

5260018011

5260018-0  
ARC-78-7

**PROJECT APPRAISAL REPORT (PAR)**  
(U-446) See M.O. 1026.1

SECURITY CLASSIFICATION  
**UNCLASSIFIED**

001 PROJECT NUM  
526-51-790-018.1

002 PAR AS OF: MO. DAY YR. 003 U.S. OBLIGATION SPAN FY Thru FY  
008 COOPERATING COUNTRY - REGION - AID/W OFFICE  
**PARAGUAY**

004 PROJECT TITLE  
**Government Management and Organization  
(IRS Advisory Assistance in Tax Administr.)**  
A.I.D.  
Reference Confer Room 1656 NS

**006 FUNDING TABLE**

| AID DOLLAR FINANCING-OBLIGATIONS (\$000) | TOTAL | CONTRACT (NON-ADD) | PERSONNEL SERVICES |      |          | PARTICIPANTS |          | COMMODITIES |          | OTHER COSTS |          |
|--|-------|--------------------|--------------------|------|----------|--------------|----------|-------------|----------|-------------|----------|
|  |       |                    | AID                | PASA | CONTRACT | DIR. PASA    | CONTRACT | DIR. PASA   | CONTRACT | DIR. PASA   | CONTRACT |
| CUMULATIVE NET THRU ACTUAL YEAR (FY 19 ) |       |                    |                    |      |          |              |          |             |          |             |          |
| PROPOSED OPERATIONAL YEAR (FY 19 )       |       |                    |                    |      |          |              |          |             |          |             |          |

CCC VALUE OF P.L. 480 COMMODITIES (\$000) → Thru Actual Year : Operational Year Program :

**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                    | a. IMPLEMENTING AGENCY | TYPE CODE |    | d. CONTRACT/PASA/VOLAG NO. | e. LEAVE BLANK FOR AID/W USE |
|-----------------------------|--------------------------------|------------------------|-----------|----|----------------------------|------------------------------|
|                             |                                |                        | b.        | c. |                            |                              |
| 1. U.S. CONTRACTOR          | 0. PARTICIPATING AGENCY        | 1.                     |           |    |                            |                              |
| 2. LOCAL CONTRACTOR         | 1. UNIVERSITY                  | 2.                     |           |    |                            |                              |
| 3. THIRD COUNTRY CONTRACTOR | 2. NON-PROFIT INSTITUTION      | 3.                     |           |    |                            |                              |
| 4. PARTICIPATING AGENCY     | 3. ARCHITECTURAL & ENGINEERING |                        |           |    |                            |                              |
| 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):

See page N° 1A (continuation sheet) attached.

MISSION DIRECTOR APPROVAL → SIGNATURE **Peter M. Cody, Director** DATE **5/19/69**

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## PAR CONTINUATION SHEET

This sheet is to be used for any Narrative Sections for which sufficient space has not been provided on the form. Identify each narrative by its Part and Section Designation.

Supplement to PAR, Government Management and Organization (IRS Advisory Assistance in Tax Administration)

At the request of Mr. Harold Moss, Director Foreign Tax Assistance Service of the Internal Revenue Service, I have reviewed the Project Appraisal Report (PAR) for the "IRS Advisory Assistance in Tax Administration" project prepared in my absence due to home leave. In making this review I have considered the comments forwarded to Mr. Moss by Mr. Hansen in his letter of January 24, 1969.

I believe most of the differences between the PAR as written and the comments of Mr. Hansen are largely those of emphasis and nuance. The major difference is the question of the overall rating of "satisfactory" (see section 1.B.2). I would agree this rating may understate the contribution of the IRS team but this section is designed to evaluate the overall achievement of project targets, and not the quality of the advisory services provided by IRS. I have directly observed the project only as regards Mr. Hansen's contribution. Mr. Luke left very shortly after I arrived, Mr. Fenimore before. It is my impression, however, that the long-run benefits of Mr. Luke's work which are just now beginning to bear fruit in real estate taxation may be more than marginal. This achievement is in part due to the qualities of the advisors and in part due to the receptivity and adaptability of their counterparts. If the ground work done by Mr. Luke is now beginning to produce significant results which were not previously observed, then certainly the evaluation of this aspect of the work can and should be raised in the next annual PAR.

As regards Mr. Fenimore's contribution this was not directly observed by me and presumably Mr. Hansen is the best judge of what portions of his own successes derived from Mr. Fenimore's prior effort. However, I believe that the PAR as written does give more credit to Mr. Fenimore's efforts than Mr. Hansen allows.

Mr. Hansen is correct that during the last two years of the project he has received far more support from the Embassy and Mission than was previously the case. The activities of the IRS team were previously closely limited because it was felt that putting pressures on the GOP in this area might prejudice the attainment of the political objectives given first priority by the previous Ambassador. The present Ambassador has given far greater emphasis to economic and social objectives and the USAID has given top priority to fiscal questions.

In summary Mr. Hansen may be correct that some of his and the accomplishments of the other IRS team members are understated and deserve more emphasis or specific documentation. They are not however, I believe, ignored or downplayed to the full extent it indicates in his letter and it must be remembered that there are many factors in addition to the technical assistance component which effect the degree of success of a project. The IRS effort as I observed during Mr. Hansen's tenure was in many ways superior. I attribute this primarily to Mr. Hansen's ability to establish effective personal and working relations with the Ministry and other GOP personnel. He was able to use these relationships to produce results both because of his technical competence and the support he received from the Embassy and the Mission.

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| SECURITY CLASSIFICATION<br><p style="text-align: center;"><b>UNCLASSIFIED</b></p> | PROJECT NUMBER<br><p style="text-align: center;"><b>526-51-790-018</b></p> |
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**PAR CONTINUATION SHEET**

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Considerable new tax legislation has been enacted during the last six months while prior to that few if any laws were passed for a number of years. There is a very good chance that the technical ground work in audit and administration performed by Mr. Hansen and the other IRS personnel will provide a good basis upon which the present advisor Mr. Flaherty can make considerable progress.

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