdrawal.

107 NARRATIVE FOR PART IV-A (Continue on form AID 1020-25 I):

The project purposes remain valid -- the basic problem is to accelerate progress in achieving the goals. Special emphasis must continue to be placed on increasing the Center's capacity to provide effective consulting services to the business community. Also greater local business financial support must be obtained from the private sector.

IV-B - PROPOSED ACTION

108 This project should be (Place an "X" in appropriate block(s)):

- | | |
|--|---|
| 1. Continued as presently scheduled in PIP. | |
| 2. Continued with minor changes in the PIP, scope of Mission level that requiring submission of an amended PIP to AID/W). | X |
| 3. Continued with significant changes in the PIP (but not sufficient to require a revised PROP). A formally revised PIP will follow. | |
| 4. Extended beyond its present schedule to (Date): Mo. ___ Day ___ Yr. ___. Explain in narrative, PROP will follow. | |
| 5. Substantively revised. PROP will follow. | |
| 6. Evaluated in depth to determine its effectiveness, future scope, and duration. | |
| 7. Discontinued earlier than presently scheduled. Date recommended for termination: Mo. ___ Day ___ Yr. ___ | |
| 8. Other. Explain in narrative. | |

109 NARRATIVE FOR PART IV-B: